Suzhou Basecare Medical Corporation Limited
蘇州貝康醫療股份有限公司

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

(Stock Code: 2170)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2023

The Board of Suzhou Basecare Medical Corporation Limited hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (together, the "**Group**") for the six months ended June 30, 2023, together with the comparative figures for the corresponding period in 2022.

FINANCIAL SUMMARY

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**85,546**	68,568
Cost of sales	**(51,982)**	(38,350)
Gross profit	**33,564**	30,218
Loss from operations	**(58,166)**	(31,603)
Loss before taxation	**(58,256)**	(32,036)
Loss for the period from continuing operations	**(62,493)**	(33,551)

	As of	
	June 30, 2023	December 31, 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Financial Positions		
Non-current assets	**600,028**	252,262
Current assets	**1,364,944**	1,527,596
Non-current liabilities	**262,407**	73,774
Current liabilities	**173,618**	114,552
Net assets	**1,528,947**	1,591,532
Total equity attributable to equity shareholders of the Company	**1,526,241**	1,592,802
Non-controlling interests	**2,706**	(1,270)

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

We are an innovative medical device provider for assisted reproduction in China. Our mission is to help more families have healthy babies. Our vision is to become a leading global medical technology company.

Leveraging on our experience accumulated in innovation in the PGT field and our advantages in the channels, we have become a multi-scenario solutions supplier in the assisted reproduction industry through independent R&D and industry merger and acquisition. In addition to PGT kits, we also possess various innovative instruments and devices. Following the huge breakthrough in our business and pipeline products in andrology laboratory, cryopreservation laboratory and software laboratory, we have completed the BMX Acquisition in June 2023. We have realized the layout in the area of embryology laboratory, which accounts for another critical milestone. Such milestone fills the gap of the Company in embryo culture products such as time-lapse incubator and culture media, meaning that the most popular and most widely used products in the assisted reproduction industry are consolidated into our product portfolio, bringing us the greatest synergy. In the coming years, we will leverage on the advantages of our sales channels and accumulated customer base to boost sales of various advanced products, which in turn will unleash the growth potential in both the China market and international markets, and rapidly take up an advantageous position in terms of market share for the Company.

We adhere to the strategy of combining self-developed and PRC-made substitution, and through our "hardware + software" industry innovation model, we have created multi-scenario solutions including PGT laboratory, andrology laboratory, cryopreservation laboratory, embryology laboratory and software laboratory, which in turn facilitate the "localization" layout for other assisted reproduction institutes and laboratories, materialize standardization and automation, as well as intelligent hardware and software upgrades. In particular:

1. PGT Laboratory

As the core technology of third-generation IVF, PGT technology requires assisted reproduction institutes to possess higher standard of genetic counselling and molecular genetic testing capabilities. Based on the practical experience and technicians accumulated through the first NMPA-approved PGT kit in the PRC, we provide various solutions such as PGT kits, high-throughput gene sequencer and laboratory information management system for PGT laboratories, with an aim to assist clinical institutes to realize localized deployment of PCR diagnostic laboratories that satisfy the requirements of the National Clinical Inspection Center.

Our self-developed PGT-A kit obtained the first Class III medical device registration certificate — "National Special Approval for Innovative Medical Devices (國家創新醫療器械特別審批)" in February 2020. We have participated in the drafting of the PGT-A kit quality control and technology assessment guide, and establishing the national industry standard of PGT-A kit, filling the clinical gap of third-generation IVF kit in China. In addition, we are currently developing PGT-M and PGT-SR kits, which are key R&D products under the "14th Five-Year national key research and development plan". This materializes the PRC-made products substitution in the assisted reproduction industry. These testing kits are all based on next-generation sequencing (NGS) technologies and form a complete test kit line-up to occupy the PGT field. We have developed our PGT-M kit with better sensitivity and specificity, which detects single-gene defects prior to embryos' implantation, or monogenic, defects in pre-implantation embryos. It eliminates the need for patient-specific pre-exam validation, offering a standardized solution with mass clinical appeal that significantly shortens results turnaround time thereby reducing testing costs for patients as well. To date our PGT-M kit is the first and only product of its kind that has completed the registration testing in China, and has begun patient enrolment for clinical tests in June 2022. Our self-developed PGT-SR kit is the first technology world-wide that effectively detects chromosome balanced translocations through high-throughput sequencing platform, granted as a national invention proprietary technology (patent no.: 202011094180.6). Our PGT-SR kit would become the first standardized commercial product of its kind in China with potential for mass clinical application. Our PGT-SR kit has high market potential, offering one test with broad disease detectability and eliminating the need for patient-specific pre-exam validation, which translates to faster result turnaround time from several months to only two weeks and significantly lower the testing cost. We expect to obtain NMPA registration approval for PGT-M kits in 2024, and PGT-SR kits will obtain NMPA registration approval in 2025, which would further strengthen our dominance in the third-generation IVF genetic test kit market in China, well ahead of our competitors in potential competition.

In terms of equipment, the Company could provide three types of high-throughput gene sequencers with different throughputs, namely DA500, DA8600 and DA5000. Based on the number of cycles and different testing needs, the reproductive centers shall choose the most suitable sequencing platform with the automated workstation BS1000 to create a standardized, automated and intelligent PGT laboratory with advanced testing capabilities for clinical use. Our DA500 genetic sequencing machine is the first integrated fully-automatic high throughput sequencing system for PGT inspection in the world. It can perform sample processing, high-throughput sequencing and data analysis three-in-one, reducing time needed for manual operation by 95% and inspection site requirement by 60%. The machine completed performance verification in 2021 and is expected to obtain its medical device registration approval in 2023. Our DA5000 high-throughput sequencing machine is an all-round desktop sequencing machine that can be widely adopted in the reproductive and genetic sector, including pre-pregnancy, pre-natal, pre-implantation of embryo, genetic disease screening for new-born and other stages of the reproductive cycle. It is expected to obtain its registration in 2024. Based on the above, we have achieved a closed-loop coverage of kits, high-throughput sequencers and auxiliary software in the field of PGT.

2. Andrology Laboratory

As a crucial part of reproductive science and eugenic testing, the andrology laboratory provides comprehensive information on male fertility assessment and advice on clinical treatment. Sperm quality tests standards, testing methods and quality control standards are key factors to the male fertility assessment. As such, we have been equipped with intelligent semen quality analysis platform, sperm function test kits, flow test platform and laboratory quality control, in order to provide overall solution including automated test, intelligent analysis, standardized quality control and PRC-made equipment for the andrology laboratory. This would help clinical institutes to provide professional and precise male fertility assessment services.

Our self-developed intelligent semen quality analyzer is based on the World Health Organization 6th edition manual standards and the morphological interpretation standards jointly formulated by 18 clinical units including one of the best andrology clinical institutions in the PRC. We provide the self-developed and manufactured intelligent semen quality analysis platform to andrology laboratory. Our self-developed BKA-210 fully-automatic semen quality analyzer is based on our self-developed and global advanced technology of intelligent semen quality analysis without damaging the quality of the semen. This technology is an innovative breakthrough from zero to one in many aspects and fills four technological gaps: 1. sperm morphology test could not be performed with live sperms; 2. sperm morphology test would damage the quality of the semen; 3. non-intelligent sperm morphology test; and 4. concentration, motility and morphology test could not be carried out at the same time. In the clinical aspect, this would assist the dynamic tracking of live sperms and completes real-time synchronous analysis of sperm morphology, concentration and motility, which not only subverts the morphological detection method of manual microscopy, but also increases the accuracy rate of equipment testing results to 95%. At the same time, analysis results can be promptly obtained, making testing more efficient, convenient and objective. Registration certificate of our intelligent semen quality analyzer is expected to be obtained in 2024. Hospitals in China grading 2A above with andrology laboratory will need this core product to carry out semen tests.

We provide comprehensive sperm function test kit and relevant quality control products, covering special tests including semen completeness (DFI) test, reaction ability test and active oxygen test. This offers diversified assessments for clinical semen function tests. Meanwhile, together with our quality control products, accuracy of testing results is further guaranteed, providing a strong basis for clinical diagnosis and treatment judgement. In terms of end users, we focus on developing the first household semen quality analyzer. It is a precise, rapid, convenient and intelligent semen quality monitoring equipment, which could be connected to mobile devices for carrying out semen quality analysis. We expect to introduce this product to healthy users beyond those who require fertility tests. Registration certificate for this product is expected to be obtained in 2024. This product pipeline extends from high-end fertility clinics to local hospitals. It is also a complete andrology core product pipeline which focus on enterprises and end users.

