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 read 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. You should read that section carefully before you decide to invest in the*** **[REDACTED]**.

OVERVIEW

We are one of the top three independent clinical laboratory, or ICL, service providers in China in terms of total revenues during the Track Record Period, according to Frost & Sullivan. Our business has demonstrated strong growth during the Track Record Period, with our total revenues increasing at a CAGR of 33.1% from RMB2,741.7 million in 2020 to RMB4,860.6 million in 2022. We offer comprehensive and best-in-class testing services primarily to hospitals and health check centers through an integrated network of 32 self-operated laboratories across China. The high quality of our services is backed by our strong performance in terms of international accreditation and comprehensive testing menu. As of December 31, 2022, 18 of our laboratories were accredited by ISO15189, which enabled us to provide customers with the quality assurance that comes with this rigorous international standard. Our testing portfolio consists of over 4,000 medical diagnostic tests, including over 1,700 routine tests and over 2,300 esoteric tests, as of December 31, 2022. During the Track Record Period, our testing volume increased at a CAGR of 65.6% from 60.1 million in 2020 to 164.9 million in 2022. We are committed to continuously serving our patients and the general public with our high-quality testing services as a leading ICL service provider in China, and becoming a trusted and reliable partner for medical professionals and the general public.

We believe that we are well-positioned to benefit from the growing demand for testing services in China. Driven by a series of favorable government policies and industry tailwinds, the ICL market size in China grew rapidly at a CAGR of 10.9% from RMB14.7 billion in 2017 to RMB22.3 billion in 2021, and is expected to further grow at a CAGR of 18.2% to RMB51.3 billion in 2026, according to Frost & Sullivan. In addition, the ICL market in China is still at a nascent stage compared to that of other developed countries. For example, China's ICL penetration rate, measured by the ICL testing market size as a percentage of the total clinical testing market size, in 2021 was approximately 6%, significantly less than 60% for Japan, 44% for Germany and 35% for the United States. China also lags behind in terms of clinical test spending per patient, with this figure one-sixth the size of that of the United States in 2021. As a result, there remains significant room for China's ICL market to further develop and continue to grow.

In response to the continuing growth of healthcare expenditures, healthcare reforms in China have emphasized the implementation of cost-control measures, where ICLs have played an increasingly important role. As budgetary pressure intensifies, hospitals are increasingly incentivized to outsource clinical tests to qualified ICL service providers like us to reduce costs. In addition, as part of overall healthcare reforms, implementation of hierarchical diagnosis and treatment systems have propelled patient flow shifting from Class III hospitals in major cities towards Class II and Class I hospitals and community health centers in lower-tier cities. With increased testing volume and limited testing capabilities, these hospitals are more inclined to use ICLs for assured quality, comprehensive test menus, competitive pricing, and timely reporting. The Chinese government has vigorously encouraged collaboration between hospitals and ICLs and streamlined the approval process for chain ICLs, which has and will continue to accelerate the growth of the ICL market. Furthermore, increasing awareness for preventive treatment and emergence of new pharmaceutical therapies in recent years have spurred the demand for specialized testing. It is costly for hospital-based laboratories to introduce such new tests, as they often lack sufficient patient volume and advanced testing technologies. As a result, demand for cost-competitive and high-value testing services, which ICLs are capable of offering, has been growing significantly.

At the same time, the ICL industry in China is characterized by its significant entry barriers. The complex regulatory framework, high standards for advanced testing technologies and logistics capabilities, as well as the demand for experienced professionals, largely limit the growth of new entrants. In particular, the ICL market in China is heavily regulated and it is difficult and time-consuming for new market players to obtain approval for licenses and certificates to open laboratories. As such, hospitals often prefer incumbent and established ICLs that they are familiar with, and new entrants are often faced with unfavorable terms from hospitals, if they are able to get business from such hospitals at all. In addition, successful ICLs generally have a large network of laboratories, which require large amounts of capital investment and take years or decades to establish. Therefore, large-scale chain ICLs with comprehensive test offerings and strong technical capabilities usually enjoy economies of scale and higher cost efficiency, and are better positioned to further increase their market shares.

As a market leader in providing ICL services in China, we believe that we are well-positioned to benefit from the aforementioned barriers to entry and capture a greater share of the fast-growing market. We believe our success is underpinned by our industry-leading operations and capabilities. We have an experienced senior and regional management team. Our comprehensive test offerings are supported by our advanced technologies focusing on a broad spectrum of testing platforms, as well as strong R&D capabilities. We operate a dedicated cold-chain logistics network covering more than 19,000 customers across 30 provinces and municipalities and over 1,600 cities and counties in China by the end of 2022, which ensures speedy transport of our samples and timely reporting of testing results. In addition, we leverage our proprietary IT infrastructure, Laboratory Information System, to ensure accurate processing and storage of data, as well as effective customer management across our laboratories nationwide. We also assembled a dedicated sales and marketing team of over 1,500 personnel with high level of industry knowledge and expertise to help us broaden our presence nationwide.

