



蘇州貝康醫療股份有限公司

SUZHOU BASECARE MEDICAL CORPORATION LIMITED

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

Stock Code : 2170

2025 ANNUAL REPORT



CONTENTS

Corporate Information	2
Financial Summary	4
Chairman's Statement	5
Management Discussion and Analysis	6
Directors, Supervisors and Senior Management	26
Corporate Governance Report	31
Supervisors' Report	43
Directors' Report	45
Environmental, Social and Governance Report	58
Independent Auditor's Report	105
Consolidated Statement of Profit or Loss	112
Consolidated Statement of Profit or Loss and Other Comprehensive Income	113
Consolidated Statement of Financial Position	114
Consolidated Statement of Changes in Equity	116
Consolidated Statement of Cash Flows	117
Notes to the Financial Statements	118
Definitions	181



Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. LIANG Bo (梁波) (*Chairman and General Manager*)
Mr. KONG Lingyin (孔令印)
Ms. JIANG Junchao (姜雋超)

Non-executive Directors

Mr. ZHAO Ye (趙業) (*appointed on January 21, 2025*)
Mr. WANG Weipeng (王偉鵬)
Mr. LING Yang (凌洋) (*resigned on January 15, 2026*)

Independent Non-executive Directors

Dr. KANG Xixiong (康熙雄)
Mr. LAM Siu Wing (林兆榮)
Dr. YEUNG Shu Biu William (楊樹標)

AUDIT COMMITTEE

Mr. LAM Siu Wing (*Chairman*)
Dr. KANG Xixiong
Mr. WANG Weipeng

REMUNERATION AND APPRAISAL COMMITTEE

Dr. KANG Xixiong (*Chairman*)
Dr. LIANG Bo
Mr. LAM Siu Wing

NOMINATION COMMITTEE

Dr. LIANG Bo (*Chairman*)
Ms. JIANG Junchao (*appointed on June 25, 2025*)
Dr. KANG Xixiong
Mr. LAM Siu Wing
Dr. YEUNG Shu Biu William (*appointed on June 25, 2025*)

SUPERVISORS

Ms. SHI Lijuan (史麗娟) (*Chairwoman*)
Dr. LIN Yi (林藝)
Ms. ZONG Qiuping (宗秋平)

AUTHORISED REPRESENTATIVES

Dr. LIANG Bo
Ms. WAN Wing Yi Carol (溫詠宜)
(*appointed on March 30, 2026*)
Mr. CHUNG Ming Fai (鍾明輝) (*resigned on March 30, 2026*)

JOINT COMPANY SECRETARIES

Mr. YIN Lejun (殷樂駿)
Ms. WAN Wing Yi Carol (溫詠宜)
(*appointed on March 30, 2026*)
Mr. CHUNG Ming Fai (鍾明輝) (*resigned on March 30, 2026*)

HEADQUARTERS AND REGISTERED OFFICE IN THE PRC

No. 77 Jingu Road
Suzhou Industrial Park, Suzhou
Jiangsu Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

HONG KONG LEGAL ADVISER

Kirkland & Ellis
26/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

PRC LEGAL ADVISER

Jingtian & Gongcheng
34/F, Tower 3, China Central Place
77 Jianguo Road
Beijing, China

AUDITOR

KPMG
*Public Interest Entity Auditor registered in accordance with
the Financial Reporting Council Ordinance*
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

LISTING RULES REGULAR ADVISER

Guotai Junan Capital Limited
27/F, Low Block, Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

STOCK CODE

2170

COMPANY WEBSITE

www.basecare.cn

PRINCIPAL BANK

Shanghai Pudong Development Bank Suzhou Branch
No. 718, Zhongyuan Road
Suzhou Industrial Park, Suzhou
Jiangsu Province, PRC

Financial Summary

For the year ended December 31,

	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	233,270	299,109	207,976	140,901	107,299
Cost of sales	(109,662)	(162,886)	(116,625)	(81,373)	(56,152)
Gross profit	123,608	136,223	91,351	59,528	51,147
Loss from operations	(214,078)	(230,965)	(193,709)	(126,118)	(124,486)
Loss before taxation	(227,193)	(240,337)	(196,319)	(126,614)	(125,746)
Loss for the year	(223,455)	(237,210)	(193,349)	(123,163)	(144,078)

As of December 31,

	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial Position					
Non-current assets	689,640	690,039	682,921	252,262	98,195
Current assets	756,802	979,242	1,215,166	1,527,596	1,702,693
Non-current liabilities	321,485	332,782	304,716	73,774	25,517
Current liabilities	190,292	194,684	195,265	114,552	60,332
Net assets	934,665	1,141,815	1,398,106	1,591,532	1,715,039
Total equity attributable to equity shareholders of the Company	934,665	1,143,066	1,399,176	1,592,802	1,715,466
Non-controlling interests	—	(1,251)	(1,070)	(1,270)	(427)

Dear shareholders, investors and all employees,

2025 marked a highly significant and memorable year for Basecare Medical. Amid profound shifts in the market environment and a reshaping of the industry landscape, we not only successfully completed a substantive transition from an “IVD company” to an “AI-powered IVF full-scenario platform”, but also advanced decisively into a new phase of global development.

Globalization was our core theme for the year and embodies our long-term strategic commitment.

Throughout the year, driven by the dual engines of “independent R&D” and “global deployment”, we deeply integrated into the global reproductive medicine value chain. With the official launch of our global production base located in the Suzhou Free Trade Zone, we are enabling “two-way empowerment” across the global industrial chain: localizing internationally leading product technologies for the domestic market while accelerating the international rollout of Chinese innovative products, thereby establishing a Chinese innovation brand on the global stage. During the Reporting Period, overseas revenue accounted for 44% of our total revenue; our products have obtained more than 70 global medical device registrations and entered over 900 reproductive centers across more than 60 countries, truly realizing “R&D in China, application worldwide”. Through the acquisition of the Genea Biomedx Group, we incorporated its 30-year-old international brand, full product portfolio and global sales channels, achieving a pivotal leap in brand internationalization.

In terms of breakthroughs in domestic substitution, we have delivered results capable of reshaping the industry landscape.

Between 2025 and 2026, we achieved milestone breakthroughs in the localization of culture media — the Gems series of culture media products sequentially obtained Class III medical device registration certificates from the NMPA. In August 2025, our embryo processing fluid was the first to gain approval, marking the formal entry of domestically produced high-end culture media into the global top tier and completely breaking the monopoly held by imported brands for over three decades. In February 2026, our one-step embryo culture medium and Geri embryo culture medium were successively approved, further enriching our culture media portfolio. By April 2026, both our fertilization culture medium and blastocyst culture medium obtained Class III registration certificates from the NMPA. At this point, the Gems series constituted a comprehensive portfolio of culture media covering the entire process from “fertilization → cleavage-stage embryo culture → blastocyst culture”, making the Company one of the very few enterprises globally to simultaneously secure four major international authoritative certifications namely FDA, CE, TGA and NMPA for assisted reproductive technology fluids. Meanwhile, the Geri time-lapse embryo incubator achieved domestic registration in July 2025, and the PGT-A kit completed integrated registration with a domestic sequencing platform. This series of breakthroughs signifies that China's assisted reproductive technology industry will gradually reduce its reliance on imports, achieve supply chain autonomy and controllability, significantly lower treatment costs, and enable more families to benefit from affordable reproductive healthcare services.

Over the past year, the Company's operational quality has continued to improve, with gross margin rising to 53.0% and losses further narrowing. These achievements would not have been possible without the trust and confidence of every shareholder, the steadfast support of every investor and the relentless dedication and hard work of all our team members day and night. On behalf of the Company's Board of Directors, I hereby extend our sincerest gratitude and highest respect to all of you!

Looking ahead, we will continue to pursue the dual-track strategy of “independent R&D” and “global collaboration”, further deepen our international footprint, tackle key technologies in assisted reproduction and genetic diagnosis, and fulfill our sacred mission of “helping more families to have healthy children”. In 2026, as industry demand aligns with the Company's capabilities, we will enter a more defined cycle of growth realization. Let us unite in purpose and forge ahead, delivering even greater results to reward all friends who care about and support Basecare Medical!

Management Discussion and Analysis

OVERVIEW

The Group focuses on the field of assisted reproduction and is committed to providing reproductive centers and related medical institutions with automated, standardized and intelligent medical devices, reagents and consumables and overall solutions. Through years of technological accumulation, product development, registration and application and market expansion, the Group has gradually formed a product portfolio covering genetic testing, embryo culture, cryopreservation, andrology testing and laboratory information management. It has also continuously upgraded from a single-point business model centered on genetic testing to a full-scenario supplier for assisted reproductive laboratories worldwide.

2025 was a pivotal year for the Group, marking a shift from “R&D and registration-driven” to “commercialization and operational optimization-driven”. In response to changes in the external market environment, industry competition landscape and the Company’s own development stage, the Group has not simply pursued revenue expansion, but also has proactively advanced the optimization of its business structure, focusing on high-return products, key regional markets and business directions with long-term platform value. During such process, although the Group experienced periodic revenue fluctuations, its revenue structure, product structure and regional structure were further improved and gross profit margin continued to increase, with results yielded in the cost controls and loss level and operating cash flow continuing to improve.

During the Reporting Period, the Group made several important progresses in core product registration, localization efforts and platform-based business development. In the field of embryo culture, we have obtained the registration certificate for the Geri® Time-Lapse Incubator in China, marking a key localization milestone for the Group in the field of high-end embryo culture equipment and laying the foundation for subsequent market introduction and domestic substitution in China; and the Gems® series of products achieved a key registration breakthrough in the Chinese market, providing a clear channel for the reintroduction of embryo culture medium into the Chinese market and subsequent continuous repurchase revenue. In the field of andrology, the approval of our self sperm testing device for market launch further enhanced the Group’s product portfolio in the front-end testing scenarios of assisted reproduction. In the field of genetic testing, the Group continued to consolidate the closed-loop capabilities formed by PGT-A test kits, sequencing platforms and analysis software, and steadily advanced the progress of subsequent products such as PGT-M and PGT-SR, consolidating the Company’s first-mover advantage and compliance barriers in the genetic laboratory scenario.