3. Cryopreservation Laboratory

In the recent years, the number of embryo, egg and sperm cryopreservation increased year by year as the assisted reproductive technology advances and the preservation of our fertility becomes more important. This means that assisted reproductive centers will have to invest substantially in storage resources and such investment will increase year by year. Storage resources include containers, storage space, management and maintenance, etc. For institutes with larger storage space, the heavy workload relating to sample registration, entry and retrieval as well as management will require manpower, and there may be a lack of monitoring and early warning of the sample storage environment, not to mention human errors such as sample misplacement, mistaken or omission. In order to enhance efficiency of management personnel, eliminate errors and ensure the safety of cryopreservation, we have established, based on the IoT platform, an intelligent cryopreservation scenario solution that covers all aspects from equipment to consumables and system software. Such solution materializes cryopreservation automation and digital information management, it also monitors the operation status of the storage equipment in a real time manner and could remotely set off the alarm. The solution covers a large variety of samples storage from 4 degree Celsius to -96 degree Celsius low temperature storage and -196 degree Celsius liquid nitrogen storage.

Our BCT38C smart liquid nitrogen storage dewar is the first PRC-made smart liquid nitrogen storage dewar in the world. It materializes real time temperate monitoring, password unlock and log keeping, ensuring the safety of samples in every aspect. It completed the performance verification and registration evaluation in 2021, and obtained Class II medical device registration certificate in 2022, becoming the first liquid nitrogen storage dewar with clinical registration. Our BSG800A automatic cryopreservation system is the first domestic and automatic cryopreservation system with CE approval in the world. Commercial sales of the system began in 2021. We also built the first sample laboratory for automatic biological sample cryopreservation system in a renowned clinical institution in the PRC. We developed a vitrified cryovial for use with our cryopreservation system. The bottom of each vitrified cryovial has a laser-etched QR code, allowing for accurate positioning of each sample. It is expected to obtain registration in 2024. Leveraging on our advantage being the only company owning such highly-automated cryopreservation system in the industry, we have successfully developed the automated egg cryopreservation system (AOCS). In order to tackle the storage management difficulties faced by all fertility laboratories, we have developed a full-automated and digitalized storage solution, to carry out intelligent upgrade for storage software and hardware.

4. Embryology Laboratory

The technical level and environmental quality of the embryology laboratory directly affect the success rate of IVF treatment. Products for embryo culture in the PRC market have been largely monopolized by international brands. In June 2023, we completed the acquisition of BMX, and the high quality of its key products will lead to a higher market share of the Company in both domestic and oversea markets. These products include:

(a) Time-lapse incubator (Geri)

The time-lapse incubator was designed with individually controlled patient incubator chambers and can provide automated cell event tracking for custom applied scoring algorithms for embryo assessment and grading. The time-lapse incubator has obtained CE approval, FDA approval and NMPA approval, and has been on the market for about seven years. It is the only humidified time-lapse incubator in the world, leading to statistically significant improvements in clinical outcomes.

(b) Automated vitrification instrument (Gavi)

BMX invented the first automated vitrification instrument in the world to be utilized in the process of freezing embryos and eggs in the IVF automated vitrification. The instrument has obtained CE approval, and has been on the market for nearly seven years.

(c) Culture media (Gems)

BMX's complete range of culture media can support user needs at every stage of assisted reproductive technology, or ART, process from gamete analysis right through to vitrification. This third generation culture media suite has obtained CE approval and FDA approval, and has been on the market for nearly nine years.

(d) Assisted reproduction electronic witnessing and workflow management system (Gidget)

The assisted reproduction electronic witnessing and workflow management system is designed to adapt to existing infrastructure and assisted reproductive technology procedures. It enables high workflow visibility, process and consumable traceability and streamlined reporting, and reduces the risk of patient sample mismatches and enhances traceability in the laboratories.

In 2017, BMX won two gold awards at the Annual Medical Design Excellence Awards, one of the most respected medical product awards in the world through the successful development of two of its key products, the time-lapse embryo incubator and the automated vitrification instrument, representing high industry recognition and market position of the BMX's products and its R&D capacity.

The BMX Acquisition has accelerated the Group's deployment in another key area of assisted reproduction market, the embryology laboratory, so that the Group's products and technologies are able to cover all key stages in the full-chain of assisted reproduction, which has significantly enhanced our competitiveness. With BMX's products, we can assist medical institutions to provide high-quality, automated and intelligent integrated solutions for embryology laboratories with embryo culture, gamete and embryo storage, laboratory management, so as to help clinical institutions establish a safe and reliable embryology laboratory operation management system.

5. Software Laboratory

In light of the standardization of assisted reproductive procedures and medical technology enhancement, together with new ancillary equipment, the traditional clinical reproductive medical management system will face issues such as aging of original systematic framework, low level of intelligence and digital capability, and limitation on device and equipment and data interconnection. They may not satisfy the requirements for whole birth cycle health management. Meanwhile, the state's requirement on safety level on personal information is constantly elevating as well as the precision of sample audit for the assisted reproductive industry. Under these circumstances, we cooperated with domestic experts on assisted reproduction to develop the next generation ART smart decision making platform: iARMS (a full reproductive cycle health management platform), which covers reproductive outpatient service, cycle management, sample cryopreservation, laboratory monitoring and control, sample verification and other business scenarios. With this platform as the core, we can provide next generation comprehensive assisted reproduction solution (software+service), which will completely address problems such as time-consuming medical recording process, unconnected business information, high communication cost between laboratories, inaccurate statistics and low level of data structure. Through digitalization and smart technology, iARMS strengthens the process and verification of operation and adopts structured information to provide theoretical and digital support for the development of laboratories and disciplines. When paired with smart 5G, blockchain and IoT technology that improve medical development and advantageous disciplines, smart business module allows doctors to provide more accurate services for their patients, while at the same time significantly raises satisfaction and improves user experience of our medical services. We are able to achieve high level of connection between all pipeline equipment and systems through our advanced assisted reproductive management system. We are able to boost efficiency of the reproductive center from the clinical perspective and provide the safest experience for patients.

Currently, we cooperate with over 65 localized laboratories in the PRC, and our market share in leading assisted reproductive centers has reached above 70%. Meanwhile, BMX serves more than 600 clinical institutions with the business and partners spanning across more than 20 countries and regions. We are gradually moving towards the commercialization stage from product innovation and accumulation stage. Leveraging on the advantages of our sales channels and accumulated customer base, as well as the existing market size and our existing market shares, we will progress sales of various advanced products, which in turn will unleash the growth potential of the Company in both the China market and international markets, and rapidly take up an advantageous position in terms of market share.

The following diagram sets forth key details of our product portfolio as of the date of this interim result announcement:

Product	Stage of Reproductive Cycle	Approved/ Planned Indications	Research and Development Stage				
			Preclinical Studies		Registration Testing***	Clinical Trial****	Obtain Registration Certification
			Design and Development*	Function Validation and Verification**			
PGT Laboratory							
PGT-A	Pre-implantation	Aneuploidy[1]	Class III medical device registration certificate obtained in February 2020				
PGT-M	Pre-implantation	Monogenic defects[2]	Expected to obtain Class III medical device registration certificate in 2024				
PGT-SR	Pre-implantation	Chromosome structural rearrangement[3]	Expected to obtain registration certificate in 2025				
CNV	Prenatal	Copy number variation[4]	Expected to obtain registration certificate in 2025				
Universal kits for sequencing effects (DA5000)	Universal	Sequencing	Obtained filing certificate in 2022				
Sample preservation solution	Universal	DNA extraction	Obtained filing certificate in 2022				
Universal kits for sequencing effects (DA500)	Universal	Sequencing	Obtained filing certificate in 2021				
Universal kits for sequencing effects (DA8600)	Universal	Sequencing	Obtained filing certificate in 2020				
Nucleic acid purification and DNA extraction kits	Universal	Sample preservation	Obtained filing certificate in 2021				
Automated Workstation (BS1000)	Universal	Sample preservation	Expected to obtain registration certificate in 2024				
Gene sequencer (DA500)	Universal	Sequencing	Entered into technical approval and expected to obtain registration certificate in 2023				
Gene sequencer (DA5000)	Universal	Sequencing	Expected to obtain registration certificate in 2024				
Embryology Laboratory							
Geri® time-lapse embryo incubator	Pre-implantation	Embryo sample	Obtained registration certificate in November 2020 (with CE/FDA verification)				
Gavi® automated vitrified cooling instrument	Pre-implantation	Gamete and embryo	Expected to obtain registration certificate in 2026 (with CE verification)				
Gems® IVF medium	Pre-implantation	Gamete culture	Expected to obtain registration certificate in 2025 (with CE/FDA verification)				
Gems® IVM medium	Pre-implantation	Embryo culture	Expected to obtain registration certificate in 2025 (with CE/FDA verification)				
Gems® blastocyst medium	Pre-implantation	Embryo culture	Expected to obtain registration certificate in 2025 (with CE/FDA verification)				
Gems® follicle flushing solution	Pre-implantation	Egg cleansing	Expected to obtain registration certificate in 2025 (with CE/FDA verification)				
Gems® sperm gradient solution	Pre-implantation	Sperm processing	Expected to obtain registration certificate in 2025 (with CE/FDA verification)				
Gems® sperm culture solution	Pre-implantation	Sperm culture	Expected to obtain registration certificate in 2025 (with CE verification)				
Gems® sperm buffer	Pre-implantation	Sperm processing	Expected to obtain registration certificate in 2025 (with CE verification)				
Gems® cryo-solution set	Pre-implantation	Gamete and embryo	Expected to obtain registration certificate in 2025 (with CE verification)				
Gems® thawing solution set	Pre-implantation	Gamete and embryo	Expected to obtain registration certificate in 2025 (with CE/FDA verification)				
Gems® gamete buffer	Pre-implantation	Gamete	Expected to obtain registration certificate in 2025 (with CE/FDA verification)				
Geri® embryo culture solution	Pre-implantation	Embryo culture	Expected to obtain registration certificate in 2025 (with CE/FDA verification)				
Geri® Dish Embryo culture dish	Pre-implantation	Embryo culture	Obtained registration certificate in August 2023 (with CE/FDA verification)				
Andrology Laboratory							
Intelligent semen quality analyzer (BKA-210)	Pre-implantation	Assisted reproductive male	Expected to obtain registration certificate in 2024				
Home sperm testing equipment	Pre-implantation	Assisted reproductive male	Expected to obtain registration certificate in 2024				
Sperm nuclear DNA integrity testing kits	Pre-implantation	Assisted reproductive male	Expected to obtain registration certificate in 2026				
Sperm mitochondrial function testing kits	Pre-implantation	Assisted reproductive male	Expected to obtain registration certificate in 2026				
Sperm active oxygen testing kits	Pre-implantation	Assisted reproductive male	Expected to obtain registration certificate in 2026				
Sperm survival rate testing kits	Pre-implantation	Assisted reproductive male	Expected to obtain registration certificate in 2026				
Cryopreservation Laboratory							
Liquid nitrogen storage dewar (BCT38C)	Universal	Gamete and embryo	Class II medical device registration certificate obtained in November 2022				
Cryopreservation System (BSG800A)	Universal	Gamete and embryo	Expected to obtain registration certificate in 2025				
Vitrified cryovials	Universal	Gamete and embryo	Expected to obtain registration certificate in 2024				
Vitrified rod	Universal	Gamete and embryo	Expected to obtain registration certificate in 2026				
Software Laboratory							
Intelligent assisted reproduction management system (iARMS)	Full-cycle	Universal	Comprehensive commercialization to commence in 2023				
PGT-A analyzing software	Pre-implantation	Aneuploidy	Obtained registration certificate in 2022				
PGT-M analyzing software	Pre-implantation	Monogenic defects[2]	Completed registration testing and expected to obtain registration certificate in 2024				
PGT-SR analyzing software	Pre-implantation	Chromosome structural rearrangement[3]	Completed registration testing and expected to obtain registration certificate in 2025				
CNV analyzing software	Prenatal	Copy number variation[4]	Completed registration testing and expected to obtain registration certificate in 2025				
Gidget® Whole process electronic management system	Pre-implantation	Embryo culture	Comprehensive commercialization to commence in 2023				

Notes:

* Includes principal raw material selection, manufacturing process validation and reaction system development

** Includes analytical performance evaluations and stability study

*** Refers to tests conducted by NMPA-recognized institutions to evaluate the performance of a medical device candidate. Passing the tests is a prerequisite to commencing the clinical trial

**** Unlike drugs, only one clinical trial is required for a medical device candidate, without phasing

1. For women undergoing IVF treatment who are 35 years old or older, couples who have experienced three or more IVF failures, couples who have experienced three or more spontaneous miscarriages or abnormal pregnancies, couples who have previously given birth to a child with chromosomal abnormalities or couples with chromosomal numerical alternations.

2. For carriers of thalassemia.

3. For carriers of chromosomal reciprocal translocation, Robertsonian translocation or inversion.

4. For patients who have experienced miscarriage.

Manufacturing

We commenced the construction project of the Company's headquarters in September 2021. The planned gross floor area of the project is 71,628 sq.m., with 21,503 sq.m. for research and development office use and 50,125 sq.m. for production use. We intend to construct an advanced manufacturing base integrated with the research and development and production capacity of products in the entire industrial chain of assisted reproduction such as testing kits, consumables, instruments and equipment. We aim at building a high-end manufacturing cluster covering the entire industrial chain of assisted reproduction, adhering to the industrial development of independent research and development and domestic substitution, and providing domestic patients with testing kits, consumables, instruments and equipment that meet global quality standards and with more affordable price. In 2022, we overcame the impact of the delayed construction due to the pandemic and the impact of high temperature and extreme weather, and successfully completed the construction of the main building structure in October 2022. We expect to complete the interior renovation in October 2023, with a view to achieving the improvement in high quality and large-scale delivery.

Before the new headquarters of the Company commences operations, we manufacture and assemble all of our in-house developed products in our 1,364 sq.m. manufacturing facility in Suzhou. Our manufacturing facility is designed in compliance with GMP requirements of China with an annual production capacity of 400,000 reactions. We are accredited in accordance with ISO13485:2016 quality standard, an international quality control standard for the medical device industry. We have two ISO Class 7 cleaning rooms that are in compliance with ISO14644-1 cleaning grades standard, an international cleaning grades classification standard. Our production lines are designed to be highly automated. We have obtained several product registration certificates in various areas, such as *in vitro* diagnostic reagent, active device and independent software, and will continue to adhere to technology innovation to realize high-quality and large-scale delivery of medical products, aiming to become a global leading medical technology company.

Commercialization

We currently adopt the sales model of direct sales and distributors' sales. As of June 30, 2023, we have a total of 185 sales personnel and over 30 distributors, covering more than 300 assisted reproductive institutions in aggregate in the PRC. Meanwhile, BMX has 20 sales personnel and over 18 distributors, serving more than 600 clinical institutions with the business and partners spanning across more than 20 countries and regions.

With the new products brought by the BMX Acquisition, the Company's experience in R&D and commercialization in the Chinese market can further accelerate and expand the commercialization of the BMX's products in China. Meanwhile, in terms of expanding our commercial network and customer base with BMX's global network, the BMX Acquisition paves a way for the internationalization for the innovative products of the Company, making the assisted reproduction products made in China to have a global presence.

Important Events after the End of the Reporting Period

At the 2023 first extraordinary general meeting of the Company held on July 13, 2023, Mr. LAM Siu Wing was appointed as an independent non-executive Director of the Company. Please refer to the announcement of the Company dated July 13, 2023 for details.

On July 14, 2023, Ms. ZONG Qiuping and Ms. SHI Lijuan were appointed as employee Supervisors at the employee representatives meeting of the Company held on July 14, 2023. Please refer to the announcement of the Company dated July 20, 2023 for details.

At the 2023 second extraordinary general meeting of the Company held on August 10, 2023, (i) Dr. Liang, Mr. KONG Lingyin and Ms. YANG Ying were re-elected as executive Directors, (ii) Mr. XU Wenbo and Mr. WANG Weipeng were re-elected as non-executive Directors and Mr. LING Yang was appointed as a non-executive Director, (iii) Dr. KANG Xixiong and Mr. LAM Siu Wing were re-elected as independent non-executive Directors and Dr. YEUNG Shu Biu William was appointed as an independent non-executive Director; and (iv) Dr. LIN Yi was re-elected as a shareholder Supervisor. Please refer to the announcements of the Company dated July 20, 2023 and August 11, 2023 and the circular dated July 21, 2023 for details.

Save as disclosed above, there are no important event occurred after the end of Reporting Period and up to the date of this interim results announcement.

FUTURE AND OUTLOOK

To accomplish the Company's vision, we intend to implement the following business strategies:

(i) to establish a complete industry chain in the assisted reproduction industry, build a full-coverage product portfolio including devices and instruments and consumables such as test kits and culture media, sell top products to assisted reproduction institutes to serve the clinical practice;

(ii) leveraging on the customer base accumulated in PGT product sales and the localized laboratories layout, to relocate the existing resources to existing customers to realize sales of other advanced products;

(iii) to establish comprehensive global sales network to expand the international market, enhance launching of our self-developed products in the new markets; and

(iv) to establish top-class cluster of assisted reproduction products by way of building the headquarter of the Company, realize delivery ability of high quality products, adhere to the industrialization development of independent R&D and domestic substitution, and provide domestic patients with testing kits, instruments, equipment and consumables that meet global quality standards at a lower price.