In addition, our Controlling Shareholders have provided us with substantial strategic insights and helped us to strengthen management capabilities, operational efficiency, business development capabilities, and corporate governance. Aided by the changes implemented by our Controlling Shareholders since 2018, we experienced rapid growth and strong financial performance during the Track Record Period. Our total revenues grew at a CAGR of 33.1% from RMB2,741.7 million in 2020 to RMB4,860.6 million in 2022. Our net profit increased at a CAGR of 53.8% from RMB289.5 million in 2020 to RMB684.9 million in 2022. Our adjusted EBITDA (non-IFRS measure) grew at a CAGR of 34.0% from RMB567.6 million in 2020 to RMB1,019.8 million in 2022. Our adjusted net profit (non-IFRS measure) grew at a CAGR of 30.1% from RMB367.0 million in 2020 to RMB621.1 million in 2022. See "Financial Information – Non-IFRS Measures".

OUR STRENGTHS

We believe the following competitive advantages have contributed to our success and will help drive our growth in the future:

- A market leader in the rapidly growing ICL industry;
- Comprehensive, high-quality and advanced test portfolio underpinned by our strong R&D and quality control capabilities;
- Industry-leading ICL operational capabilities;
- Strong growth trajectory fueled by expanding service offerings and superior execution evidenced by robust financial performance; and
- Top-tier and experienced management team solidified by shareholder support.

For further details, see "Business – Our Strengths."

OUR STRATEGIES

To achieve our mission and further solidify our leadership, we intend to pursue the following growth strategies:

- Further strengthen our testing capabilities and portfolio to drive future growth;
- Enhance the breadth and depth of our ICL network by strategically penetrating untapped markets;
- Continue to develop new testing methods and apply innovative technologies;
- Further optimize IT infrastructure as well as automate our laboratory processes and logistics; and
- Selectively pursue strategic investment and alliances, and other emerging growth opportunities.

For further details, see "Business – Our Strategies."

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in "Risk Factors" in this Document. You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include the following:

- Our operations face competition that could adversely affect our results of operations. If we cannot compete successfully with our competitors, we may be unable to increase or sustain our revenues or achieve and sustain profitability.
- We conduct our business in a heavily regulated industry. We may be adversely affected by the uncertainties and changes in PRC regulations with respect to the ICL industry.
- If we fail to comply with applicable licensing requirements, or become damaged or inoperable, our ability to perform tests may be jeopardized.
- Any adverse change in the regulatory regime relating to ICL industry or the healthcare industry may limit our ability to provide testing services and may have a material adverse effect on our business, results of operations and financial condition.
- Failure in service quality control may adversely affect our operating results, reputation and business.
- Failure to obtain and retain new customers, the loss of existing customers, or a reduction in tests requested or specimens submitted by existing customers could impact our ability to successfully grow our business.
- Our past financial performance may not be indicative of our future results.
- The COVID-19 pandemic had and may continue to have material impacts on our business, results of operations and financial performance.
- Revenues generated from COVID-19 related testing services may not be sustainable.
- If we fail to keep up with industry and technology developments or implement new technologies into our test offerings in a timely and cost-effective manner, we may be unable to compete effectively and our business and prospects could suffer.
- Certain of our leased properties are subject to land defects, and we maybe required to vacate such properties which could adversely affect our business, financial condition and results of operations.

[REDACTED] INVESTORS

We received two rounds of [**REDACTED**] financings from our [**REDACTED**] Investors. In view of the success and prospects of our Group, Pearl Group Limited, a company owned by investment funds which are (by and through their controlled affiliates and their respective general partners) ultimately controlled by Carlyle, one of the world's largest and most diversified global investment firms, approached our Group with a number of other investors and made the Round A [**REDACTED**] Investments between September 2018 and July 2019. As agreed among the investors, the Round A [**REDACTED**] Investments were led by Pearl Group Limited as it initiated the investment in our Group, and made the largest amount of investment among the investors. As our business continued to thrive after the Round A [**REDACTED**] Investments, Pantai Juara Investments Limited, a company wholly owned by Khazanah National Berhad, a sovereign wealth fund of Malaysia tasked with growing the long-term wealth of the nation, LBC Sunshine Healthcare Fund II L.P., an exempted limited partnership managed by Lake Bleu Capital (Hong Kong) Limited, a sophisticated investor specializing in investing in healthcare companies in Asia and Greater China, together with other investors, made the Round B [**REDACTED**] Investments between December 2020 and January 2021. As agreed among the investors, the Round B [**REDACTED**] Investments were led by Pantai Juara Investments Limited and LBC Sunshine Healthcare Fund II L.P.. For further details, including the identity and background of our [**REDACTED**] Investors, see "History, Reorganization and Corporate Structure – [**REDACTED**] Investments" in this Document.