From a strategic perspective, the Group was driving business development along three clear lines. Firstly, we would continue to consolidate our market-leading position in the genetic testing business and enhance its profitability and cash flow contribution as a mature business line; secondly, leveraging Geri®, Gems® and AI-related capabilities, we would develop the embryo business line into the core engine for future revenue growth and gross profit improvement, and promote the transformation of the business model from single equipment sales to a high-stickiness model of “equipment + consumables + services”; and thirdly, we would continue to improve our platform-based product portfolio, including cryopreservation, andrology testing, and information systems, striving to enhance the Group’s cross-selling capabilities and long-term customer value within the same laboratory setting.

The Group believes that the global assisted reproductive technology industry is in a new upgrade cycle, gradually moving from low penetration, fragmentation and experience-driven to high penetration, automation, standardization and intelligence. The increasing penetration rate of PGT, the automation upgrade of IVF laboratories, the growing demand for fertility preservation, and the increasing demand for integrated solutions from leading reproductive centers are all driving the industry’s competitive logic to evolve from “competition for single products” to “competition for system capabilities”. The Group’s product portfolio and development direction are highly consistent with the industry’s upgrading path.

As of the end of the Reporting Period, the Group has established a deep coverage of medical institutions and a core customer base in China, and has formed a broad customer-reach capability for overseas markets by relying on BMX’s global installation, channel and brand accumulation. This means that the Group was not starting from scratch to advance platform expansion, but rather gradually increasing the contribution of each customer, increasing the proportion of revenue from consumables and services, and optimizing revenue quality and profitability based on existing customer relationships, existing product entry points and existing clinical validation.

Management Discussion and Analysis

Looking ahead, the Group will continue to adhere to the operating principles of “focusing on core competencies, strengthening synergy, improving efficiency and optimizing structure”. On the one hand, it will use genetic testing as the foundation for cash flow and profits; on the other hand, it will drive the embryo business line into a stage of revenue growth and gross profit contribution. Meanwhile, it will use cryopreservation, andrology and information technology products as medium-and long-term platform expansion tools to gradually transition from the “platform layout period” to the “platform realization period”, and promote the Group’s continuous progress towards becoming a globally competitive assisted reproductive medical technology platform.

The following diagram sets forth key details of our product portfolio as of the date of this annual report:

Product	Stage of Reproductive Cycle	Approved / Planned Indications	Coverage	Research & Development Stage			
				Preclinical Studies Design and Development*	Preclinical Studies Performance Evaluation**	Registration Testing***	Clinical Evaluation/Trial****
Genetic Laboratory							
PGT-A	Pre-implantation	Aneuploidy	NMPA	Obtained Class II medical device registration certificate in February 2020(Base on DA5600)			
			NMPA	Obtained Class II medical device registration certificate in March 2024(Base on DA5000)			
			CE	Expected to obtain IVDR Class C CE Marking in 2027			
PGT-M	Pre-implantation	Monogenic Defects	NMPA	Expected to obtain Class II medical device registration certificate in 2026			
			CE	Expected to obtain IVDR Class C CE Marking in 2026			
PGT-SR	Pre-implantation	Chromosomal Structural Variations	NMPA	Expected to obtain registration certificate in 2026			
Sample preservation solution	Universal	Sample Preservation	NMPA	Completed filing in 2022			
Universal Sequencing Reaction KIT(DA5000)	Universal	Sequencing	NMPA	Completed filing in 2021			
Universal Sequencing Reaction KIT(DA5000)	Universal	Sequencing	NMPA	Completed filing in 2022			
Universal Sequencing Reaction KIT(DA5000)	Universal	Sequencing	NMPA	Completed filing in 2020			
Nucleic acid purification and DNA extraction kit	Universal	DNA Extraction	NMPA	Completed filing in 2021			
Automated workstation (BS1000)	Universal	Sample Processing	NMPA	Expected to obtain registration certificate in 2026			
Genie sequencer (DA500)	Universal	Sequencing	NMPA	Obtained Class II medical device registration certificate in September 2023			
			CE	Expected to obtain IVDR Class C CE Marking in 2026			
Genie sequencer (DA5000)	Universal	Sequencing	NMPA	Obtained Class II medical device registration certificate in September 2024			
			CE	Expected to obtain IVDR Class C CE Marking in 2026			
Andrology Laboratory							
Sperm quality analyzer (SQA-210)	Pre-implantation	Assisted reproduction for men	NMPA	Obtained Class II medical device registration certificate in October 2024			
			CE	Expected to obtain IVDR Class A CE Marking in 2026			
Self sperm testing device	Pre-implantation	Assisted reproduction for men	FDA	Expected to obtain FDA Clearance in 2026			
			NMPA	Expected to obtain registration certificate in 2026			
Sperm DNA integrity assay kit	Pre-implantation	Assisted reproduction for men	NMPA	Expected to obtain registration certificate in 2026			
Sperm mitochondrial function test kit	Pre-implantation	Assisted reproduction for men	NMPA	Expected to obtain registration certificate in 2026			
Sperm reactive oxygen test kit	Pre-implantation	Assisted reproduction for men	NMPA	Expected to obtain registration certificate in 2026			
Cryopreservation Laboratory							
Liquid nitrogen storage tank	Universal	Gamete and embryo	NMPA	Obtained Class II medical device registration certificate in November 2022			
			CE	Expected to obtain MDR Class I(a) CE Marking in 2025			
			FDA	Expected to obtain FDA Clearance in 2025			
			TGA (Thailand)	Marketing approval from TGA obtained in January 2026			
Cryostorage System (BSG800)	Universal	Gamete and embryo	MDA (Chile)	Expected to obtain registration certificate in 2026			
			TGA (Australia)	Obtained marketing approval from TGA in March 2026			
Vitrified Tube	Universal	Gamete and embryo	NMPA	Obtained Class II medical device registration certificate in September 2024			
			CE	Expected to obtain MDR Class I(a) CE Mark in 2026			
Vitrified Straw	Universal	Gamete and embryo	NMPA	Obtained Class II medical device registration certificate in January 2025			
			CE	Expected to obtain MDR Class I(a) CE Marking in 2026			
Embryo Laboratory (Live View)							
Geni Incubator	Pre-implantation	Embryo Sample	NMPA (Imported)	Obtained Class II medical device registration certificate in November 2020			
			NMPA (domestic)	Class II medical device registration certificate obtained in July 2025			
			CE	Obtained CE Marking in 2016			
			FDA	Obtained FDA certification in 2017			
			TGA (Australia)	Obtained market authorization in 2018			
Geni Fertilization Instrument	Pre-implantation	Gamete and Embryo	ANVISA (Brazil)	Obtained market authorization in 2023			
			MHRA (UK)	Obtained market authorization in 2015			
			TGA (Thailand)	Obtained market authorization in 2022			
			MPSA (South Korea)	Obtained market authorization in 2019			
Geni Fertilization Medium	Pre-implantation	In-Vitro Fertilization	CE	Obtained CE Marking in 2015			
			TGA (Thailand)	Obtained market authorization in 2022			
			NMPA	Class II medical device registration certificate obtained in April 2026			
			CE	Obtained CE Marking in 2016			
			FDA	Obtained FDA certification in 2017			
Geni Oocyte Retrieval Buffer/Geni Cleavage Medium	Pre-implantation	Oocyte Retrieval	TGA (Australia)	Obtained market authorization in 2023			
			HC (Canada)	Obtained market authorization in 2018			
			MHRA (UK)	Obtained market authorization in 2016			
			TGA (Thailand)	Obtained market authorization in 2022			
			NMPA	Expected to obtain Class II registration certificate in 2026			
Geni Sperm Wash Gradient Set/Geni Sperm Medium/Geni Sperm Buffer	Pre-implantation	Sperm Processing	CE	Obtained CE Marking in 2016			
			FDA	Obtained FDA Marking in 2017			
			TGA (Australia)	Obtained market authorization in 2023			
			HC (Canada)	Obtained market authorization in 2016			
			MHRA (UK)	Obtained market authorization in 2016			
Geni Vitrification Set/Geni Warming Set	Pre-implantation	Oocyte & Embryo Vitrification & Thawing	TGA (Thailand)	Obtained market authorization in 2022			
			NMPA	Expected to obtain Class II registration certificate in 2026			
			CE	Obtained CE Marking in 2016			
			FDA	Obtained FDA certification in 2017			
			TGA (Australia)	Obtained market authorization in 2023			

Management Discussion and Analysis

Product	Stage of Reproductive Cycle	Approved / Planned Indications	Coverage	Research & Development Stage			
				Preclinical Studies Design and Development*	Performance Evaluation**	Registration Testing***	Clinical Evaluation/Trial****
Embryo Laboratory (Live View)							
Geno ViBase	Pre-implantation	Embryo Culturing	NMPA	Class II medical device registration certificate obtained in August 2025			
			CE	Obtained CE Marking in 2016			
			FDA	Obtained FDA certification in 2017			
			TGA (Australia)	Obtained market authorization in 2023			
			MHRA (UK)	Obtained market authorization in 2016			
Geno Blastocyst Medium	Pre-implantation	Embryo Culturing	TPDA (Thailand)	Obtained market authorization in 2022			
			NMPA	Class II medical device registration certificate obtained in April 2026			
			CE	Obtained CE Marking in 2016			
			FDA	Obtained FDA certification in 2017			
			TGA (Australia)	Obtained market authorization in 2023			
Geno Geli Medium	Pre-implantation	Embryo Culturing	HC (Canada)	Obtained market authorization in 2016			
			MHRA (UK)	Obtained market authorization in 2016			
			TPDA (Thailand)	Obtained market authorization in 2022			
			NMPA	Class II medical device registration certificate obtained in February 2026			
			CE	Obtained CE Marking in 2016			
Geno Dish	Pre-implantation	Embryo Culturing	FDA	Obtained FDA certification in 2017			
			TGA (Australia)	Obtained market authorization in 2023			
			HC (Canada)	Obtained market authorization in 2016			
			MHRA (UK)	Obtained market authorization in 2016			
			TPDA (Thailand)	Obtained market authorization in 2022			
Software Laboratory							
Intelligent assisted reproduction management system (AMDS)	Full-cycle	Universal	Commercial	Comprehensive commercialization commenced in 2023			
PCT-A Software	Pre-implantation	At-risk only	NMPA	Obtained Class II medical device registration certificate in June 2022			
PCT-B Software	Pre-implantation	Monogenic defects	NMPA	Expected to obtain registration certificate in 2025			
PCT-SP Software	Pre-implantation	Chromosomal numerical abnormality	NMPA	Expected to obtain registration certificate in 2025			
Gidget Management System	Pre-implantation	Universal	Commercial	Comprehensive commercialization commenced in 2021			
Guardian Management System	Pre-implantation	Universal	Commercial	Comprehensive commercialization commenced in 2025			

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.