Cautionary Statement required under Rule 18A.08(3) of the Listing Rules: We cannot guarantee that we will ultimately develop or market our Core Product successfully.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended June 30, 2023 — unaudited

		Six months ended June 30,	
		2023	2022
	Note	***RMB'000***	*RMB'000*
Continuing Operations			
Revenue	*4*	**85,546**	68,568
Cost of sales		**(51,982)**	(38,350)
Gross profit		**33,564**	30,218
Other net income	*5*	**47,678**	45,021
Selling and distribution expenses		**(39,311)**	(30,668)
Administrative expenses		**(36,208)**	(30,570)
R&D expenses		**(63,724)**	(45,518)
Other operating expenses		**(165)**	(86)
Loss from operations		**(58,166)**	(31,603)
Finance costs		**(90)**	(433)
Loss before taxation	*6*	**(58,256)**	(32,036)
Income tax	*7*	**(4,237)**	(1,515)
Loss for the period from continuing operations		**(62,493)**	(33,551)
Discontinued operations			
Profit for the period from discontinued operations		**—**	12,459
Loss for the period		**(62,493)**	(21,092)
Attributable to:			
Equity shareholders of the Company		**(61,369)**	(21,285)
Non-controlling interests		**(1,124)**	193
Loss for the period		**(62,493)**	(21,092)

	Note	Six months ended June 30, 2023 RMB'000	2022 RMB'000
Loss for the period attributable to equity shareholders of the Company:			
— from continuing operations		**(61,369)**	(33,191)
— from discontinued operations		**—**	11,906
Loss for the period attributable to equity shareholders of the Company		**(61,369)**	(21,285)
(Loss)/profit for the period attributable to non-controlling interests:			
— from continuing operations		**(1,124)**	(360)
— from discontinued operations		**—**	553
(Loss)/profit for the period attributable to non-controlling interests		**(1,124)**	193
Loss for the period		**(62,493)**	(21,092)
Loss per share (RMB)	*14*		
Basic and diluted (RMB)			
— from continuing operations		**(0.2)**	(0.1)
— from discontinued operations		**N/A**	—*

* This represents an amount less than RMB0.05.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2023 — unaudited

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Loss for the period	**(62,493)**	(21,092)
Other comprehensive income for the period, net of tax		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**(5,192)**	—
Other comprehensive income for the period	**(5,192)**	—
Total comprehensive income for the period	**(67,685)**	(21,092)
Attributable to:		
Equity shareholders of the Company	**(66,561)**	(21,285)
Non-controlling interests	**(1,124)**	193
Total comprehensive income for the period	**(67,685)**	(21,092)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2023 — unaudited

	Note	**As at June 30, 2023**	As at December 31, 2022
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment	*8*	**263,779**	207,113
Right-of-use assets		**16,785**	9,739
Intangible assets	*9*	**122,679**	51
Goodwill	*16*	**146,489**	—
Financial assets measured at fair value through profit or loss (FVPL)	*10*	**35,803**	35,359
Other non-current assets		**14,177**	—
Deferred tax assets		**316**	—
		600,028	252,262
Current assets			
Inventories		**76,525**	48,124
Trade and other receivables	*11*	**188,655**	145,716
Other current assets		**610**	1,610
Restricted cash		**994**	—
Cash and cash equivalents		**1,098,160**	1,332,146
		1,364,944	1,527,596
Current liabilities			
Trade and other payables	*12*	**164,015**	106,291
Contract liabilities		**—**	1,617
Lease liabilities		**3,682**	2,146
Income tax payable		**5,921**	4,498
		173,618	114,552
Net current assets		**1,191,326**	1,413,044
Total assets less current liabilities		**1,791,354**	1,665,306

	Note	As at June 30, 2023 RMB'000	As at December 31, 2022 RMB'000
Non-current liabilities			
Bank loans	*13*	**219,098**	73,394
Lease liabilities		**4,256**	—
Deferred tax liabilities		**36,768**	—
Other non-current liabilities		**2,285**	380
		262,407	73,774
NET ASSETS		**1,528,947**	1,591,532
CAPITAL AND RESERVES			
Share capital		**273,526**	273,526
Reserves		**1,252,715**	1,319,276
Total equity attributable to equity shareholders of the Company		**1,526,241**	1,592,802
Non-controlling interests		**2,706**	(1,270)
TOTAL EQUITY		**1,528,947**	1,591,532

Notes:

1 General Information

Suzhou Basecare Medical Corporation Limited (the "**Company**"), formerly known as Jiangsu Double Helix Biological Technology Co., Ltd., was established in Suzhou, Jiangsu Province, People's Republic of China (the "**PRC**") on December 14, 2010 as a limited liability company. Upon approval by the Company's board meeting held on August 11, 2020, the Company was converted from a limited liability company into a joint stock limited liability company and changed its registered name from Jiangsu Double Helix Biological Technology Co., Ltd. to Suzhou Basecare Medical Corporation Limited.

The Company is an investment holding company. The Company and its subsidiaries (together, the "**Group**") are principally engaged in sales of genetic testing kits and sales of genetic testing devices, instruments and consumables.

The H shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on February 8, 2021.

2 Basis of preparation

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue on August 30, 2023.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("**IFRSs**").

The interim financial information is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The financial information relating to the financial year ended December 31, 2022 that is included in the interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these financial statements for the year ended December 31, 2022 are available from the Company's registered office. The auditors have expressed an unqualified opinion on these financial statements in their report dated 30 March 2023.

3 Changes in accounting policies

The Group has applied the following new and amended IFRSs issued by the IASB to this interim financial information for the current accounting period.

- IFRS 17, *Insurance costs*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: International tax reform — Pillar Two model rules*

None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial information. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 Revenue

During the period, the Group mainly derives revenue from the sales of testing kits and sales of testing devices, instruments and consumables.

(a) Disaggregation of revenue

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Continuing operations		
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products of service lines		
— Sales of testing kits	**53,396**	43,860
— Sales of testing devices, instruments and consumables	**31,913**	24,708
— Others	**237**	—
	85,546	68,568
Disaggregated by timing of revenue recognition		
— Point in time	**85,309**	68,568
— Over time	**237**	—
	85,546	68,568
Disaggregated by geographical location of customers		
— The PRC	**83,537**	68,568
— Other overseas countries	**2,009**	—
	85,546	68,568

The above table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of external customers is based on the location at which the goods are delivered or services are provided.

(b) Information about major customers

Revenue from major customers contributing over 10% of the Group's revenue are set out as below:

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Continuing operations		
Customer A	**12,371**	12,970
Customer B	**N/A***	10,808
Customer C	**8,617**	N/A*
	20,988	23,778

* Less than 10% of the Group's revenue in the respective periods.

(c) Segment reporting

Based on the manner in which information is reported internally, the Group's most senior executive management manages the Group's businesses and reviews the Group's operation by geographic areas, for the purposes of resource allocation and performance assessment. Specifically, the Group's reportable segments under IFRS 8 are as follows:

- The PRC
- Australia

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the period is set out below.

	The PRC	**Australia**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
For the six months ended June 30, 2023			
Disaggregated by timing of revenue recognition			
Point in time	83,484	1,825	85,309
Over time	—	237	237
Revenue from external customers	83,484	2,062	85,546
Inter-segment revenue	—	—	—
Reportable segment revenue	83,484	2,062	85,546
Reportable segment loss before tax	(55,261)	(2,995)	(58,256)
As at June 30, 2023			
Reportable segment assets	1,606,630	358,342	1,964,972
Reportable segment liabilities	228,211	207,814	436,025

The Group has determined that it only has one operating segment which is the sales of testing kits and sales of testing devices and instruments in the PRC for the six months ended June 30, 2022. As such, no operating segment information was presented for the six months ended June 30, 2022.

5 Other net income

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Continuing operations		
Government grants [(i)]	**1,450**	1,124
Interest income from bank deposits	**20,167**	7,405
Net realised and unrealised (loss)/gain on financial assets measured at FVPL	**(1,128)**	7
Net foreign exchange gain	**25,113**	35,948
Others	**2,076**	537
	47,678	45,021

(i) Government grants primarily comprise subsidies received from the government for encouragement of research and development projects, compensation on the incurred rental expenditure on the buildings rented for research and development activities.

6 Loss before taxation

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
(a) Finance costs		
Continuing operations		
Interest on bank loans	**1,602**	1,348
Interest on lease liabilities	**90**	96
Total finance costs on financial liabilities not at fair value through profit or loss	**1,692**	1,444
Less: borrowing costs capitalised into properties under construction	**(1,602)**	(1,011)
	90	433

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*

(b) Staff costs

Continuing operations		
Salaries, wages and other benefits	**58,081**	46,149
Contributions to defined contribution retirement plan	**7,063**	4,482
	65,144	50,631

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*

(c) Other items

Continuing operations		
Depreciation of property, plant and equipment	**3,191**	2,015
Depreciation of right-of-use assets	**2,390**	1,814
Amortisation of intangible assets	**308**	2
Total amortisation and depreciation	**5,889**	3,831
Less: depreciation expense of land use rights capitalised into properties under construction	**(137)**	(143)
Amortisation and depreciation charged directly to profit or loss	**5,752**	3,688
Impairment losses on trade and other receivables	**1,890**	6,198
Auditors' remuneration	**1,608**	1,410
R&D expenses [(i)]	**63,724**	45,518

(i) During the six months ended June 30, 2023, R&D expenses include staff costs and depreciation and amortization expenses of RMB29,945,000 (six months ended June 30, 2022: RMB19,835,000), which amounts are also included in the respective total amounts disclosed separately above.