OUR CONTROLLING SHAREHOLDERS

Pearl Group Limited was entitled to exercise the voting rights to approximately 39.87% of our total issued Shares as of the Latest Practicable Date, and will be entitled to exercise the voting rights to approximately [**REDACTED**]% of our total issued Shares immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised). Pearl Group Limited is 94.57% owned by Carlyle Asia Partners V, L.P. and 5.43% owned by CAP V Co-Investment, L.P.. The general partner of Carlyle Asia Partners V, L.P. and CAP V Co-Investment, L.P. is CAP V General Partner, L.P.. The general partner of CAP V General Partner, L.P. is CAP V, L.L.C., a subsidiary of Carlyle. Accordingly, Carlyle, CAP V, L.L.C., Carlyle Asia Partners V, L.P., CAP V Co-Investment, L.P., CAP V General Partner, L.P. and Pearl Group Limited will be our Controlling Shareholders upon the [**REDACTED**].

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth a summary of the financial information from our combined financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I. The summary of combined financial data set forth below should be read together with, and is qualified in its entirety by reference to, the combined financial statements in this Document, including the related notes. Our combined financial information has been prepared in accordance with IFRS.

Summary of Consolidated Statements of Comprehensive Income

	For the Year Ended December 31,		
	2020	2021	2022
	(RMB in thousands)		
Revenues	**2,741,731**	**3,379,515**	**4,860,613**
Costs of sales	(1,625,071)	(1,937,126)	(2,964,448)
Gross profit	**1,116,660**	**1,442,389**	**1,896,165**
Selling and marketing expenses	(359,051)	(489,783)	(553,272)
Administrative expenses	(236,566)	(263,003)	(282,262)
Research and development expenses	(102,009)	(125,446)	(162,746)

	For the Year Ended December 31,		
	2020	**2021**	**2022**
	(RMB in thousands)		
Fair value (loss)/gain on financial liabilities at FVTPL	–	(61,531)	87,044
Profit before tax	**358,185**	**417,243**	**820,812**
Income tax expense	(68,732)	(94,948)	(135,928)
Profit for the year	**289,453**	**322,295**	**684,884**
Attributable to:			
Owners of the parent	284,121	315,540	680,793
Non-controlling interests	5,332	6,755	4,091

Non-IFRS Measures

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use non-IFRS measures, namely EBITDA (non-IFRS measure), adjusted EBITDA (non-IFRS measure), and adjusted net profit (non-IFRS measure) as additional financial measures, which are not required by or presented in accordance with IFRS. We believe that such non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We exclude share-based compensation expenses, [**REDACTED**] and fair value loss/(gain) on convertible redeemable preferred shares at FVTPL when presenting non-IFRS measures. Share-based compensation expenses are non-cash in nature and do not result in cash outflow, and the adjustment has been consistently made during the Track Record Period. We also exclude [**REDACTED**] with respect to this [**REDACTED**]. In addition, we account for the convertible preferred shares as financial liabilities at fair value through profit or loss. The convertible preferred shares will automatically convert into ordinary shares upon the completion of the [**REDACTED**], and no further loss or gain on fair value changes is expected to be recognized afterwards. The reconciling item is non-cash, and does not result in cash outflow.

We believe that such measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of EBITDA (non-IFRS measure), adjusted EBITDA (non-IFRS measure) and adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measure presented by other companies. The use of such non-IFRS measures has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define EBITDA (non-IFRS measure) as profit before tax plus depreciation and amortization expenses and finance costs, minus bank interest income. We define adjusted EBITDA (non-IFRS measure) as EBITDA (non-IFRS measure) for the period adjusted by adding back share-based compensation expenses, [**REDACTED**] and fair value loss/(gain) on convertible redeemable preferred shares at FVTPL.

	For the Year Ended December 31,		
	2020	**2021**	**2022**
	(RMB in thousands)		
Profit for the year	289,453	322,295	684,884
Add:			
Income tax expenses	68,732	94,948	135,928
Profit before tax	358,185	417,243	820,812

	For the Year Ended December 31,		
	2020	2021	2022
	(RMB in thousands)		
Add:			
Depreciation	113,118	136,235	188,565
Amortization	662	1,617	4,853
Finance costs	19,644	16,326	76,824
Less:			
Bank interest income	3,765	6,289	8,874
EBITDA (non-IFRS measure)	**487,844**	**565,132**	**1,082,180**
Add:			
Share-based compensation expenses	63,598	37,325	15,049
[**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]
Fair value loss/(gain) on convertible redeemable preferred shares at FVTPL	–	61,531	(87,044)
Adjusted EBITDA (non-IFRS measure)	**567,621**	**699,278**	**1,019,849**

We define adjusted net profit (non-IFRS measure) as profit for the period adjusted by adding back net of tax, share-based compensation expenses, [**REDACTED**] and fair value loss/(gain) on convertible redeemable preferred shares at FVTPL.