BUSINESS REVIEW

Products Portfolio and Product Candidates Pipeline

As assisted reproductive technology is undergoing rapid development and iteration, with the aim of creating automatic, standard and intelligent assisted reproduction medical devices, we provide medical institutions with high-quality medical devices that meet clinical requirements, so as to improve both the success rate of assisted reproduction and work efficiency.

- **PGT-A kit**

Our PGT-A kit is designed to detect aneuploidy, i.e., an abnormal number of chromosomes, in pre-implantation embryos created in the IVF process. Aneuploidy is one of the important genetic factors affecting embryo implantation, pregnancy maintenance, and birth outcomes. By identifying and avoiding the transfer of aneuploid embryos, clinicians can improve the accuracy of embryo selection, thereby increasing pregnancy success rates and reducing the risk of miscarriage.

Our group is one of the earliest companies in China to complete the registration and clinical translation of pre-implantation genetic testing products. Following the Reporting Period, the Group's next-generation PGT-A kit obtained the Class III medical device registration certificate (Guo Xie Zhu Zhun 20263400529) issued by the NMPA, and is clearly compatible with the Group's independently developed DA500 and DA5000 domestic high-throughput sequencing platforms, marking that the Group has completed the key localization layout of the integrated registration system of "reagents + instruments + software".

Against the backdrop of China's continuously strengthened regulation of assisted reproductive technology, PGT-A products have gradually shifted from simple technological competition to market competition centered on compliance capabilities. According to current medical device regulations and assisted reproductive technology management requirements, reproductive centers must ensure that their testing reagents and supporting sequencing equipment have complete and matching medical device registration qualifications when carrying out the third-generation of in vitro fertilization (IVF) related technologies, and continuously meet the consistency requirements of "people, machines, materials, methods and environment" in technical reviews and daily operations. Under such regulatory framework, products that only have a single reagent registration or rely on sequencing platforms that have not completed registration and adaptation will face uncertainties in clinical application and qualification review.

After the Group's new generation of PGT-A kit was registered in conjunction with the DA500 and DA5000 domestic sequencing platforms, it provided reproductive centers with testing solutions with a complete compliance closed loop. This helps them reduce compliance risks in internal reviews, technology access and annual audits, and improves the sustainability and stability of testing services. These advantages enable the Group's products to have greater clinical adoptability in the current regulatory environment.

Meanwhile, the registration system has significantly enhanced the Group's competitiveness in commercial hospital admissions and market expansion. In the procurement process of medical institutions in China, whether a product can successfully complete the bidding and listing process, equipment configuration and in-hospital implementation depends on whether it has a complete, distinct and regulatory-compliant registration portfolio. Products with integrated registration of "reagents + domestic platform" are more conducive to hospitals completing the unified procurement and deployment of equipment and reagents, thereby shortening the implementation cycle and increasing the success rate of bidding. With the supply of some imported sequencing platforms becoming limited and some existing platforms gradually exiting the market, the market demand for domestic alternatives with stable supply capabilities and compliant systems is further increasing. Under this trend, the Group's product portfolio has stronger commercial certainty.

Management Discussion and Analysis

In terms of technology, our proprietary SDWGA technology can effectively reduce whole-genome amplification bias and improve the consistency and accuracy of embryo sample testing. Our PGT-A product has comprehensive chromosome screening capabilities and can output test results in a short time to support more efficient embryo screening in clinical practice.

- **PGT-M kit**

Our PGT-M kit is a key project of the 14th Five-Year Plan for the National Key Research and Development Program of China (十四五國家重點研發計劃重點專項), which is used to detect single-gene genetic defects before embryo implantation and can cover common single-gene diseases including thalassemia, deafness and hereditary tumor syndromes. By performing pre-implantation genetic analysis on embryos, clinicians can not only reduce the risk of offspring inheriting related genetic diseases, but also help to prevent the intergenerational transmission of family genetic diseases.

Traditional PGT-M testing generally relies on patient-specific pre-experimental production process validation, which usually requires analysis of family members' DNA and re-screening for applicable single nucleotide polymorphism (SNP) sites. The process is complex and time-consuming, which limits its large-scale standardized clinical application.

To address the aforementioned pain points, we have developed a PGT-M detection solution based on high-frequency effective SNPs and multiplex PCR library preparation technology (MSLCap technology). This solution can efficiently analyze relevant SNPs in a single test, improving the sensitivity and specificity of the test and reducing the reliance on patient-specific pre-experimental procedures. This product is expected to significantly shorten the traditional preparation and testing cycle of several months to about two weeks, and improve clinical accessibility and standardization.

Meanwhile, the Group continues to advance the construction of an integrated PGT technology platform based on the ultra-long fragment assembly technology phbol-Seq, exploring linkage analysis and embryo testing of some single-gene disease families in the absence of probands, and further expanding the application potential of PGT-M in the first-birth prevention scenario. This direction is expected to enhance the Group's technological barriers and differentiated competitive capabilities in the field of highly complex single-gene disease detection.

We completed the clinical trials of the PGT-M kit in March 2024 and expect to obtain registration approval from the NMPA in 2026.

- **PGT-SR kit**

Our PGT-SR kit is a key project of the 14th Five-Year Plan for the National Key Research and Development Program of China (十四五國家重點研發計劃重點專項), and is used to detect chromosomal structural rearrangements before embryo implantation. Chromosomal translocations, inversions and other structural abnormalities are among the important genetic causes of recurrent miscarriages, recurrent implantation failures and birth defects. By identifying and avoiding the transfer of embryos carrying unbalanced structural abnormalities, clinicians can improve pregnancy success rates and reduce the risk of genetic structural abnormalities within families.

Because the structural rearrangement types vary greatly among different patients, traditional PGT-SR testing often relies on non-standardized customized solutions, which are complex, time-consuming and costly, limiting their application in large-scale clinical settings.

The PGT-SR kit developed by the Group uses proprietary ReTSeq technology to identify chromosomal structural rearrangements and their parental origins by targeting and sequencing key genomic regions with haplotype linkage analysis. This technology is expected to enable a more standardized and scalable PGT-SR clinical solution, reducing reliance on patient-specific pre-experiment procedures and shortening result delivery time from several months to about two weeks, while further reducing testing costs.

Management Discussion and Analysis

In February 2021, our self-developed patent relating to the PGT-SR kit, a nucleic acid library preparation method and its application in the analysis of pre-implantation embryonic chromosomal structure abnormalities (一種核酸文庫構建方法及其在植入前胚胎染色體結構異常分析中的應用), was registered with China National Intellectual Property Administration (中國國家知識產權局). We completed the NMPA registration test in April 2023 and are currently undergoing clinical trials, and expect to obtain NMPA registration approval in 2027.

- **High-throughput gene sequencer (DA500 and DA5000)**

The DA500 high-throughput gene sequencer is a desktop single-slice gene sequencing platform independently developed by the Group, featuring miniaturization, high flexibility and suitability for assisted reproductive laboratory applications. The platform employs advanced biochemical and optical systems, supports two different chip sizes, and can produce approximately 10GB to 150GB of sequencing data per run. It features stable high-intensity signals and a low sequencing error rate, meeting the throughput, efficiency and deployment flexibility needs of different reproductive centers.

DA500 can be used with the Group's PGT analysis software to achieve a complete workflow from sample testing to data analysis. In September 2023, we obtained the Class III medical device registration certificate (Guo Xie Zhu Zhun 20233221281) issued by the NMPA for the DA500 high-throughput gene sequencer, and it has been commercially sold.

The DA5000 high-throughput gene sequencer is a key project of the 14th Five-Year Plan for National Key Research and Development Program of China (十四五國家重點研發計劃重點專項), targeting medium-and high-throughput assisted reproductive genetic testing scenarios. Compared to DA500, DA5000 has a stronger ability to process multiple samples and multiple items in parallel. It can process approximately 40 to 50 embryo samples in a single test, increasing throughput by more than 4 times, and can provide assisted reproductive centers with a more efficient one-stop genetic laboratory solution. In September 2024, we obtained the Class III medical device registration certificate (Guo Xie Zhu Zhun 20243221930) issued by the NMPA for it.

Following the Reporting Period, the Group's next-generation PGT-A kit obtained the Class III medical device registration certificate (Guo Xie Zhu Zhun 20263400529) issued by the NMPA, and is clearly compatible with the Group's independently developed DA500 and DA5000 domestic high-throughput sequencing platforms, marking that the Group has completed the key localization layout of the integrated registration system of "reagents + instruments + software".

- **Automated sample preparation system (BS1000C)**

The BS1000C high-throughput automated sample preparation system is a desktop multi-functional automated workstation that can cover most high-throughput sequencing library preparation and nucleic acid extraction processes. The system is equipped with a 96-channel pipette, featuring high throughput, rich functionality and flexible configuration. It also adopts a fully automatic operation design, enabling long-term unattended operation.

BS1000C can be customized to meet the needs of customers, and is suitable for the process standardization, automation and efficiency improvement needs of reproductive centers and genetic laboratories of different sizes. This system helps reduce human error, improves the consistency of sample preparation, and works synergistically with the Group's sequencing platform and PGT detection system.

- **PGT-A, PGT-M and PGT-SR analysis software**

For the three types of PGT reagent kits, namely PGT-A, PGT-M and PGT-SR, the Group has designed or is developing corresponding supporting analysis software to achieve overall synergy with sequencing platforms, reagent kits and clinical workflows. Our PGT-A analysis software obtained its registration certificate from the NMPA in 2022; and our PGT-M and PGT-SR analysis software are expected to obtain their NMPA registration certificates in 2026.

Management Discussion and Analysis

The Group continues to advance the standardization and intelligent upgrading of testing and analysis software to support reproductive centers in achieving more efficient data analysis, result interpretation and laboratory process management while ensuring compliance. With the completion of registration and matching of the PGT-A kit with domestic sequencing platforms, the Group has gradually formed a closed product loop of “reagent kit + sequencer + analysis software” in the PGT field.