7 Income tax in the consolidated statement of profit or loss and other comprehensive income

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Continuing operations		
Current tax — the PRC	**4,315**	—
Current tax — other overseas countries	**12**	—
Deferred taxation	**(90)**	1,515
Total	**4,237**	1,515

(i) Statutory tax rate

Under the Corporate Income Tax Law of the PRC (the "**CIT Law**"), the PRC statutory income tax rate is 25% under the CIT Law. The Group's subsidiaries in the PRC are subject to PRC income tax rate at 25% unless otherwise specified.

Pursuant to the income tax rules and regulations of Australia, the Group's subsidiaries in Australia are subject to the Australian Income Tax at a rate of 30%. No provision for Australian Income Tax was made for the Group's subsidiaries in Australia, as these subsidiaries did not have assessable profits for Australia Income Tax for the six months ended 30 June 2023.

Taxation for other overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

(ii) Preferential tax rate

Under the CIT Law of the PRC and its relevant regulation, entities that qualified as high-technology enterprise are entitled to a preferential income tax rate of 15%. Suzhou Basecare Medical Device Co., Ltd. obtained its renewed certificate of high-technology enterprise on 2 December 2020 and is subject to income tax rate at 15% for a three-year period.

Under the CIT Law of the PRC and its relevant regulation, an additional 100% of qualified research and development expenses incurred would be allowed to be deducted from the taxable income for the year ending 31 December 2023.

8 Property, plant and equipment

During the six months ended June 30, 2023, the Group mainly acquired equipment with a cost of RMB9,437,000 (six months ended June 30, 2022: RMB12,242,000) and capitalised construction in progress which primarily comprised new buildings for office headquarter, research and development center and plants of RMB49,484,000 (six months ended June 30, 2022: RMB66,897,000).

9 Intangible Assets

During the six months ended June 30, 2023, the Group acquired intangible assets of RMB124,852,000 through BMX Acquisition, which primarily comprised the patents and technology know-how, contractual rights and customer relationships and trademarks.

10 Financial assets measured at fair value through profit or loss

	As at June 30, 2023	As at December 31, 2022
	RMB'000	*RMB'000*
Non-current assets		
Unlisted fund investment [(i)]	**4,271**	2,576
Unlisted equity investment [(ii)]	**15,680**	17,808
Derivative financial instrument [(ii)]	**15,852**	14,975
	35,803	35,359

(i) On August 10, 2022, the Group entered into a subscription agreement with an independent third party pursuant to which the Group agreed to subscribe the limited partnership interest in TruMed Health Innovation Fund LP, a Cayman Islands exempted limited partnership (the "**Fund**") represented by a total commitment of USD1.50 million (equivalent to approximately RMB10,447,000). The Fund principally makes equity and equity-related investments in healthcare industry.

As at June 30, 2023, the Group has contributed USD585,000 (equivalent to approximately RMB3,997,000) (December 31, 2022: USD350,000 (equivalent to approximately RMB2,425,000)) to the fund, representing 1.14% (December 31, 2022: 1.26%) of the total size of the fund. For the six months ended 30 June 2023, the Group recognised gain on the fair value changes in unrealised gain or loss on financial assets measured at FVPL of RMB123,000.

(ii) The unlisted equity investment and the derivative financial instrument represent the Group's equity interests in Zhejiang Cellpro Biotech Corporation Limited ("**Cellpro Biotech**") and a put option granted by Cellpro Biotech and its original shareholders, which were recognised as financial assets measured at FVPL with the fair value change being recognised in unrealised gain or loss on financial assets measured at FVPL.

11 Trade and other receivables

As of the end of the Reporting Period, the ageing analysis of trade debtors receivable (which are included in trade and other receivables), based on the invoice date and net of loss allowance, was as follows:

	As at June 30, 2023	As at December 31, 2022
	RMB'000	*RMB'000*
Within 6 months	**108,554**	79,775
6 – 12 months	**33,856**	35,042
12 – 18 months	**14,815**	13,564
18 – 24 months	**7,866**	3,651
Over 2 years	**210**	—
Trade debtors receivable, net of loss allowance	**165,301**	132,032
Prepayments to suppliers	**15,807**	8,732
Deposits	**4,784**	1,269
Interest receivables	**218**	3,679
Others	**2,545**	4
	188,655	145,716

Trade debtors are normally due within 60 to 360 days from the date of billing.

The Group's exposure to credit risk arising from trade receivables is influenced mainly by the individual characteristics of each customer. The default risk of the country in which the customers operate also has an influence on credit risk. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

12 Trade and other payables

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, was as follows:

	As at June 30, 2023	As at December 31, 2022
	RMB'000	*RMB'000*
Within 3 months	**40,075**	15,654
3 – 6 months	**83**	5
6 – 9 months	**138**	240
9 – 12 months	**5**	123
Over 1 year	**279**	16
Total trade payables	**40,580**	16,038
Amount due to related parties	**3,955**	6,005
Payroll payables	**15,146**	16,223
Payables for marketing expenses	**6,168**	6,476
Interest payables	**484**	102
Payables for purchases of property, plant and equipment	**57,366**	40,338
Consideration payables in connection with the acquisition of subsidiaries	**3,396**	—
Other payables and accruals	**36,920**	21,109
	164,015	106,291

All of the trade and other payables are expected to be settled within one year.

13 Bank loans

	As at June 30, 2023 *RMB'000*	As at December 31, 2022 *RMB'000*
Secured bank loans due over one year [(i)]	**89,098**	73,394
Unsecured bank loans due over one year [(ii)]	**130,000**	—
	219,098	73,394

(i) As at June 30, 2023, the secured bank loans were pledged by the Group's land use right with an interest rate at 3.90%–4.15% per annum (December 31, 2022: 4.15%–4.50%).

(ii) As at June 30, 2023, the unsecured bank loans were guaranteed by a subsidiary of the Group with an interest rate at 3.55% per annum.

14 Loss per share

The calculation of basic loss per share for the six months ended June 30, 2023 is based on the loss attributable to equity shareholders of the Company of RMB61,369,000 from continuing operations (six months ended June 30, 2022: loss of RMB33,191,000 from continuing operations and profit of RMB11,906,000 from discontinued operations) and the weighted average of 273,526,000 ordinary shares (six months ended June 30, 2022: 273,526,000 shares) in issue.

There were no potential dilutive ordinary shares for the period ended June 30, 2023 and 2022, and therefore dilutive loss per share are the same as the basic loss per share.

15 Dividends

No dividends were paid or declared by the Company or any of its subsidiaries of the Group during the Reporting Period (six months ended June 30, 2022: Nil).

16 Acquisition of subsidiaries

On 14 May 2023, the Company entered into a share purchase agreement with the original shareholders of BMX Holdco Pte. Ltd. ("**BMX**"), pursuant to which the Company agreed to acquire 100% equity interests in BMX and its subsidiaries (together, "**BMX Group**") at a cash consideration of USD40,000,000, subject to adjustment. The transaction was completed on 21 June 2023 with total consideration of USD40,470,000 (approximately RMB288,637,000).

(i) Identifiable assets acquired and liabilities assumed

The following table summarises the provisional fair value of identifiable assets acquired and liabilities assumed at the date of acquisition.

	Pre-acquisition carrying amount *RMB'000*	**Fair value adjustment** *RMB'000*	**Recognised value on acquisition** *RMB'000*
Property, plant and equipment, net	5,459	—	5,459
Right-of-use assets	5,817	—	5,817
Intangible assets	75	124,777	124,852
Inventories	24,588	—	24,588
Trade and other receivables	37,223	—	37,223
Cash and cash equivalents	30,752	—	30,752
Trade and other payables	(47,820)	—	(47,820)
Deferred tax liabilities	—	(37,433)	(37,433)
Other net identifiable liabilities	(3,575)	—	(3,575)
Net identifiable assets			139,863

Pre-acquisition carrying amounts were determined based on applicable IFRSs immediately before the acquisition. The values of assets and liabilities recognised on acquisition are their estimated fair values.

Goodwill arising from the acquisition has been recognised as follows:

	RMB'000
Total consideration, in cash	288,637
Fair value of identifiable net assets	(139,863)
Goodwill as at the date of acquisition	148,774
Exchange adjustments	(2,285)
Goodwill as at 30 June 2023	146,489

(ii) An analysis of the cash flow in respect of the acquisition of BMX is as follows:

	RMB'000
Total consideration, in cash	288,637
Less: Cash and cash equivalents acquired	(30,752)
Consideration payables	(3,396)
Net cash outflow in acquisition	254,489

For the period from the date of acquisition to June 30, 2023, BMX contributed revenue of RMB2,062,000 and loss for the period of RMB2,917,000 to the Group's results. Had the acquisition occurred on January 1, 2023, management estimated that consolidated revenue would have been RMB126,732,000, and consolidated loss for the six months ended June 30, 2023 would have been RMB103,177,000. In determining these amounts, management had assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2023.