	For the Year Ended December 31,		
	2020	2021	2022
	(RMB in thousands)		
Profit for the year	289,453	322,295	684,884
Add:			
Share-based compensation expenses	63,598	37,325	15,049
[**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]
Fair value loss/(gain) on convertible redeemable preferred shares at FVTPL	–	61,531	(87,044)
Less:			
Tax shield adjustment	2,195	5,203	1,460
Adjusted net profit (non-IFRS measure)	**367,035**	**451,238**	**621,093**

Our net profit grew by 11.3% from RMB289.5 million in 2020 to RMB322.3 million in 2021, primarily due to (i) increases in our revenues and gross profit, which is attributable to our overall business growth across all specialty testing groups, and (ii) increased economies of scale, resulting in higher operating efficiency with relatively lower administrative expenses as a percentage of revenue, which is partially offset by increased sales and marketing expenses and [**REDACTED**] in connection with the [**REDACTED**]. Our net profit grew further by 112.5% from RMB322.3 million in 2021 to RMB684.9 million in 2022, primarily due to (i) continued business growth driven by laboratory expansion and significantly expanded test offering, (ii) increased economies of scale and higher operating efficiency, and (iii) an increase in fair value gains on derivative financial instruments and contingent consideration.

Revenue Breakdown

We primarily generate revenues from providing diagnostic testing services and sales of medical products to our customers. The following table sets forth our revenues from each source during the Track Record Period:

	For the Year Ended December 31,					
	2020		2021		2022	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)					
Medical diagnostic testing services	2,513,184	91.7	3,144,832	93.1	4,400,748	90.5
Sales of medical products	228,547	8.3	234,683	6.9	459,865	9.5
Total	**2,741,731**	**100.0**	**3,379,515**	**100.0**	**4,860,613**	**100.0**

As a nationwide ICL provider with a comprehensive test catalog and competitive pricing, we are able to offer differentiated value propositions to a broad array of customers we serve. Our customers primarily include private and medical institutions, including hospitals, clinics and health check centers. During the Track Record Period, we secured our customers mainly through one-on-one commercial negotiation by our dedicated in house sales and marketing personnel, and to a lessor extent, through participation in tendering process organized by certain of our customers, pursuant to regulatory requirements or their respective internal policies. The following table sets forth a revenue breakdown by customer types during the Track Record Period:

	For the Year Ended December 31,					
	2020		2021		2022	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)					
Public medical institutions	**1,230,274**	**44.9**	**1,401,207**	**41.4**	**1,721,959**	**35.5**
Public hospitals	1,109,257	40.5	1,251,383	37.0	1,612,262	33.2
Other public medical institutions	121,017	4.4	149,824	4.4	109,697	2.3
Private medical institutions	**899,424**	**32.8**	**1,199,207**	**35.5**	**1,404,223**	**28.8**
Private hospitals and clinics	602,687	22.0	819,145	24.3	1,003,252	20.6
Health check centers	296,737	10.8	380,062	11.2	400,971	8.2
Others(1)	**612,033**	**22.3**	**779,101**	**23.1**	**1,734,431**	**35.7**
Total	**2,741,731**	**100.0**	**3,379,515**	**100.0**	**4,860,613**	**100.0**

Note:

(1) Others include pharmaceutical companies and CROs, as well as employers and individuals.

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2020	**2021**	**2022**
	(RMB in thousands)		
Total non-current assets	388,629	571,734	959,261
Total current assets	2,334,912	2,538,104	3,894,972
Total assets	**2,723,541**	**3,109,838**	**4,854,233**
Total current liabilities	1,008,970	1,387,774	2,418,432
Net current assets	**1,325,942**	**1,150,330**	**1,476,540**
Total assets less current liabilities	**1,714,571**	**1,722,064**	**2,435,801**
Total non-current liabilities	675,453	869,217	1,823,465
Total liabilities	**1,684,423**	**2,256,991**	**4,241,897**
Net assets	**1,039,118**	**852,847**	**612,336**
Non-controlling interests	14,779	48,606	101,512

Our net assets decreased from RMB1,039.1 million as of December 31, 2020 to RMB852.8 million as of December 31, 2021, primarily due to (i) declaration of dividends of RMB452.6 million in 2021, (ii) consideration of RMB138.8 million paid to equity shareholders of PRC operating entities, and (iii) put option over non-controlling interests of RMB57.5 million, partially offset by (i) net profit of RMB322.3 million we recognized in 2021, (ii) issuance of share capital of RMB68.9 million, (iii) issuance of share awards of RMB37.3 million, and (iv) capital injection into a subsidiary by non-controlling shareholders of RMB23.8 million. Our net assets decreased from RMB852.8 million as of December 31, 2021 to RMB612.3 million as of December 31, 2022, primarily due to (i) declaration of dividends of RMB865.0 million, (ii) exchange difference on translation of the financial statement of RMB54.3 million, and (iii) put option over non-controlling interests of RMB43.8 million, partially offset by (i) net profit of RMB684.9 million we recognized in 2022, (ii) acquisition of subsidiaries of RMB33.4 million, (iii) capital injection into a subsidiary by non-controlling shareholders of RMB15.4 million, and (iv) issuance of share awards of RMB15.0 million.