- **Time-lapse incubator (Geri®)**

The core concept of our Geri® Time-lapse Incubator is to provide a safe and stable culture environment that is as close as possible to physiological conditions. The equipment has six independent culture chambers, each for the exclusive use of a single patient, with independent gas, humidity and heating, thereby reducing the interference of opening the chamber and cross-operation on the embryo culture environment of other patients. As one of the world’s first wet culture time-lapse Incubators, Geri® provides a more stable osmotic pressure environment for embryo development.

Each chamber is equipped with a 5-megapixel high-definition camera element and can acquire 11 focal plane images every five minutes, continuously recording the dynamic development process of the embryo from fertilization to the blastocyst stage, providing richer temporal information for clinical decision-making. Meanwhile, the equipment is equipped with independent temperature sensors, CO₂ sensors, and a humidity warning system, which can monitor and alert for abnormal conditions in real time.

Geri® can be used in conjunction with the Group’s AI Toolbox embryo intelligent assessment tool. Based on time zone imagery and interpretable artificial intelligence algorithms, such tool can automatically identify multiple key biological events related to embryonic developmental potential, enabling embryologists to conduct more consistent and refined assessments of embryos without interfering with the culture process. With the support of Gems’ one-step culture medium and AI evaluation tools, Geri® further supports the Group’s complete solution for “interference-free culture system”.

Following the acquisition of BMX, Geri® has been incorporated into the Group’s product portfolio and has obtained the NMPA’s import medical device registration certificate (Guo Xie Zhu Jin 20202180490) as well as CE, FDA, TGA and other related registration certifications. In July 2025, we obtained the Class II medical device registration certificate for the Geri® Time-lapse Incubator (Su Xie Zhu Zhun 20252181382) from Jiangsu MPA, marking the completion of the domestic production of such product. Domestic production helps reduce supply chain and manufacturing costs, and improves the Group’s delivery efficiency and price competitiveness in the Chinese market; while in overseas markets, sales will continue to rely on BMX’s existing production facilities and global channel network.

- **Culture media (Gems)**

Gems’ full range of assisted reproductive fluids covers multiple key stages in assisted reproductive laboratories, including gamete processing, embryo culture, freezing and thawing. These include oocyte retrieval fluid, sperm gradient centrifugation fluid, sperm culture medium, sperm buffer, cryoprotectant, thawing fluid, Gavi-specific fluid, fertilization culture medium, cleavage embryo culture medium, blastocyst culture medium and complete culture media, forming a comprehensive portfolio of laboratory consumables that can meet the clinical needs of the entire assisted reproductive process.

This product series contains key ingredients that maintain stable osmotic pressure and pH levels. By optimizing the antioxidant-related formulations in the culture system, it helps reduce the impact of environmental stress during embryonic development and improves the stability of the culture environment and the consistency of laboratory operations. Gems’ one-step culture medium employs an integrated culture strategy, which reduces the need for medium changes during the culture process and helps to minimize external interference. Together with the Group’s Geri® Time-lapse Incubator, it forms the core foundation of the “interference-free culture system”.

Management Discussion and Analysis

The Gems product system originates from long-term clinical application experience at the Sydney IVF Center and has been commercially applied in multiple markets worldwide. Gems' entire product line has obtained medical device registration certifications from major international markets such as CE, FDA and TGA, and has been used in reproductive centers in many countries and regions around the world for a long time, possessing a relatively mature clinical application foundation and safety data support. Based on overseas multi-center real-world studies, no adverse effects were observed on embryonic development, pregnancy outcomes and neonatal outcomes during long-term use of the Gems culture system, demonstrating good stability and consistency.

During and after the Reporting Period, the Group continued to advance the registration and implementation of the Gems series products in the Chinese market, and has made key progress. In August 2025, the Group obtained the Class III medical device registration certificate for the VitBase embryo processing fluid (Guo Xie Zhu Jin 20253180356). In February 2026, it obtained the Class III medical device registration certificate for the Gems' one-step embryo culture medium (Guo Xie Zhu Jin 20263180071). In April 2026, the Group further obtained the Class III medical device registration certificates for fertilisation medium (Guo Xie Zhu Jin 20263180127) and blastocyst medium (Guo Xie Zhu Jin 20263180125). With the registration of core products completed one after another, the Group is continuing to advance the registration of the remaining products, and expects to gradually complete the medical device registration of the entire Gems product line in China by 2026, achieving full product line compliance coverage consistent with overseas markets.

The successful registration of the Gems series of products marks a significant milestone for the Group in promoting the localization of core consumables for assisted reproductive technology. For a long time, the Chinese embryo culture medium market has been dominated by imported brands, resulting in high clinical usage costs and some uncertainty in the supply chain. With the completion of registration of Gems' core products and the gradual realization of localized production, the Group is expected to build an integrated domestic solution of "equipment + consumables", improve the accessibility and cost competitiveness of products in hospitals, and promote the domestic substitution process of core consumables in assisted reproductive laboratories.

Meanwhile, Gems works in synergy with the Geri® Time-lapse Incubator and AI embryo assessment tool to provide reproductive centers with a holistic solution from embryo culture and dynamic observation to intelligent assessment, further enhancing the Group's systematic service capabilities in the embryo laboratory setting. With the continuous improvement of the product portfolio and the gradual completion of registration in the Chinese market, Gems will also become an important support for the Group's transformation from equipment revenue to recurring revenue from consumables.

- **Liquid nitrogen storage dewar (BCT38/Gelida 47)**

Based on conventional liquid nitrogen tank products, the Group has developed an intelligent liquid nitrogen tank (BCT38, also known as Gelida 47) equipped with a digital management system for the cryogenic storage and management of reproductive samples such as embryos, eggs and sperm. Such product focuses on solving the problems of conventional liquid nitrogen tanks relying on manual labor in level monitoring, difficulties in authority management, missing operating records and insufficient informatization of sample management.

The Gelida 47 enables real-time monitoring and alerts of internal temperature and liquid level, supports dual-user verification password unlocking, hierarchical access control, and automatic recording of operation logs, thereby improving the security, traceability, and standardization of reproductive sample storage and laboratory management. Such product can also work in conjunction with the Group's intelligent management system for cryopreservation, supporting multi-tank network management and centralized monitoring.

Management Discussion and Analysis

We received CE certificate for our liquid nitrogen storage dewar in 2020 and obtained the Class II medical device registration certificate for this device (Su Xie Zhu Zhun 20222221946) from Jiangsu MPA in November 2022. With the increasing demand for fertility preservation, reproductive sample management and laboratory informatization in China, intelligent liquid nitrogen tanks are expected to become an important entry point product for the Group's cryopreservation business in the "equipment + consumables + information management" model.

- **Cryopreservation system (BSG800A and BSG800C/Gelida 800)**

The Group's independently developed cryopreservation system (BSG800A and BSG800C, also known as Gelida 800) is an innovative automated cryogenic storage device designed for biological sample storage scenarios. It can be used for the long-term preservation of reproductive samples such as embryos, eggs, and sperm, as well as other biological samples. Such product is designed to address the pain points of conventional liquid nitrogen tank storage management, such as large workload, large equipment footprint, low retrieval and traceability efficiency and insufficient information management.

Gelida 800 automates and intelligently handles sample storage, liquid nitrogen replenishment and information retrieval, and supports cryogenic protection during sample transport and storage, which helps improve sample management efficiency and reduce the risks associated with manual operation. As one of the core devices in the Group's cryopreservation solutions, Gelida 800 can also work in conjunction with vitrified cryovials, cryopreservation boxes and intelligent management systems to form a more complete intelligent storage system for reproductive samples.

We have received CE certificate for our cryopreservation system in 2020, and obtained the Class II medical device registration certificate for this device (Su Xie Zhu Zhun 20242221830) from Jiangsu MPA in September 2024. Currently, such product has begun to be used in reproductive sample storage scenarios in China. With the gradual implementation of China's fertility-friendly policies and the increasing demand for fertility preservation, Gelida 800 can simultaneously serve reproductive centers, sperm banks, egg banks and fertility preservation centers, forming a continuous source of revenue together with the Group's consumables products.

- **Sperm quality analyzer (BKA210/Glimmer Semen Analyser)**

Currently, commonly used clinical methods for sperm quality testing typically analyze the concentration and motility of live sperm, while morphological analysis mainly relies on inactivated sperm after staining, and requires manual observation and counting under a microscope. This method has limitations such as being more complex to operate, time-consuming, highly subjective, and the staining process may affect sperm morphology.

The sperm quality analyzer (BKA210, also known as Glimmer) independently developed by the Group can perform static and dynamic artificial intelligence analysis on the concentration, motility and morphology of unstained live sperm, improving detection efficiency and objectivity while maintaining the original state of sperm. Such product aims to promote the development of male fertility assessment from relying on human experience to a more intelligent, standardized, and clinically relevant direction.

Glimmer also supports semen testing quality control, live sperm morphology assessment, and real-time judgment in some insemination scenarios, and reserves interfaces for future integration with artificial intelligence analysis and laboratory information systems. In October 2023, we completed the registration inspection carried out by NMPA and obtained the Class II medical device registration certificate from Jiangsu MPA (Su Xie Zhu Zhun 20242222101) in November 2024.

- **Self sperm testing device (BKP200)**

Our independently developed self sperm testing device (BKP200) is a consumer-oriented self live sperm testing device designed specifically for preliminary screening of male reproductive health. It adopts the sperm quality testing standards stipulated in the World Health Organization's Laboratory Manual for the Examination and Processing of Human Semen (Sixth Edition).

Management Discussion and Analysis

Such device is compact and easy to operate, allowing users to quickly test sperm concentration and motility in a home environment. It can also process data and generate results in a short time, thereby reducing the barriers to use of traditional clinical testing in terms of privacy, time, and scenario. Such product has a built-in camera to ensure stable image quality and reduce the impact of differences in terminal devices on the results.

We obtained the Class II medical device registration certificate for our self sperm testing device from Jiangsu MPA (Su Xie Zhu Zhun 20252220581) in April 2025. In the future, such product will help the Group extend its reach from professional medical institutions to consumer-end reproductive health management scenarios, expanding the application boundaries of its male reproductive health product line.