FINANCIAL REVIEW

Revenue

During the Reporting Period, we generated revenue from sales of various types of testing kits, testing and cryopreservation devices and instruments, embryo culture devices and embryo culture solution, consumables and other products.

Our revenue increased by 24.6% from RMB68.6 million for the six months ended June 30, 2022 to RMB85.5 million for the six months ended June 30, 2023. This increased was primarily driven by the steady increase in sales of PGT kits and the growth of sales of cryostorage system devices.

Cost of Sales

Our cost of sales consists of (i) material costs, representing purchase costs of the distributed products and raw material cost for our self-developed products; (ii) staff costs; (iii) depreciation expenses, which primarily include depreciation of property, plant and equipment and right-of-use assets; and (iv) others, which primarily include utility fees, property rental expenses, logistics expenses and equipment maintenance expenses.

Our cost of sales increased by 35.4% from RMB38.4 million for the six months ended June 30, 2022 to RMB52.0 million for the six months ended June 30, 2023, which slightly outpaced the growth in revenue.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, the gross profit of the Group increased by 11.3% from RMB30.2 million for the six months ended June 30, 2022 to RMB33.6 million for the six months ended June 30, 2023. Gross profit margin is calculated as gross profit divided by revenue. The overall gross profit margin of the Group decreased from 44.1% for the six months ended June 30, 2022 to 39.2% for the six months ended June 30, 2023, primarily because though our self-developed instrument products have achieved high sales, they have not yet been mass-produced on an economic scale, which leads to a relatively low gross profit.

Other Net Income

Our other net income increased by 6.0% from RMB45.0 million for the six months ended June 30, 2022 to RMB47.7 million for the six months ended June 30, 2023, primarily due to (i) we recorded exchange gains of RMB25.1 million for the six months ended June 30, 2023, as compared to that of RMB35.9 million for the six months ended June 30, 2022; and (ii) interest income from bank deposits increased from RMB7.4 million for the six months ended June 30, 2022 to RMB20.2 million for the six months ended June 30, 2023.

Selling and Distribution Costs

Our selling and distribution expenses increased by 28.0% from RMB30.7 million for the six months ended June 30, 2022 to RMB39.3 million for the six months ended June 30, 2023, primarily due to the Company's strategy of better preparation for sales of various new products, resulting in an increase in staff costs in selling and distribution.

Administrative Expenses

Our administrative expenses increased by 18.3% from RMB30.6 million for the six months ended June 30, 2022 to RMB36.2 million for the six months ended June 30, 2023, primarily due to costs incurred from the professional services received by the Company for the BMX Acquisition.

R&D Expenses

The following table sets forth the components of our R&D expenses for the period indicated.

	Six months ended June 30,	
	2023	2022
	RMB'000	*RMB'000*
Staff costs	**28,122**	18,667
Clinical trial expenses	**20,986**	17,210
Consumables expenses	**9,232**	6,428
Depreciation expenses	**1,823**	1,168
Others	**3,561**	2,045
Total	**63,724**	45,518

Our R&D expenses increased by 40.0% from RMB45.5 million for the six months ended June 30, 2022 to RMB63.7 million for the six months ended June 30, 2023, primarily due to the progressed product research and development which resulted in an increase in R&D staff costs and clinical trial expenses.

Finance Costs

Our financial costs consist of (i) interest on interest-bearing bank loans, and (ii) interest on lease liabilities. We recorded financial costs of RMB0.4 million and RMB0.1 million for the six months ended June 30, 2022 and June 30, 2023, respectively.

Income Tax

We recorded income tax expenses of RMB1.5 million and RMB4.2 million for the six months ended June 30, 2022 and June 30, 2023, respectively.

Inventories

Our inventories primarily consist of raw materials, finished goods and devices and instruments. We generally purchase raw materials for our in-house products based on the orders received. We maintain various types of testing kits, testing and cryostorage devices, and instruments embryo culture devices and embryo culture media and consumables.

Our inventories increased by 59.0% from RMB48.1 million as of December 31, 2022 to RMB76.5 million as of June 30, 2023, primarily due to the consolidation of inventories of BMX.

Trade and Other Receivables

Our trade and other receivables increased by 29.5% from RMB145.7 million as of December 31, 2022 to RMB188.7 million as of June 30, 2023, primarily due to the consolidation of trade and other receivables of BMX.

Trade and Other Payables

Our trade payables increased by 54.3% from RMB106.3 million as of December 31, 2022 to RMB164.0 million as of June 30, 2023, primarily due to an increase in payments payable for construction in progress, as well as the consolidation of trade and other payables of BMX.

Foreign Exchange Risk

Our financial statements are expressed in RMB, but certain of our cash and cash equivalents are denominated in foreign currencies, and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Financial Resources, Liquidity and Capital Structure

During the Reporting Period, we primarily funded our working capital requirements from bank loans, equity financing and cash generated from our operations. We monitor our uses of cash and cash flows on a regular basis and strive to maintain an optimum liquidity that can meet our working capital needs.

Our net current assets decreased by 15.7% from RMB1,413.0 million as of December 31, 2022 to RMB1,191.3 million as of June 30, 2023, primarily due to cash paid for acquisitions of BMX and construction of the headquarters building. As of June 30, 2023, we had unsecured bank loans of RMB130 million with a floating interest rate of 3.55% per annum (as determined by LPR). As of the same date, we had secured bank loans of RMB89.1 million with an interest rate of 3.90% to 4.15% per annum (as determined by LPR). The secured bank loans were pledged by the Group's land use right. Our unsecured and secured bank loans were all denominated in RMB.

During the Reporting Period, we did not have any financial instruments for hedging purposes.

Due to the Global Offering, we have received net proceeds of approximately HK$1,898.7 million (after deduction of underwriting fees, commissions and relevant expenses). The Company intends to apply such net proceeds in accordance with the purposes as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus and further revised and disclosed in the circulars of the Company dated November 16, 2021 and April 7, 2022 under the sections headed "Ordinary Resolution — Proposed Change in Use of Proceeds".

Significant Investments, Material Acquisitions and Disposals

In June 2023, we have completed BMX Acquisition. BMX is a leading global provider of fertility products that automate and standardize lab workflow for IVF clinics, and has a comprehensive product portfolio and extensive global sales network and experience that can enrich and enhance those of the Company. Upon the completion of the BMX Acquisition, BMX has become a wholly owned subsidiary of the Company and the financial results of BMX has been consolidated into the financial statements of the Group. For further details on the acquisition, please refer to the announcements of the Company dated May 15, 2023, May 18, 2023 and June 21, 2023, respectively.

Save as disclosed above, during the Reporting Period, we did not make any significant investments or material acquisitions or disposals of subsidiaries, associates and joint ventures.

Future Plans for Material Investments or Capital Assets

Save as disclosed in the section headed "Capital Commitments" in this interim results announcement, the Group had no material capital expenditure plan as of the date of this interim results announcement.

Contingent Liabilities

As of June 30, 2023, we did not have any contingent liabilities.

Capital Commitments

Capital commitments outstanding as of June 30, 2023 and December 31, 2022 not provided for in the consolidation financial statements were as follows:

	June 30, 2023	December 31, 2022
	RMB'000	*RMB'000*
Authorised and contracted for		
— Property, plants, and equipment	**37,574**	64,725
— Fund investment	**6,608**	8,004
	44,182	72,729

Charge on Assets

Save for the secured bank loans of RMB89.1 million pledged by the Group's land use right, there was no charge on assets of the Group as of June 30, 2023.

Gearing Ratio

Gearing ratio is calculated by using interest-bearing borrowings and lease liabilities less cash and cash equivalents, divided by total equity and multiplied by 100%. As of June 30, 2023, the Company was in a net cash position and thus, gearing ratio is not applicable.

Employees and Remuneration

As of June 30, 2023, the Group had 488 employees. The number of employees employed by the Group varies depending on our business requirement. The remuneration package of our employees includes salary, bonus and equity-settled share-based payment, which are generally determined by their qualifications, industry experience, position and performance. The Group makes contributions to social insurance and housing provident funds for its employees in Mainland China as required by the PRC laws and regulations, and makes contributions to relevant employee benefits for employees outside Mainland China as required by the relevant requirements of other regions in the PRC and other countries.

The total remuneration cost incurred by the Group for the six months ended June 30, 2023 was approximately RMB65.1 million, as compared to RMB50.6 million for the six months ended June 30, 2022. The increase are primarily attributable to the expansion of our R&D team and selling team.

During the six months ended June 30, 2023, the Group did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations, or any difficulty in recruiting employees.