We recorded net current assets of RMB1,325.9 million, RMB1,150.3 million and RMB1,476.5 million as of December 31, 2020, 2021 and 2022, respectively. The decrease from 2020 to 2021 was primarily due to an increase of RMB323.7 million in other payables and accruals, an increase of RMB126.9 million in trade payables, and a decrease of RMB119.4 million in cash and bank balances. Such decrease was partially offset by an increase of RMB271.5 million in trade and bill receivables. As of December 31, 2022, the net current assets increased to RMB1,476.5 million, primarily due to an increase of RMB643.3 million in trade and bills receivables and an increase of RMB571.4 million in cash and bank balances, which is partially offset by an increase of RMB551.8 million in trade payables, and an increase of RMB296.0 million in other payables and accruals.

We recorded total non-current liabilities of RMB675.5 million, RMB869.2 million and RMB1,823.5 million as of December 31, 2020, 2021 and 2022, respectively, including the fair values of convertible redeemable preferred shares of RMB443.9 million, RMB621.9 million and RMB589.2 million as of December 31, 2020, 2021 and 2022, respectively. All the convertible redeemable preferred shares which were accounted for as liabilities will be converted into our ordinary shares immediately prior to the completion of the [**REDACTED**], and such liabilities would be derecognized and accounted as an increase in equity upon the [**REDACTED**].

Summary of Consolidated Statements of Cash Flow

	For the Year Ended December 31,		
	2020	2021	2022
	(RMB in thousands)		
Net cash generated from operating activities	481,989	564,262	892,938
Net cash used in investing activities	(100,913)	(197,329)	(333,301)
Net cash generated from/(used in) financing activities	537,722	(476,193)	3,722
Interest paid and/or tax paid	(55,696)	(112,983)	(138,588)
Net increase/(decrease) in cash and cash equivalents	918,798	(109,260)	563,359
Cash and cash equivalents at the beginning of the year	304,523	1,226,819	1,109,211
Effects of foreign exchange rate	3,498	(8,348)	8,055
Cash and cash equivalents at end of the year	**1,226,819**	**1,109,211**	**1,680,625**

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates or for the periods indicated:

	For the Year Ended December 31,		
	2020	2021	2022
Profitability ratios			
Gross profit margin(1)	40.7%	42.7%	39.0%
Net profit margin(2)	10.6%	9.5%	14.1%
Adjusted net profit margin (non-IFRS measure)(3)	13.4%	13.4%	12.8%
EBITDA margin (non-IFRS measure)(4)	17.8%	16.7%	22.3%
Adjusted EBITDA margin (non-IFRS measure)(5)	20.7%	20.7%	21.0%
Return on equity(6)	35.4%	34.1%	93.5%
Return on assets(7)	13.8%	11.1%	17.2%

	As of December 31,		
	2020	2021	2022
Liquidity ratios			
Current ratio(8)	2.31	1.83	1.61
Quick ratio(9)	2.21	1.75	1.52
Capital adequacy ratios			
Gearing ratio(10)	0.21	0.16	1.86

Notes:

(1) Gross profit for the period divided by revenue for the same period and multiplied by 100.0%.

(2) Profit for the period divided by revenue for the same period and multiplied by 100.0%.

(3) Adjusted net profit margin is a non-IFRS measure. It equals adjusted net profit for the period (non-IFRS measure) divided by revenue for the same period and multiplied by 100.0%. For reconciliation of adjusted net profit (non-IFRS measure) to net profit, see "Financial Information – Non-IFRS Measures".

(4) EBITDA margin is a non-IFRS measure. It equals EBITDA for the period (non-IFRS measure) divided by revenue for the same period and multiplied by 100.0%. For reconciliation of EBITDA (non-IFRS measure) from profit before tax, see "Financial Information – Non-IFRS Measures".

(5) Adjusted EBITDA margin is a non-IFRS measure. It equals adjusted EBITDA for the period (non-IFRS measure) divided by revenue for the same period and multiplied by 100.0%. For reconciliation of adjusted EBITDA (non-IFRS measure) from profit before tax, see "Financial Information – Non-IFRS Measures".

(6) Net profit for the period divided by average total equity as of the beginning and the end of such period and multiplied by 100.0%.

(7) Net profit for the period divided by average total assets as of the beginning and the end of such period and multiplied by 100.0%.

(8) Current assets divided by current liabilities as of the end of the period.

(9) Current assets less inventories divided by current liabilities as of the end of the period.

(10) Total borrowings divided by total equity as of the end of the period.