- **Intelligent assisted reproduction management system (iARMS)**

iARMS (Intelligent Assisted Reproduction Management System) is based on reproductive clinical pathways and provides a new generation of information solutions for the field of assisted reproduction by “AI + IoT”. It builds an integrated electronic medical record and process management system covering multiple dimensions such as patient medical records, diagnosis, treatment plans and laboratory process management.

iARMS integrates clinical informatization with the concept of clinical decision support, improving the collaborative efficiency of patient registration, examination, diagnosis and treatment processes, and reducing the data silos between traditional information systems. The system can also be further connected to sample verification, laboratory equipment and IoT modules to enhance the reproductive center’s capabilities in sample security, process traceability and overall operational efficiency.

As an important part of the Group’s digital product portfolio, iARMS helps the Group extend from a single-product supplier to a provider of information solutions covering diagnosis, laboratory and sample management processes.

MANUFACTURING

The Company has built a manufacturing network spanning three countries. The Group’s headquarters base is located in Suzhou, China, covering an area of 70,000 sq.m. and consisting of four GMP standard production workshops: intelligent equipment production workshop, high-end instrument production workshop, IVF reagent production workshop and culture fluid production workshop. The production base covers an area of 33,000 sq.m. and is dedicated to the manufacturing of reagents, consumables and instruments, while the R&D center covers an area of 22,000 sq.m. and focuses on technology introduction and international transformation. After the base is put into use, it will achieve global-scale delivery and provide high-quality medical products and services in the field of assisted reproduction. Our production bases in Thailand and Australia have a production history of over 15 years and have facilitated us in achieving the milestone of delivering products to over 1,000 overseas customers, and the Time-Lapse Incubator (Geri®) and Culture media (Gems) produced at these bases are deeply trusted by the customers. All of our production bases have passed UDI full-chain traceability management, and have obtained more than 30 international certifications, including GMP certification and ISO13485 certification. This system featuring “intelligent manufacturing in China + global delivery (中國智造+全球交付)” supports the large-scale sales of our products.

R&D

During and after the Reporting Period, the Group continued to increase its R&D investment in core products and critical technologies for assisted reproduction, achieving staged progress across multiple areas, including genetic testing, embryo culture, laboratory consumables and reproductive health equipment, thereby further enhancing its “diagnostics + equipment + consumables + software” product system and promoted the localization and compliant commercialization of core products.

Management Discussion and Analysis

In terms of consumer-oriented products, we obtained the Class II medical device registration certificate for the self sperm testing device from Jiangsu MPA (Su Xie Zhu Zhun 20252220581) in April 2025. Designed for preliminary male fertility screening, the product is compact, convenient and enables rapid testing. Users can measure sperm concentration and motility at home, laying a product foundation for the Group's expansion from medical institutions to the consumer market.

In terms of embryo culture devices, the Group obtained the Class II medical device registration certificate for the Geri® Time-Lapse Incubator (Su Xie Zhu Zhun 20252181382) from Jiangsu MPA in July 2025, marking the transition from imported products to domestic production. As a core embryo culture device, the localization of Geri® helps reduce manufacturing and supply chain costs (which are expected to decrease by more than 30%), while improving delivery efficiency and price competitiveness in China, supporting future large-scale commercialization.

In terms of core consumables in embryo culture, the Group continued to advance the registration and localization of the Gems' full collection of culture media in China. In August 2025, the Group obtained the Class III medical device registration certificate for VitBase embryo processing fluid (one of the Gems series products) (Guo Xie Zhu Jin 20253180356), laying the foundation for the registration of the full Gems portfolio in China. After the Reporting Period, the Group further obtained the Class III medical device registration certificate for Gems single-step embryo culture medium (Guo Xie Zhu Jin 20263180071) in February 2026. To date, the Gems' full collection of products has obtained medical device certifications in major international markets, including CE, FDA and TGA and has a well-established clinical application base. The Group is continuing to advance the registration of the remaining products in China with the aim of completing the full collection registration in 2026, aligning its regulatory coverage with overseas markets.

Advancing the registration and localized production of the Gems' full collection of products is a major step in the Group's localization of core consumables for assisted reproduction. Historically, China's embryo culture media market has been dominated by imported products, which entail higher costs and supply chain uncertainties. As Gems products gradually complete registration and move toward localized production in China, the Group is expected to build an integrated domestic "equipment + consumables" solution, improving accessibility and cost advantages for hospitals and driving the domestic substitution of core embryo culture consumables.

In genetic testing, the Group continued to upgrade its PGT product system. After the Reporting Period, the Group's new-generation PGT-A kit obtained the Class III medical device registration certificate from the NMPA (Guo Xie Zhu Zhun 20263400529) and completed the supporting registration of its self-developed DA500 and DA5000 high-throughput sequencing platforms. This progress marks the establishment of an integrated and compliant system of "reagents + instruments + software" in the PGT field, which helps enhance product stability and sustainability in clinical and commercial applications, while further strengthening domestic substitution capabilities.

Overall, the Group's R&D achievements are evolving from single-product breakthroughs to a systematic product platform covering genetic testing, embryo culture, laboratory consumables and intelligent equipment. With the continued certification and localization of core products, the Group will further improve its full-process assisted reproduction laboratory solutions and lay a foundation for future revenue growth and profitability enhancement.

INTELLECTUAL PROPERTY

As of December 31, 2025, we had registered 168 patents, 134 trademarks, 61 software copyrights and 16 domain names in China. We had also registered 9 trademarks in Hong Kong and 5 trademarks in Taiwan. As of the same date, we had submitted 74 patent applications in China.

COMMERCIALIZATION

In 2025, the Group's commercialization further shifted from "broad deployment" to "focused execution and efficiency enhancement". Leveraging its existing product base and customer network, the Group has gradually established a commercialization model centered on genetic testing and embryo culture, driving coordinated multi-product rollout. While maintaining investment efficiency, the Group has enhanced per-customer output and revenue quality.

Management Discussion and Analysis

From an overall commercialization perspective, as of the end of the Reporting Period, the Group has served more than 300 reproductive centers in China, including over 100 core high-value customers. In overseas markets, the Group has reached more than 600 reproductive center customers, forming a customer network spanning multiple countries and regions. Meanwhile, the cumulative global installations of the Geri® Time-Lapse Incubator have exceeded 1,000 units. This customer base and installed scale constitute a critical foundation for the Group to advance platform-based expansion and multi-product adoption.

Currently, the Group has two clear business entry points with scale effects. The first is genetic testing, which is integrated into the core clinical workflow of third-generation IVF, featuring regulatory barriers and stable demand. The second is the Geri® embryo culture device, which is integrated into the core processes of embryo laboratories and can further drive the introduction of culture media, consumables and AI services. Based on the above dual entry points, the Group's commercialization strategy has gradually evolved from single-product sales to multi-scenario penetration and cross-selling within the same customer base.

(I) China market: platform-based penetration built on a deep customer foundation

In China, the Group has established extensive coverage of medical institutions and strong relationships with core customers, serving more than 300 centers, including over 70 third-generation centers, and forming long-term partnerships with certain leading institutions. This customer structure provides a solid foundation for the Group's subsequent multi-product launch.

In terms of genetic testing, the Group continues to deepen cooperation with core customers, focusing more on the improvement of per-center output and revenue quality rather than simply increasing the number of hospitals. As industry regulation tightens, products with comprehensive registration systems are more likely to gain access to hospital systems and achieve stable utilization. Leveraging its closed-loop capabilities encompassing PGT-A kits, sequencing platforms and analysis software, the Group maintains a relatively high market share and strong customer stickiness in China, while providing a stable entry point for future product extensions.

In terms of embryo culture segment, the Group has established an installed base in China. With Geri® obtaining China's registration certification and localization preparations gradually being completed, the Group expects its market adoption in China to accelerate further. At the same time, Gems® culture media has achieved key registration breakthroughs in China. Leveraging its existing clinical usage base and product performance, the Group will gradually promote the introduction of culture media in China, forming a recurring revenue stream.

In terms of cryopreservation and other products, the Group has completed demonstration installations in multiple leading reproductive centers in China, including several top-tier hospitals and regional benchmark institutions. These products have begun generating stable usage data and initial consumables revenue, laying the groundwork for future scaling.

Overall, the commercialization focus in China has shifted from "expanding customer coverage" to "enhancing per-customer value". The Group will leverage its deep customer base to continuously promote coordinated adoption of genetic testing, embryo culture, cryopreservation and other products within the same customer base, enhancing platform-based penetration capabilities.

(II) Overseas markets: high-quality growth driven by installed base

In terms of overseas markets, the Group has established a customer network covering more than 600 reproductive centers and built multi-regional sales systems across the Europe, the Middle East and Africa (EMEA) and Asia-Pacific (APAC) and North America. Among these, as the Group's most mature overseas product line, the embryo business has formed a relatively solid market foundation through Geri® and Gems®.

Management Discussion and Analysis

As of the end of the Reporting Period, global installations of Geri® have exceeded 1,000 units. In mature markets such as Spain, cumulative installations of Geri® have reached approximately 200 units, achieving relatively high penetration among certain local group customers and serving as a benchmark market.

These installed bases mean that the Group's overseas business does not rely on one-time equipment sales, but rather has the capability to continuously drive revenue from culture media, consumables, and services. As the installed base expands and customer usage cycles lengthen, related consumables revenue is expected to be gradually realized.

In terms of regional strategy, the Group will prioritize markets with customer base and visible profitability. EMEA, as one of the most mature regions, still offers room for further penetration, while APAC, combining growth potential with cost advantages, will be a key focus for future expansion. For North America and certain high-investment markets, the Group will adopt a more cautious approach, control resource allocation and focus primarily on serving existing customers.

(III) Platform-based business model: transition from equipment sales to recurring revenue

As the product portfolio continues to expand, the Group's business model is evolving from single-product sales to platform-based "equipment + consumables + services". Specifically, genetic testing serves as a customer entry point, while Geri® equipment acts as the entry point to embryo laboratories, driving the adoption of Gems® culture media and related consumables. Cryopreservation and digital solutions further extend into additional laboratory scenarios.