The remuneration of the Directors, Supervisors and senior management is determined by the Board with reference to recommendations by the remuneration and appraisal committee of the Company in respect of the overall remuneration policy and structure of the Directors, Supervisors and senior management of the Company (including but not limited to the performance appraisal criteria, procedures and key appraisal system, and major incentive plans, etc.) and based on the major scope, responsibility and importance of the respective positions of the directors, supervisors and senior management and the remuneration of the same position paid by comparable companies.

We recruit our personnel primarily through different methods, such as recruiting websites, recruiters and job fairs. All of our new employees are required to attend orientation and training programs so that they may better understand our corporate culture, structure and policies, learn relevant laws and regulations, and raise their compliance awareness.

The employees of the Group based in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. No forfeited contributions are available to reduce the contribution payable in the future years.

OTHER INFORMATION

Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and enhance its corporate value. The Company has adopted the CG Code as its own code of corporate governance since the Listing Date. The Company has complied with all applicable code provisions as set out in the CG Code for the six months ended June 30, 2023, except for a deviation from the code provision C.2.1 of part 2 of the CG Code, the roles of chairman and general manager of the Company are not separate and are both performed by Dr. Liang.

The Board believes that vesting the roles of both chairman of the Board and general manager of the Company in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the general manager of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Directors' and Supervisors' securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding Directors' and Supervisors' securities transactions since the Listing Date. Having made specific enquiry of all Directors and Supervisors, each of the Directors and Supervisors has confirmed that he/she has complied with the Model Code during the Reporting Period.

No incident of non-compliance of the Model Code was noted by the Company during the Reporting Period.

Company's Compliance with relevant Laws and Regulations

During the Reporting Period and up to the date of this announcement, the Group had complied with the laws, regulations and regulatory requirements of the places where the Group operates in all material respects, including the requirements under the Companies Ordinance, the Listing Rules, the SFO and the CG Code for, among other things, the disclosure of information and corporate governance, except for the temporary failure to meet the requirements for a short period of time of Rules 3.10, 3.10A, 3.21, 3.25, 3.27A and 19A.18(1) of the Listing Rules as set out below.

On June 14, 2023, Mr. CHAU Kwok Keung resigned as an independent non-executive Director of the Company and accordingly ceased to be the chairman of the Audit Committee, a member of the remuneration and appraisal committee of the Company and a member of the nomination committee of the Company. As a result, the Company temporarily failed to comply with the requirements as set out in Rules 3.10, 3.10A, 3.21, 3.25, 3.27A and 19A.18(1) of the Listing Rules.

On July 13, 2023, Mr. LAM Siu Wing was appointed as the independent non-executive Director of the Company, the chairman of the Audit Committee, the member of the remuneration and appraisal committee of the Company and the member of the nomination committee of the Company. Following with the appointment of Mr. LAM Siu Wing, the Company restored to comply with the requirements of (i) Rule 3.10 of the Listing Rules, which stipulates that the board of directors of a listed issuer must include at least three independent non-executive directors and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise; (ii) Rule 3.10A of the Listing Rules, which stipulates that an issuer must appoint independent non-executive directors representing at least one-third of the board; (iii) Rule 3.21 of the Listing Rules, which stipulates that the audit committee must comprise a minimum of three members, at least one of whom must be an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The majority of the audit committee members must be independent non-executive directors of the listed issuer. The audit committee must be chaired by an independent non-executive director; (iv) Rule 3.25 of the Listing Rules, which stipulates that a remuneration committee shall comprise a majority of independent non-executive director; (v) Rule 3.27A of the Listing Rules, which stipulates that a nomination committee shall comprise a majority of independent non-executive directors; and (vi) Rule 19A.18(1) of the Listing Rules, which stipulates that at least one of the independent non-executive directors of a PRC issuer must be ordinarily resident in Hong Kong.

During the Reporting Period and up to the date of this announcement, none of the Group and the Directors, Supervisors and senior management of the Company was subject to any investigation initiated or administrative penalties imposed by the CSRC, banned from entering the market, identified as inappropriate candidates, publicly condemned by stock exchanges, subject to mandatory measures, transferred to judicial organs or held criminally responsible, and none was involved in any other litigation, arbitration or administrative proceedings which would have a material adverse impact on our business, financial condition or results of operations.

Use of Proceeds from the Global Offering

The net proceeds (the "**Proceeds**") received by the Company from its initial Global Offering (including the partial exercise of the over-allotment option) amounted to HK$$1,898.7 million (equivalent to RMB1,584.1 million) (after deducting the underwriting commissions and relevant expenses).

The table below sets out the planned applications and actual use of the Proceeds:

Use of Proceeds	Planned applications *HK$ in million*	Percentage of total Proceeds	Actual amount of Proceeds unutilized as of December 31, 2022	Actual amount of Proceeds utilized as of June 30, 2023	Actual amount of Proceeds unutilized as of June 30, 2023	Percentage of Proceeds expected to be used in 2023	Expected timeframe for unutilized Proceeds
Core Product — PGT-A kit	**379.7**	**20%**	**223.4**	**173.2**	**206.5**	**3.78%**	**Within the next one to three years**
Ongoing sales and marketing activities of our PGT-A kit and planned commercialization in China, in order to expand our sales channels, continue market coverage expansion, conduct patient education and clinical knowledge of physicians and increase the penetration rate of our PGT-A kit	151.9	8%	28.4	123.8	28.1	0.04%	
Optimizing the production process of our PDT-A kit by upgrading our existing manufacturing machinery and equipment, as well as procuring and installing new automated operational equipment and instruments to increase our production efficiency for PGT-A kit, and optimizing and upgrading our and PGT-A kits[(1)]	227.8	12%	195.0	49.4	178.4	3.74%	

Use of Proceeds	Planned applications *HK$ in million*	Percentage of total Proceeds	Actual amount of Proceeds unutilized as of December 31, 2022	Actual amount of Proceeds utilized as of June 30, 2023	Actual amount of Proceeds unutilized as of June 30, 2023	Percentage of Proceeds expected to be used in 2023	Expected timeframe for unutilized Proceeds
Clinical trial, registration filing and commercialization of our PGT-M kit	**189.9**	**10%**	**143.4**	**84.6**	**105.3**	**4.02%**	**Within the next one to three years**
Clinical trial and registration filing of our PGT-M kit (including the relevant labor and consumables costs)[(1)]	132.9	7%	104.7	66.3	66.6	3.02%	
Commercialization, sales and marketing activities of our PGT-M kit	57.0	3%	38.7	18.3	38.7	1.00%	
Development, clinical trials, registration filings and commercialization[(1)] of our other products	**569.6**	**30%**	**389.7**	**242.8**	**326.8**	**4.62%**	**Within the next one to three years**
Development, clinical trials, registration filings and commercialization[(1)] of our other genetic test kit products	227.8	12%	143.5	125.4	102.4	2.33%	
Research, development, manufacturing and commercialization[(1)] of our genetic testing devices and instruments	341.8	18%	246.2	117.4	224.4	2.29%	
Improving our research and development capabilities and enhancing our technologies, including (i) introducing and acquiring new technologies in businesses upstream and downstream of genetic testing, to expand our product portfolio; (ii) recruiting talent in genetic testing, particularly senior R&D personnel with a high level of influence in the industry and with extensive international R&D and product development experience; (iii) funding our collaborations with academic and research institutions on joint research projects	**284.8**	**15%**	**207.3**	**186.8**	**98.0**	**5.76%**	**Within the next one to three years**

Use of Proceeds	Planned applications *HK$ in million*	Percentage of total Proceeds	Actual amount of Proceeds unutilized as of December 31, 2022	Actual amount of Proceeds utilized as of June 30, 2023	Actual amount of Proceeds unutilized as of June 30, 2023	Percentage of Proceeds expected to be used in 2023	Expected timeframe for unutilized Proceeds
Constructing and decorating of our R&D center and expanding the manufacturing plant for our test kit products, testing devices and instruments[(1)]	189.9	10%	151.0	68.0	121.9	3.06%	Within the next one to three years
Working capital and general corporate purposes	284.8	15%	86.3	214.1	70.7	1.64%	Within the next one to three years
Total	1,898.7	100%	1,201.1	969.5	929.2	22.88%	

Note:

(1) The resolution in respect of changes in use of the Proceeds of the Company from the Global Offering was approved in the 2022 first extraordinary general meeting of the Company held on April 30, 2022, and the underlined parts reflect such changes in use of the Proceeds from the Global Offering.

The expected timeline for utilizing the Proceeds from the Global Offering is based on the best estimation of future market conditions made by the Company and subject to changes in accordance with our actual business operation. The Proceeds have applied in the manner as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus dated January 27, 2021 and further revised and disclosed in the circulars of the Company dated November 16, 2021 and April 7, 2022 under the section headed "Ordinary Resolution — Proposed Change in Use of Proceeds".