RECENT DEVELOPMENT

Recent Regulatory Development in China

According to Article 6 of the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021) (外商投資准入特別管理措施(負面清單)(2021年版)) (the "**2021 Negative List**") which took effect on January 1, 2022, where a domestic company engaged in the business in the prohibited areas provided in the 2021 Negative List seeks to issue and list its shares overseas, it shall complete the examination process and obtain approval by the relevant competent authorities; the foreign investors shall not participate in the operation and management of the company; its shareholding percentage shall be subject to the relevant provisions on the administration of domestic securities investment by foreign investors. As confirmed by our PRC Legal Advisor, according to the 2021 Negative List and based on interview with competent government authorities, our PCR testing services within our overall ICL business falls within the prohibited areas provided in the 2021 Negative List. Therefore, our Company has, through Aidiken WFOE, controlled Hangzhou Adicon and its subsidiaries as the subsidiaries of our Company through the Contractual Arrangements. For further details, please see "Contractual Arrangements".

On December 27, 2021, a spokesman from the NDRC held a press conference in relation to the 2021 Negative List. During the conference, it was held that the supervision and administration of the overseas issuance and listing by a domestic enterprise under 2021 Negative List shall be led by CSRC and the CSRC will seek the view of the competent authority in the relevant industry or sector after receipt of the application materials for an "overseas listing" ("境外上市"). On January 18, 2022, another press conference was held by the NDRC to further clarify the position of Article 6, during which the spokesman made it clear that Article 6 shall only be applying to the situations where domestic enterprises were seeking a direct overseas issuance and listing. With reference to the definition under the Overseas Listing Trial Measures, a direct overseas issuance and listing of a domestic company refers to a PRC-incorporated joint stock company issues shares or seeks to be listed overseas, where the listed company is the domestic company itself, such as H shares listing (the "**Direct Overseas Listing**"). Therefore, based on the clarification made by the NDRC, our PRC Legal Advisor is of the view that our proposed [**REDACTED**] does not constitute a Direct Overseas Listing, which is a case applicable under the Article 6 of the 2021 Negative List.

In addition, on February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the "**Overseas Listing Trial Measures**") and five supporting guidelines, which will come into effect on March 31, 2023. The Overseas Listing Trial Measures will regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities by adopting a filing-based regulatory regime. Where an issuer submits an application for initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted.

On the same day, the CSRC also held a press conference for the release of the Overseas Listing Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (關於境內企業境外發行上市備案管理安排的通知), which, among others, clarifies that companies that satisfy all of the following conditions shall be deemed as "Existing Applicants (存量企業)" and are not required to complete the overseas listing filing immediately, but shall complete filings as required if they conduct refinancing or are involved in other circumstances that require filing with the CSRC: (i) the application for overseas offering or listing shall have been approved by the relevant overseas regulatory authorities or stock exchanges (such as passing the hearing for the listing application of its shares on the Stock Exchange) prior to March 31, 2023, (ii) the company is not required to reapply for offering and listing procedures to the overseas regulatory authorities or securities exchanges (such as a new hearing for the listing application of its shares on the Stock Exchange) after March 31, 2023, and (iii) such overseas securities offering or listing shall be completed on or prior to September 30, 2023. See "Regulatory Overview – Regulations Relating to Foreign Investment".

Based on the foregoing and as advised by our PRC Legal Advisor, if we are not deemed as an Existing Applicant, we will be required to complete the filing procedures with the CSRC in connection with the [**REDACTED**]. See "Risk Factors – Risks Relating to Doing Business in China – Filing with the CSRC may be required in connection with the [**REDACTED**], and, if required, we cannot predict whether we will be able to complete such filing".

COVID-19 Pandemic and Effects on Our Business

In December 2022, Chinese government eased its dynamic zero-COVID policy and lifted most of its COVID-19 related restrictions. Meanwhile, Chinese government also canceled mandatory PCR test requirements and mass testings previously implemented in various regions across the country. This had reduced the need for our COVID-19 related testing services nationwide and is expected to result in significant decline in revenues generated from such services in the future. As such, we expect a significant decrease in the forecast profit for the financial year ending December 31, 2023. For details, please see "Risk Factors – Risks Relating to Our Business and Industry – Revenues generated from COVID-19 related testing services may not be sustainable". However, with the lift of COVID-19 restrictions, demand for our base testing services is expected to further boost our non-Covid revenue growth which have been inhibited in recent years as a result of the COVID-19 related disruptions in China.

COVID-19 pandemic had also impacted our business and results of operations during the Track Record Period. The following table sets forth a breakdown of our revenues by COVID-19 testing and non-COVID-19 business during the Track Record Period:

	For the Year Ended December 31,					
	2020		2021		2022	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)					
Non-COVID-19 business	1,817,195	66.3	2,147,080	63.5	2,576,057	53.0
COVID-19 testing	924,536	33.7	1,232,435	36.5	2,284,556	47.0
Total	**2,741,731**	**100.0**	**3,379,515**	**100.0**	**4,860,613**	**100.0**