Under this model, per-customer value is no longer dependent on single product sales, but rather on the degree of multi-product penetration within the same customer. As core products are gradually introduced in both China and overseas markets and the proportion of consumables and service revenue increases, the Group's revenue structure is expected to shift from one-time equipment sales toward high-frequency recurring revenue, thereby improving overall gross margins and profitability.

At the same time, the Group continues to strengthen collaboration with leading reproductive healthcare groups and benchmark institutions. Such partnerships not only enhance brand influence and clinical validation capabilities, but also provide a solid foundation for coordinated multi-product introduction and regional replication. As the platform-based business model becomes clearer, the Group will further focus on core customers and high-value scenarios to replicate and expand its platform capabilities across more markets.

IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Resignation of Non-executive Director

Mr. LING Yang (凌洋) ("Mr. Ling") resigned as a non-executive Director on January 15, 2026. For details, please refer to the Company's announcement dated January 15, 2026.

Save as disclosed above, there are no important events occurred after the end of Reporting Period and up to the date of this report.

FUTURE AND OUTLOOK

Going forward, the Group will continue to focus on automation, standardization and intelligent upgrade trends in the field of assisted reproduction. It will adhere to a clinical value-oriented approach, with core priorities on registration, commercialization and operational efficiency improvement, gradually transitioning from a "platform deployment phase" to a "platform monetization phase". As core products continue to be introduced into both domestic and overseas markets, localized manufacturing capabilities are progressively released and the proportion of high-margin consumables and service revenue increases, the Group is expected to further optimize its revenue structure, improve profitability and strengthen its competitive position in the assisted reproductive medical device sector.

Management Discussion and Analysis

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

1. Continue to consolidate the market-leading position of the genetic testing business and enhance the operational quality and cash flow contribution of mature business lines.

The Group will continue to leverage the product ecosystem and compliance advantages formed by PGT-A kits, sequencing platforms and analysis software, deepen cooperation with core third-generation centers and high-value customers and enhance per-center output capacity and revenue quality. At the same time, the Group will continue to enhance bioinformatics analysis, automated interpretation and optimization of delivery processes to improve operational efficiency and profitability of the genetic testing business. With a focus on the registration and commercialization preparation of PGT-M, PGT-SR and other genetic testing-related products, the Group will also continue to enhance its comprehensive genetic laboratory solution capabilities, consolidating its first-mover advantage and long-term barriers in China's genetic testing market.

2. Accelerate the commercialization of the embryo business line in the Chinese market and promote the formation of the "equipment + consumables + services" model.

The Group will take the China registration of the Geri® Time-Lapse Incubator as an opportunity to continuously promote market entry, key hospital coverage and establishment of demonstration centers, thereby increasing the product's clinical penetration in high-end reproductive centers. Meanwhile, leveraging key registration progress of the Gems® product series in China, the Group will gradually introduce culture media products into China. Supported by existing clinical validation, overseas usage experience and localization capabilities, the Group will accelerate the formation of high-frequency consumables revenue. Going forward, the Group will continue to strengthen the synergy among Geri®, Gems® and AI-related products, gradually establishing a highly sticky and high-repurchase intelligent embryo laboratory culture system and positioning the embryo business line as the Group's core engine for future revenue growth and gross margin improvement.

3. Seize the localization window in China and enhance localized manufacturing, delivery and supply chain capabilities.

The Group believes that the localization of high-end equipment and high-value consumables in China's assisted reproduction field is within a critical window. In the future, leveraging its Suzhou base and localized production capabilities, the Group will continue to promote local transformation of core products, optimization of the supply chain and cost control, thereby improving delivery efficiency, bidding competitiveness and supply stability. Through the strategy of "overseas original technology + China registration + localized manufacturing", the Group is expected to further enhance market accessibility and competitive advantages in embryo culture, certain equipment and related consumables, while driving the revenue structure to gradually shift from one-time equipment sales toward recurring consumables revenue.

4. Continue to enhance its presence in cryopreservation, andrology testing and digital solutions to enhance platform extension capabilities.

In the field of cryopreservation, the Group will continue to promote the commercialization and introduction of intelligent liquid nitrogen tanks, cryopreservation systems and supporting consumables. Additionally, the Group will build benchmark cases around leading reproductive centers and large group customers, gradually forming a long-term business model of "equipment entry, sample accumulation and consumables growth". In the field of andrology testing, the Group will cautiously advance market expansion of intelligent sperm quality analyzer and self-developed self sperm testing products by aligning the clinical scenarios with channel characteristics. In the field of digitalization, the Group will continue to promote the integration of iARMS and related systems with laboratory hardware scenarios, enhancing overall solution capabilities. Although these product lines are at different development stages, they are all important components of the Group's upgrade from a single-product company to a full-scenario platform enterprise.

Management Discussion and Analysis

5. Promote high-quality growth in overseas markets, focusing on key regions with established customer bases and commercialization efficiency.

Overseas markets remain a key long-term strategic direction for the Group. In the future, leveraging BMX's existing brand, installed base and distribution network, the Group will continue to promote the penetration of Geri®, Gems® and related consumables and services in overseas markets, while focusing on key regions with strong customer bases, high conversion efficiency and clear profitability visibility. For other innovative products, the Group will adopt a more cautious and focused market strategy, prioritizing operational efficiency and return on resource investment to avoid inefficient expansion characterized by high investment and low returns. Through the approach of “deepening mature products + selectively advancing new products”, the Group will gradually improve the quality of overseas revenue and profitability.

6. Continuously enhance R&D commercialization efficiency and organizational operational efficiency to drive profitability improvement.

The Group will continue to adhere to innovation-driven approach while placing greater emphasis on the integration of R&D investment with commercialization, prioritizing projects with clear clinical demand, feasible registration pathways and strong commercialization potential. At the same time, the Group will continue to promote back-end coordination, supply chain optimization, workforce efficiency, and resource allocation optimization, focusing on high-return products and key markets to improve overall operational efficiency. As the proportion of high-margin product revenue increases, cost structures are further optimized and platform synergies are gradually realized, the Group expects overall profitability to improve progressively.

The Group believes that the assisted reproductive industry still presents clear structural growth opportunities in the long term. Looking ahead, leveraging its deep customer base in China and extensive installed base in overseas markets, the Group will continue to focus on core scenarios such as genetic testing, embryo culture, cryopreservation and digitalization, continuously enhancing product synergy, customer penetration and the realization capability of its platform-based business model, aiming to become a globally competitive assisted reproductive medical technology platform.

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 and other products in our product portfolio successfully.

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 decreased by 22.0% from RMB299.1 million for the year ended December 31, 2024 to RMB233.3 million for the year ended December 31, 2025. The decline in revenue was mainly due to the overall slowdown in industry growth. At the same time, the Group proactively optimized its business structure and scaled back some projects with relatively low profitability in order to improve overall profitability and long-term resilience.

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, primarily including depreciation of property, plant and equipment and right-of-use assets; and (iv) others, primarily including utility fees, property rental expenses, logistics expenses and equipment maintenance expenses.

Our cost of sales decreased by 32.7% from RMB162.9 million for the year ended December 31, 2024 to RMB109.7 million for the year ended December 31, 2025, mainly due to the decrease in revenue leading to a corresponding reduction in related costs.

Management Discussion and Analysis

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, the gross profit of the Group decreased by 9.3% from RMB136.2 million for the year ended December 31, 2024 to RMB123.6 million for the year ended December 31, 2025. Gross profit margin is calculated as gross profit divided by revenue. The overall gross profit margin of the Group increased from 45.5% for the year ended December 31, 2024 to 53.0% for the year ended December 31, 2025, primarily due to: (i) the Group's continuous optimization of processes and strengthening of material price control to reduce costs; and (ii) the Group's reduction of some projects with relatively low profitability, thereby improving the overall profit.

Other Net Income

Our other net income decreased by 98.2% from RMB45.8 million for the year ended December 31, 2024 to RMB0.8 million for the year ended December 31, 2025, primarily due to a decrease in exchange gains resulting from exchange rate fluctuations, a decrease in bank deposit interest income and unrealized net losses recorded on the financial assets measured at FVPL.

Selling and Distribution Costs

Our selling and distribution expenses decreased by 1.1% from RMB111.7 million for the year ended December 31, 2024 to RMB110.5 million for the year ended December 31, 2025, remaining relatively stable overall, mainly due to the Group's continued optimization of sales resource allocation and strengthened cost control.

Administrative Expenses

Our administrative expenses decreased by 26.2% from RMB164.7 million for the year ended December 31, 2024 to RMB121.5 million for the year ended December 31, 2025, primarily due to the Group's optimized management structure and strengthened domestic and international collaboration, which improved the efficiency of resource integration.

R&D Expenses

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

	For the year ended December 31,			
	2025		2024	
	RMB'000	Percentage of revenue	RMB'000	Percentage of revenue
Staff costs	49,555	21.2%	63,437	21.2%
Clinical trial expenses	33,724	14.5%	43,944	14.7%
Consumables expenses	6,655	2.9%	17,875	6.0%
Depreciation expenses	11,935	5.1%	6,870	2.3%
Others	4,549	2.0%	3,133	1.0%
Total	106,418	45.7%	135,259	45.2%

Our R&D expenses decreased by 21.3% from RMB135.3 million for the year ended December 31, 2024 to RMB106.4 million for the year ended December 31, 2025, primarily due to the fact that some of the Group's products have obtained registration certificates and have been commercialized, resulting in a corresponding reduction in related R&D investment.

Management Discussion and Analysis

Finance Costs

Our finance costs consist of (i) interest on interest-bearing bank loans, and (ii) interest on lease liabilities. We recorded financial costs of RMB9.4 million and RMB13.1 million for the year ended December 31, 2024 and December 31, 2025, respectively. The increase in finance costs for the year ended December 31, 2025 was mainly due to an increase in the principal of bank loans.

Income Tax

We recorded income tax credit of RMB3.1 million for the year ended December 31, 2024 and income tax credit of RMB3.7 million for the year ended December 31, 2025. The increase in the income tax credit was primarily due to the effect of changes in the deferred tax assets and liabilities.

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 device and instruments, cryostorage devices, embryo culture devices and embryo culture media and consumables.

Our inventories increased by 8.8% from RMB92.4 million as of December 31, 2024 to RMB100.6 million as of December 31, 2025, primarily due to the Group increasing its inventory of related products and raw materials in response to anticipated increased demand.