Interim Dividends

The Directors do not recommend the payment of an interim dividend for the Reporting Period (2022 interim dividend: Nil).

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period (June 30, 2022: Nil).

Audit Committee

The Audit Committee consists of two independent non-executive Directors and one non-executive Director, namely Mr. LAM Siu Wing, Dr. KANG Xixiong and Mr. WANG Weipeng. Mr. LAM Siu Wing, being the chairman of the Audit Committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Company and overseeing the audit process.

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Company and the interim results for the six months ended June 30, 2023.

KPMG, the Group's external auditor, has carried out a review of the unaudited interim consolidated financial statements for the six months ended June 30, 2023 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

Business Update in Respect of BMX

References are made to the announcements of the Company dated May 15, 2023, May 18, 2023 and June 21, 2023, respectively and the section headed "Significant Investments, Material Acquisitions and Disposals" in this interim results announcement. On June 21, 2023, the Company has completed the acquisition of the entire equity interest of BMX and BMX has become a wholly-owned subsidiary of the Company since then.

BMX is a leading provider of fertility products that automate and standardize lab workflow for IVF clinics, and it has a comprehensive product portfolio and extensive global sales network and experience which enrich and enhance those of the Company. BMX operates a world class business with extensive operations and partnerships across multiple countries and regions around the world. The products of BMX are sold directly to clinics in Europe, Asia and the Americas through the BMX's self-developed commercialization team and distributors.

After the acquisition of BMX, (i) leveraging the Company's extensive experience on R&D, production and sales in China, the Company will introduce BMX products into China, in order to provide overall solution with high quality, automation and intelligent level for medical institutions; (ii) BMX's extensive global sales network and experience will generate enormous synergy with the Company, and will support the Company in expanding its international market presence, leading to an increase in revenue and a larger customer base which will strengthen the foundation for future commercialization and facilitate the entry of the Company's self-developed products into new markets, and (iii) the Company has acquired the entire product pipeline of BMX, and could further leverage such strong advantages in products portfolio to realize domestic R&D and production, develop the next-generation automated culture medium hardware system and provide more innovative products for the field of assisted reproduction based on R&D of BMX.

The total revenue of BMX for the six months ended on June 30, 2023 was approximately RMB43.2 million, representing an increase of approximately 20% compared to the six months ended on June 30, 2022 according to the unaudited management account of BMX. The increase in revenue was primarily attributed to the higher sales in Spain, Italy, the Czech Republic and several Asian countries. BMX will continue to enhance and improve its product portfolio to achieve ongoing innovation and improvement for existing products.

Supplemental Information to the 2022 Annual Report

Reference is made to the 2022 Annual Report. The Company would like to provide the following supplemental information in relation to use of the Proceeds from the Global Offering.

The Board has been constantly evaluating the Group's business objective and may change or modify plans against the changing market conditions to ascertain the business growth of the Group. The Board has been also taking a cautious approach continually when considering using the Proceeds, and closely monitoring the changes of the market conditions from time to time. On April 30, 2022, the resolution in respect of change in use of the Proceeds of the Company from the Global Offering was approved in the 2022 first extraordinary general meeting of the Company. The reasons for such change in use of the Proceeds from Global Offering are as follows:

- As the first mover with the first NMPA-approved PGT product in China, the Company has been enjoying unique advantages in establishing and expanding the Company's commercialization network for the Company's registered product rapidly since the Listing. The commercialization of the Company's products, especially the improvement of the coverage and penetration of key customers, namely, hospitals and reproductive clinics licensed to conduct PGT, have been progressed fast and smoothly. In addition, mainly due to the impact of the continuous COVID-19 pandemic, many domestic and international medical conferences and academic seminars relating to

assisted reproduction procedures that the Company planned to host or sponsor in order to promote the commercialization of the Company's PGT-A and PGT-M products were canceled. The Board has re-assessed the fund needs of the Company's PGT-A and PGT-M kits after taking into consideration the aforementioned factors and is of the view that part of the Proceeds originally allocated to such products can be re-allocated to other purposes.

- In order to maintain technological leadership in the industry and capturing commercial opportunities in the China's PGT market firmly, the Company plans to further extend the Company's product portfolio through both in-house R&D and external acquisitions and investments. Therefore, the Board proposes to allocate more Proceeds to (i) the R&D, clinical trials and registration filings, manufacturing and commercialization of other early-stage or planned product candidates, and (ii) improve the Company's R&D capabilities and enhance the Company's technologies. The Company has been prudently assessing investment opportunities to expand its product portfolio through investments, acquisition, in-licensing or other collaboration arrangements with regard to these technologies.

- Considering the growing market demands of the Company's products and the rapid expansion of the Company's R&D team in line with the development stage of the Group, the Board proposes to use 10% of the Proceeds for the purpose of constructing and decorating of the Company's R&D center and expanding the manufacturing plant for the Company's test kit products, testing devices and instruments.

- Considering the Company's rapid development after the Listing, the Board also considered that it would be appropriate to reallocate additional unutilized Proceeds for the use of working capital and other general corporate purposes.

In respect of (i) the detailed changes to the use of the Proceeds that have been approved in the 2022 first extraordinary general meeting of the Company; and (ii) the unutilized Proceeds of the Company from the Global Offering as of December 31, 2022, please refer to the section headed "Use of Proceeds from the Global Offering" in this interim results announcement.

The above additional information does not affect other information contained in the 2022 Annual Report. All other information in the 2022 Annual Report remains unchanged.

Publication of Interim Results and Interim Report

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.basecare.cn). The interim report for the six months ended June 30, 2023 containing all the information in accordance with the requirements under the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their continuous support and contribution to the Group.

By Order of the Board
Suzhou Basecare Medical Corporation Limited
Dr. Liang Bo
Chairman and General Manager

Suzhou, PRC, August 30, 2023

As of the date of this announcement, the Board comprises Dr. LIANG Bo, Mr. KONG Lingyin and Ms. YANG Ying as executive Directors; Mr. XU Wenbo, Mr. WANG Weipeng and Mr. LING Yang as non-executive Directors; and Dr. KANG Xixiong, Mr. LAM Siu Wing and Dr. YEUNG Shu Biu William as independent non-executive Directors.

"2022 Annual Report"	the annual report for the year ended December 31, 2022 of the Company published on April 25, 2023
"ART"	assisted reproductive technology(ies)
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Basecare Investment"	Suzhou Basecare Investment Management Enterprise (Limited Partnership) (蘇州貝康投資管理企業(有限合夥)), a limited partnership established on May 23, 2016, through which, certain former employees, employees and advisors of our Group were indirectly beneficially interested in approximately 13.19% of the equity interests in our Company as of the date of this interim results announcement. Basecare Investment is one of our Controlling Shareholders
"BMX"	BMX Holdco Pte. Ltd., a company incorporated in Singapore and a wholly owned subsidiary of the Company as of the date of this interim results announcement
"BMX Acquisition"	the acquisition of BMX and its seven subsidiaries by the Company, which was completed on June 21, 2023
"Board"	the board of directors of the Company
"CE approval"	European conformity (conformité européenne)
"CG Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"China" or "the PRC"	the People's Republic of China excluding, for the purpose of this interim results announcement and for geographical reference only and except where the context requires otherwise, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Company"	Suzhou Basecare Medical Corporation Limited (蘇州貝康醫療股份有限公司)

"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Dr. Liang and/or Basecare Investment
"Core Product(s)"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for purposes of this interim results announcement, our Core Product refers to our PGT-A kit
"CSRC"	the China Securities Regulatory Commission
"Director(s)"	the director(s) of our Company, including all executive directors, non-executive directors and independent non-executive directors
"Dr. Liang"	Dr. LIANG Bo (梁波), our founder, executive Director, chairman of the Board, general manager and Controlling Shareholder
"FDA"	The United State Food and Drug Administration
"Global Offering"	the offer of H Shares for subscription as described in the Prospectus
"Group", "we" or "us"	the Company and its subsidiaries
"H Shares"	overseas listed shares in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards
"IVF"	*in vitro* fertilization, a process where the egg and sperm are incubated together to a fertilized embryo in an *in vitro* system to achieve pregnancy
"Listing Date"	February 8, 2021, being the date on which dealings in our H Shares first commenced on the Main Board of the Stock Exchange

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"LPR"	Loan Prime Rate
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
"PGT"	pre-implantation genetic testing, a test performed before the implantation of an embryo to screen and diagnose the DNA from embryos for determining genetic abnormalities. These include PGT for aneuploidy (PGT-A), PGT for monogenic defects (PGT-M) and PGT for chromosomal rearrangements (PGT-SR)
"Prospectus"	the prospectus issued by the Company dated January 27, 2021
"R&D"	research and development
"Reporting Period"	the six months ended June 30, 2023
"RMB"	Renminbi Yuan, the lawful currency of China
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	shares in the share capital of our Company, with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of Shares
"sq.m."	square meter(s)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the supervisor(s) of the Company
"%"	per cent