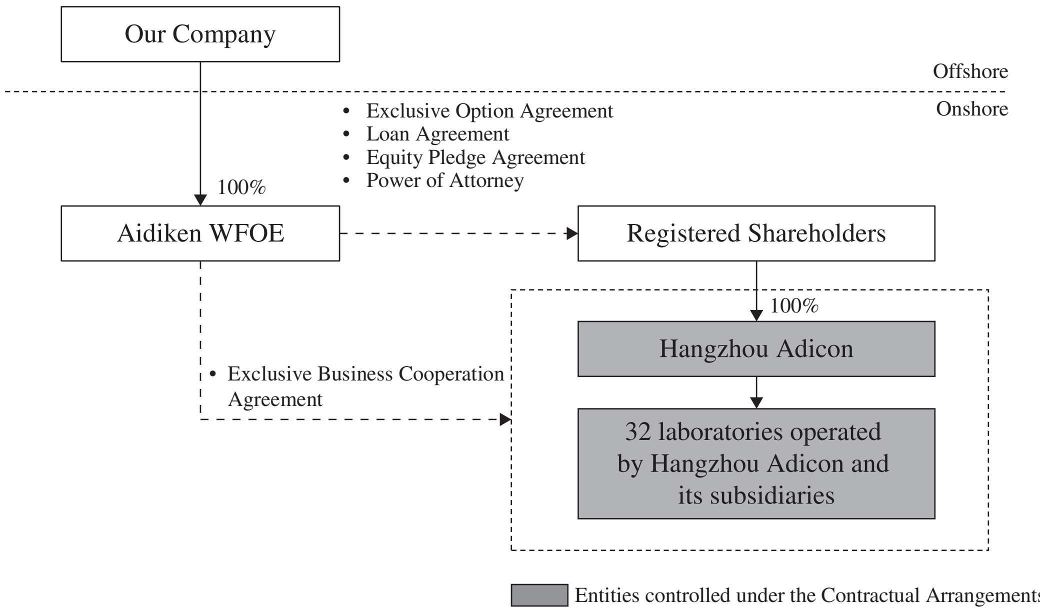
For a detailed discussion on how COVID-19 affected our business operations and financial performance, please see "Business – Impact of COVID-19 On Our Business". The extent to which the pandemic impacts our results of operations going forward will depend on future developments which are uncertain and unpredictable, including the frequency, duration and extent of outbreaks of COVID-19, the appearance of new variants with different characteristics, the unpredictability of future variants or declining population immunity to result in resurgence of cases, the effectiveness of efforts to contain or treat cases, and future actions that may be taken in response to these developments. Our management has been and will continue to closely monitor the impact of COVID-19 on all aspects of our business operation and respond to any challenges and opportunities the pandemic may bring about. For details, please see "Risk Factors – Risks Relating to Our Business and Industry – The COVID-19 pandemic had and may continue to have material impacts on our business, results of operations and financial performance".

No Material Adverse Change

Our Directors confirm that, as of the date of this Document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects of our Group since December 31, 2022, the end of the period reported on in the Accountants' Report set out in Appendix I to this Document.

CONTRACTUAL ARRANGEMENTS

Due to regulatory restrictions on foreign ownership in the PRC, we entered into the Contractual Arrangements whereby Aidiken WFOE has acquired effective control over Hangzhou Adicon and its subsidiaries, and become entitled to all the economic benefits derived from our laboratories operated by Hangzhou Adicon and its subsidiaries. The following simplified diagram illustrates the existing structure of the Contractual Arrangements:



For further details, see "Contractual Arrangements".

DIVIDENDS

Under the Articles, our Company in general meeting may declare dividends in any currency to be paid to our shareholders, provided that no dividend shall exceed the amount recommended by our Directors. In addition, our Directors may from time to time pay to our shareholders interim dividends our Directors believe to be justified by the profits generated by our Company. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require a foreign-invested enterprise to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends. Distributions from us and our subsidiaries may also become subject to any restrictive covenants in bank credit facilities, convertible bond instruments or other agreements that we or our subsidiaries may enter into in the future.

On June 23, 2021, our Board declared a dividend of US$69.9 million out of our share premium, which will be paid before the [**REDACTED**] from our internal cash resources. On May 18, 2022, we declared a special dividend of RMB865 million, representing 100% of retained earnings as of March 31, 2022 to the shareholders of the Company whose names appear on the register of members of the Company at the time of such dividend declaration. For the avoidance of doubt, the shareholders of the Company to receive the special dividend will not include any [**REDACTED**]. All the dividend declared had been paid by the end of 2022.

The amount of dividend actually distributed to our shareholders will depend upon our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant and will be subject to approval of our shareholders. Our Board has the absolute discretion to recommend any dividend. We currently intend to retain most, if not all, of our available funds and any future earnings after the [**REDACTED**] to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future.

[REDACTED] STATISTICS

All statistics in the following table are based on the assumptions that: (i) the [**REDACTED**] has been completed and [**REDACTED**] are issued pursuant to the [**REDACTED**], (ii) the [**REDACTED**] is not exercised, and (iii) [**REDACTED**] Shares are issued and outstanding following the completion of the [**REDACTED**].