Trade and Other Receivables

Our trade and other receivables increased by 3.5% from RMB200.3 million as of December 31, 2024 to RMB207.3 million as of December 31, 2025, primarily due to the expansion of new customers as the Reporting Period drew to a close, leading to an increase in trade receivables.

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.

Trade and Other Payables

Our trade and other payables decreased by 19.1% from RMB163.9 million as of December 31, 2024 to RMB132.6 million as of December 31, 2025, primarily due to the Group's strengthened supplier settlement management and optimized payment schedule, resulting in a decrease in the balance of trade payables.

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 current assets decreased by 22.7% from RMB979.2 million as of December 31, 2024 to RMB756.8 million as of December 31, 2025, primarily due to a decrease in cash and cash equivalents, which was partially offset by an increase in trade and other receivables and inventory.

Management Discussion and Analysis

As of December 31, 2025, we had unsecured bank loans of RMB110.5 million with a floating interest rate of 3.10% per annum (as determined by LPR). As of the same date, we had secured bank loans of RMB230.2 million with an interest rate of 3.20%–3.65% per annum, which was determined based on LPR. The secured bank loans were pledged by the Group's land use right and certain property, plant and equipment. 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 received net proceeds of approximately HK\$1,898.7 million (after deduction of underwriting fees, commissions and relevant expenses). We intend 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".

We follow a set of funding and treasury policies to manage our capital resources and mitigate potential risks. We endeavor to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Board would also consider various funding sources depending on our funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet our financial obligations. The Board reviews and evaluates our funding and treasury policy from time to time to ensure its adequacy and effectiveness. As of the date of this annual report, we do not have any definitive plans for material fundraising activities.

Significant Investments Held, Material Acquisitions and Disposals

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 sections headed "Capital Commitments" and "Use of Proceeds from the Global Offering" in this annual report, the Group had no material capital expenditure plan nor other plans for capital assets or material investments as of the date of this annual report.

Contingent Liabilities

As of December 31, 2025, we did not have any significant contingent liabilities.

Management Discussion and Analysis

Capital Commitments

Capital commitments outstanding as of December 31, 2025 and December 31, 2024 not provided for in this annual report were as follows:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Authorised and contracted for		
– Property, plants and equipment	3,037	56,327
– Subscription of limited partnership interest in the fund	921	5,205
Total	3,958	61,532

Charge on Assets

Save for the secured bank loans of RMB230.2 million pledged by the Group's land use rights and buildings, there was no charge on assets of the Group as of December 31, 2025.

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 December 31, 2025, the Company was in a net cash position and thus, gearing ratio is not applicable.

Employees and Remuneration

As of December 31, 2025, the Group had 407 employees (as of December 31, 2024: 497). 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 Chinese mainland as required by the PRC laws and regulations, and makes contributions to relevant employee benefits for employees outside Chinese mainland as required by the relevant requirements of other regions in the PRC and other countries.

Management Discussion and Analysis

The total remuneration cost incurred by the Group for the year ended December 31, 2025 was approximately RMB168.4 million, as compared to RMB185.5 million for the year ended December 31, 2024. The reduction was primarily due to the Group's continued integration of global business operations, optimization of staffing, and improvement of operational efficiency.

During the year ended December 31, 2025, 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 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 as to enable them to 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 Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Chinese mainland 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.

The employees of the Group's Australian subsidiaries are members of a state-managed retirement scheme in Australia. The Group's Australian subsidiaries are required to contribute a certain percentage of staff payroll costs to the retirement scheme to fund the benefits, which is the only obligation of the Group with respect to the retirement benefit scheme.

Directors, Supervisors and Senior Management

EXECUTIVE DIRECTORS

Dr. LIANG Bo (梁波), aged 45, the founder and general manager of our Group, was appointed as the chairman of our Board on December 14, 2015. Dr. Liang is primarily responsible for the overall management of our Group, including business strategy, R&D and sustainable development. Dr. Liang also serves as the executive director of both Basecare Medical Device and Basecare Intelligent Manufacturing.

Dr. Liang has over ten years of experience in bioinformatics and reproductive health industry, and has led the development of PGT and high-throughput sequencing, for which the first “Special Approval for Innovative Medical Devices (創新醫療器械特別審批)” was granted and the first registration certificate of medical devices for third-generation IVF technological products was obtained. Dr. Liang is the director of Jiangsu Reproductive Genetic Engineering Technology Research Center, the president of Suzhou Youth Science and Technology Talents Commission, the secretary general of China Expert Committee on Genetic Counseling Capacity Building, an associate professor of School of Pharmacy, Soochow University and a part-time researcher at the National Research Center for Assisted Reproduction and Eugenics. Dr. Liang also received an award of Leading Talents in Science and Technology from Suzhou Industrial Park Working Committee of CPC Suzhou Industrial Park Management Committee (中共蘇州工業園區工作委員會蘇州工業園區管理委員會) in December 2015. Dr. Liang has published more than 25 papers in international academic journals. He has also made 126 patent applications and 34 copyright applications for bioinformatics software.

Dr. Liang received his bachelor’s degree in mathematics and applied mathematics from Sun Yat-sen University (中山大學) in the PRC in June 2004. He received his master’s degree in information technology from University of Melbourne in Australia in August 2007. He received his doctoral degree in biology from Shanghai Jiao Tong University (上海交通大學) in the PRC in June 2020.

Mr. KONG Lingyin (孔令印), aged 46, was appointed as a Director on June 15, 2016. He has also been serving as our chief technical officer since May 1, 2014. Mr. Kong currently serves as the director of our R&D department and is primarily responsible for the R&D and regulatory filing activities of our Group. Mr. Kong also serves as the technical director of Basecare Medical Device.

Before joining our Group in June 2011, Mr. Kong served as a staff member responsible for biological information analysis at Hangzhou Sha’ai Taike Biology Technology Co., Ltd (杭州莎艾泰克生物技術有限公司) until September 2008 and worked at the development department of Chongqing Nuoqing Biology Information Technology Co., Ltd (重慶諾京生物資訊技術有限公司) from October 2008 to May 2010. He worked at Tianjin International Biomedical Union Research Institute (天津國際生物醫藥聯合研究院) from May 2010 to July 2011 where he was responsible for biological information analysis.

Mr. Kong received his bachelor’s degree in biotechnology from Shandong Agricultural University (山東農業大學) in the PRC in July 2003 and his master’s degree in biochemistry and molecular biology from Zhejiang University of Technology (浙江理工大學) in the PRC in April 2007.

Ms. JIANG Junchao (姜雋超), aged 46, joined our Group as the director of human resources in January 2021 and is mainly responsible for overseeing the human resources management of the Group. She was appointed as our executive Director with effect from August 29, 2024.

Directors, Supervisors and Senior Management

Prior to joining our group, Ms. Jiang served as a human resources business partner (HBRP) manager of Bidi Medical Devices (Shanghai) Co, Ltd. (碧迪醫療器械(上海)有限公司) from March 2018 to December 2020. From August 2016 to February 2018, Ms. Jiang served as a human resources business partner (HBRP) manager and a training & development manager of Suzhou Bidi Medical Devices Co, Ltd. (蘇州碧迪醫療器械有限公司). From September 2015 to February 2016, Ms. Jiang served as a training and development & organizational effectiveness manager of Mondelez Food (Suzhou) Co. Ltd. (億滋食品(蘇州)有限公司). From April 2012 to July 2015, Ms. Jiang served as a human resources business partner (HBRP) manager of John Deere (Harbin) Agriculture Machinery Co. Ltd. (約翰迪爾(哈爾濱)農業機械有限公司). From March 2008 to November 2011, Ms. Jiang served as the organizational development manager of Coca-Cola (Heilongjiang) Beverage Company Limited (可口可樂(黑龍江)飲料有限公司) (currently known as COFCO Coca-Cola Beverages (Heilongjiang) Limited (中糧可口可樂飲料(黑龍江)有限公司)). From July 2002 to June 2006, Ms. Jiang served as a human resource manager in several entities of Walmart China, including (i) Walmart Business Consulting (Shenzhen) Co., Ltd., (ii) Shenzhen Walmart Pearl River Store Co., Ltd., and (iii) Walmart SZITIC Stores Co. Ltd.

Ms. Jiang graduated from Heilongjiang University and obtained a bachelor of laws degree, majoring in sociology, in the PRC in July 2002.

NON-EXECUTIVE DIRECTORS

Mr. ZHAO Ye (趙業), aged 35, was appointed as a non-executive director on January 21, 2025. Mr. ZHAO is primarily responsible for supervising and providing independent advice to our Board. Mr. ZHAO has also been serving as an executive director of the investment department of Beijing Bohua Capital Co., Ltd. (北京博華資本有限公司) since July 2019. From November 2018 to July 2019, he served as the investment director of Digital China Health Technologies Co., Ltd. (神州數碼醫療科技股份有限公司) (currently known as Shenzhou Medical Technology Co., Ltd. (神州醫療科技股份有限公司)). From January 2017 to November 2018, he served as the investment manager of Tibet Hongai Enterprise Management Co., Ltd. (西藏弘愛企業管理有限公司) (a limited liability company established under the laws of the PRC, which was voluntarily dissolved by deregistration on November 15, 2024). From July 2014 to December 2016, he served as an assistant manager of KPMG Advisory (China) Limited (畢馬威企業諮詢(中國)有限公司). Mr. Zhao received a bachelor's degree and a master's degree of science majoring in signal processing and access engineering from the University of Edinburgh in England in June 2012 and November 2013, respectively.

Mr. WANG Weipeng (王偉鵬), aged 37, was appointed as a non-executive Director on September 2, 2016. Mr. Wang is primarily responsible for supervising and providing independent advice to our Board. Mr. Wang has been working at Shenzhen Qianhai Hengrui Fangyuan Investment Management Co., Ltd. (深圳前海恒瑞方圓投資管理有限公司) since April 2015 and has been serving as the general manager since March 2019. From July 2011 to April 2015, Mr. Wang worked at the Harbin Sales Department of China Minze Securities Co., Ltd. (中國民族證券有限責任公司), currently known as Founder Securities Underwriting Sponsor Co., Ltd. (方正證券承銷保薦有限責任公司). Mr. Wang received his bachelor's degree in accounting from Harbin University of Commerce (哈爾濱商業大學) in the PRC in July 2012.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. KANG Xixiong (康熙雄), aged 73, was appointed as an independent non-executive Director on January 16, 2021. Dr. Kang is primarily responsible for addressing conflicts and giving strategic advice and guidance to the business and operations of our Group.