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]**
Market capitalization immediately after the [**REDACTED**][(1)]	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited pro forma adjusted net tangible assets per Share[(2)(3)]	HK$[**REDACTED**]	HK$[**REDACTED**]

Notes:

(1) The calculation of market capitalization is based on [**REDACTED**] Shares expected to be in issue immediately upon completion of the [**REDACTED**], without taking into account any Shares which may be issued upon exercise of the [**REDACTED**]

(2) The Preferred Shares would have been converted into ordinary shares upon completion of [**REDACTED**]. The conversion of Preferred Shares would have been reclassified such preferred shares amounting to RMB[**REDACTED**] from liabilities to equity and accordingly increased the unaudited pro forma adjusted consolidated net tangible assets of the Group as of December 31, 2022 by RMB[**REDACTED**].

(3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share is arrived at after adjustments referred in note 2 above and on the basis of [**REDACTED**] Shares are in issue, assuming that the Share Consolidation and the [**REDACTED**] has been completed on December 31, 2022 but does not take into account any Shares which may be sold pursuant to the exercise of the [**REDACTED**].

[REDACTED]

[**REDACTED**] are estimated to be approximately RMB[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range stated in this document, assuming that the [**REDACTED**] is not exercised), accounting for approximately of [**REDACTED**]% of our [**REDACTED**]. [**REDACTED**] primarily consist of (i) RMB[**REDACTED**] of [**REDACTED**], and (ii) RMB[**REDACTED**] of [**REDACTED**] related expenses, including (x) RMB[**REDACTED**] of fees and expenses of legal advisors and accountants, and (y) RMB[**REDACTED**] of other fees and expenses. An estimated amount of RMB[**REDACTED**] for our [**REDACTED**], accounting for approximately [**REDACTED**]% of our [**REDACTED**], is expected to be expensed through the statement of profit or loss and the remaining amount of RMB[**REDACTED**] is expected to be recognized directly as a deduction from equity upon the [**REDACTED**]. [**REDACTED**] of RMB[**REDACTED**] were incurred on or before December 31, 2022, of which RMB[**REDACTED**] was charged to our consolidated income statements, while the remaining amount of RMB[**REDACTED**] was recorded as a prepayment and will be subsequently charged to equity upon completion of the [**REDACTED**].

We estimate we will further incur [**REDACTED**] and other [**REDACTED**] of RMB[**REDACTED**] after December 31, 2022, of which RMB[**REDACTED**] will be charged to our consolidated income statements, and RMB[**REDACTED**] is expected to be accounted for as a deduction from equity upon the completion of [**REDACTED**].

The [**REDACTED**] is responsible for the [**REDACTED**] of [**REDACTED**]%, and a discretionary incentive fee of up to [**REDACTED**]%, of the aggregate [**REDACTED**] of the [**REDACTED**], translating to an aggregate amount of approximately RMB[**REDACTED**] (based on the mid-point of the indicative price range for the [**REDACTED**]). Such [**REDACTED**] and incentive fee are not included in the [**REDACTED**] of the Group.

[**REDACTED**]

The table below sets forth the estimated [**REDACTED**] of the [**REDACTED**] which we will receive after deduction of [**REDACTED**] and [**REDACTED**] and [**REDACTED**] payable by us in connection with the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] range stated in this Document)	HK$[**REDACTED**]
Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the high end of the [**REDACTED**] range stated in this Document)	HK$[**REDACTED**]
Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the low end of the [**REDACTED**] range stated in this Document)	HK$[**REDACTED**]

We intend to use the [**REDACTED**] as follows (based on the mid-point of the [**REDACTED**] range stated in this Document):

- approximately HK$[**REDACTED**] (representing [**REDACTED**]% of the [**REDACTED**]) for strengthening our routine and esoteric testing capabilities, including research and development and sales and marketing capabilities;
- approximately HK$[**REDACTED**] (representing [**REDACTED**]% of the [**REDACTED**]) for network expansion through establishing new laboratories, partnership investments and development of new channels;
- approximately HK$[**REDACTED**] (representing [**REDACTED**]% of the [**REDACTED**]) for business development activities bringing in both new technologies as well as strategic and bolt-on acquisitions;
- approximately HK$[**REDACTED**] (representing [**REDACTED**]% of the [**REDACTED**]) for upgrade and expansion of our existing laboratories;
- approximately HK$[**REDACTED**] (representing [**REDACTED**]% of the [**REDACTED**]) for investment in operating infrastructure including logistics facilities, artificial intelligence technologies and IT infrastructure; and
- approximately HK$[**REDACTED**] (representing [**REDACTED**]% of the [**REDACTED**]) for working capital and general corporate purpose.

[We will not receive any of the [**REDACTED**] from the sale of the [**REDACTED**] by the [**REDACTED**] in the [**REDACTED**].] For further details, see "Future Plans and [**REDACTED**]".