Dr. Kang has been the chief physician and professor at the Laboratory Diagnosis Center of Beijing Tiantan Hospital, Capital Medical University (首都醫科大學附屬北京天壇醫院), and a professor and the head of the clinical laboratory diagnosis department of Capital Medical University (首都醫科大學) since September 2001 and July 2020, respectively.

Directors, Supervisors and Senior Management

Dr. Kang has been a director of Shanghai Baiiao Technology Co., Ltd (上海百傲科技股份有限公司), a company listed on the National Equities Exchange and Quotations (Stock Code: 430353), since May 2019, an independent director of Guangzhou Yangpu Medical Technology Co., Ltd. (廣州陽普醫療科技股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 300030), since May 2017, and an independent director at Sannuo Bio-sensing Co., Ltd (三諾生物傳感股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 300298), since December 2019. From September 2019 to December 2021, Dr. Kang served as an independent director of Boai Xinkaiyuan Medical Science and Technology Group Co., Ltd (博愛新開源醫療科技集團股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 300109).

Dr. Kang received his doctoral degree in medicine in Tokyo Medical University in Japan in November 1990.

Mr. LAM Siu Wing (林兆榮), aged 65, was appointed as an independent non-executive Director on July 13, 2023. He has extensive experience in accounting, auditing and business consulting. From 2004 to 2020, Mr. Lam was a partner of both PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers in Hong Kong (collectively “PricewaterhouseCoopers”). He has served as (i) an independent non-executive director of Greatpower Nickel And Cobalt Materials Co., Ltd. (上海格派鎳鈷材料股份有限公司) since June 2022; (ii) an independent non-executive director of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. (上海復旦張江生物醫藥股份有限公司), whose shares are listed on the Stock Exchange (stock code: 1349), since May 2023; (iii) an independent non-executive director of Xi'an Kingfar Property Services Co., Ltd. (西安經發物業股份有限公司), whose shares are listed on the Stock Exchange (stock code: 1354), since May 2024; (iv) an independent non-executive director of Qeeka Home (Cayman) Inc. (齊屹科技(開曼)有限公司), whose shares are listed on the Stock Exchange (stock code: 1739), since June 2025; and (v) an independent non-executive director of Shanghai Biren Technology Co., Ltd. (上海璧仞科技股份有限公司), whose shares are listed on the Stock Exchange (stock code: 6082), since June 2025. He has also served as the joint company secretary of Xinjiang Xinxin Mining Industry Co., Ltd.* (新疆新鑫礦業股份有限公司), whose shares are listed on the Stock Exchange (stock code: 3833), since October 2023. Mr. Lam graduated from Macquarie University in Australia with a bachelor degree of economics major in accounting in March 1985. In October 1989, he graduated from The University of New South Wales in Australia with his master degree of Commerce major in Finance. He is a fellow member of both Hong Kong Institute of Certified Public Accountants (HKICPA) and Chartered Accountants Australia and New Zealand (CAANZ, formerly known as the Institute of Chartered Accountants of Australia (ICAA)).

Mr. Lam has over 30 years of working experience in PricewaterhouseCoopers and has been a partner for 16 years. He has extensive experience in financial and audit practice. He has served many private and state-owned pharmaceutical companies in their IPOs in Hong Kong and annual report audits, as well as many large pharmaceutical multinationals.

Dr. YEUNG Shu Bui William (楊樹標), aged 69, was appointed as an independent non-executive Director on August 10, 2023. Dr. Yeung is primarily responsible for addressing conflicts and giving strategic advice and guidance to the business and operation of our Group. He is a renowned scholar in the field of reproductive medicine. Dr. Yeung joined the University of Hong Kong in 1989 and is currently a professor of the Department of Obstetrics and Gynaecology, School of Clinical Medicine of the University of Hong Kong. He has also been the assisted reproduction laboratory-in-charge of the Reproductive Medicine and Prenatal Diagnosis Center at the University of Hong Kong-Shenzhen Hospital, and the laboratory head of the Centre of Assisted Reproduction and Embryology at the University of Hong Kong, Queen Mary Hospital, and the person responsible of the University of Hong Kong-Family Planning Association Andrology Laboratory.

Dr. Yeung obtained his Doctor of Philosophy in Reproductive Endocrinology from the University of Hong Kong in 1985. From 1985 to 1987, he served as postdoctoral researcher in Department of Anatomy, University of Bristol in the United Kingdom. He was elected as an Honorary Fellow of the Hong Kong College of Obstetricians and Gynaecologists in 2017.

Directors, Supervisors and Senior Management

SUPERVISORS

Ms. SHI Lijuan (史麗娟), aged 37, is currently the administrative manager of the Group, and was appointed as a Supervisor and the chairwoman of the board of Supervisors on July 14, 2023. Prior to joining us, from March 2017 to June 2021, she served as a deputy director of administration of Suzhou Quanyi Jiankang Pharmacy Chain Co., Ltd. (蘇州全億健康藥房連鎖有限公司). From March 2010 to November 2016, she served as an administration manager of Liudao Wanhe (Suzhou) Hot Runner System Co., Ltd. (柳道萬和(蘇州)熱流道系統有限公司). From August 2009 to March 2010, she served as a business assistant of Suzhou Rizheng Xingye Trade Co, Ltd. (蘇州日正興業貿易有限公司).

Ms. Shi obtained her bachelor's degree in computer science and technology from Ludong University (魯東大學) in the PRC in June 2009. She obtained her another bachelor's degree in computer science and technology from Wonkwang University in South Korea in June 2009. She obtained her master degree in business administration from Nanjing University of Aeronautics and Astronautics (南京航空航天大學) in the PRC in November 2016.

Ms. ZONG Qiuping (宗秋平), aged 37, was appointed as a Supervisor on July 14, 2023. She successively served as an accountant, and the financial head of our Group. She is currently a financial manager of our Group. Prior to joining us, she served as an accountant in Jiangsu Haoye Law Firm (江蘇昊業律師事務所) from December 2009 to December 2010. Ms. Zong received her bachelor's degree in accounting from YanCheng Teachers University (鹽城師範學院) in June 2010. She obtained the Intermediate Qualification Level in Accounting (會計中級資格) and the Securities Qualification Certificate (證券從業資格合格證) in the PRC in September 2020 and April 2021, respectively.

Dr. LIN Yi (林藝), aged 56, was appointed as a Supervisor on August 26, 2020. Dr. Lin is primarily responsible for supervising the compliance of the business operations of our Group.

Dr. Lin has been serving as a managing partner of Suzhou Industry Park Yuanfu Venture Capital Management Corporation (Limited Partnership) (蘇州工業園區元福創業投資管理企業(有限合夥)), since June 2016. From September 2015 to June 2016, Dr. Lin served as an executive director at Riverhead Capital Investment Management Co., Ltd. (陽光融匯資本投資管理有限公司). Dr. Lin worked at Korea Investment Partners (Shanghai) Venture Capital Management Co., Ltd. (韓投夥伴(上海)創業投資管理有限責任公司) until September 2015.

From April 2011 to August 2014, Dr. Lin served as an executive director and partner of ePlanet Ventures Investment Group (Hong Kong) Limited Beijing Representative Office (壹普蘭投資(香港)有限公司北京代表處). From May 2009 to March 2011, Dr. Lin served as an executive director at Mingly China Growth Fund (名力中國成長基金). In August 2002, Dr. Lin founded Beijing Eastwin Innovation Biotechnology Co., Ltd. (北京東勝創新生物科技股份有限公司) and served as a vice president until December 2008.

Dr. Lin received his bachelor's degree in biochemistry from Peking University (北京大學) in the PRC in July 1990 and his master's degree in molecular biology from Shanghai Institute of Biochemistry, Chinese Academy of Sciences (中國科學院上海生物化學研究所) in the PRC in September 1993. He also received a doctoral degree in microbiology and immunology from Columbia University in the U.S. in October 1998 and master's degree in business administration from University of Chicago in the U.S. in June 2000.

SENIOR MANAGEMENT

Dr. LIANG Bo (梁波), aged 45, has been serving as our general manager since our establishment. Dr. Liang is responsible for the overall management of the business strategy, corporate development and R&D of our Group. Please see “— Executive Directors — Dr. LIANG Bo” above for details of his biography.

Mr. KONG Lingyin (孔令印), aged 46, was appointed as our chief technical officer on May 1, 2014. Mr. Kong is responsible for the R&D and regulatory filing activities of our Group. Please see “— Executive Directors — Mr. KONG Lingyin” above for details of his biography.

Directors, Supervisors and Senior Management

Mr. YIN Lejun (殷樂駿), aged 40, was appointed as our chief financial officer with effect from November 28, 2022. Mr. Yin is primarily responsible for the finance, budgeting and internal controls of our Group.

Prior to joining our Group, he served in PricewaterhouseCoopers Zhong Tian LLP from July 2008 to November 2022 with his last position as a senior manager of the audit department of Shanghai office. Mr. Yin has more than 17 years of experience in auditing, accounting, financial management, knowledge in listing rules and relevant compliance. Mr. Yin received his bachelor's degree in shipping management from Shanghai Maritime University (上海海事大學) in China in 2008. Mr. Yin is a member of the Chinese Institute of Certified Public Accountants.

Save as disclosed above, none of our Directors, Supervisors and senior management held any directorship in any public companies the shares of which are listed in the Stock Exchange or overseas stock markets during the three years prior to the date of this annual report.

To the best of the Board's knowledge, information and belief, save as disclosed in the annual report, our Directors, Supervisors and senior management do not have any relationship amongst them.

JOINT COMPANY SECRETARIES

Mr. YIN Lejun (殷樂駿) was appointed as our joint company secretary with effect from November 28, 2022. Please see “— Senior Management — Mr. YIN Lejun” above for details of his biography.

Ms. WAN Wing Yi Carol (溫詠宜) was appointed as our joint company secretary in March 2026. She is a manager of SWCS Corporate Services Group (Hong Kong) Limited and has over 11 years of experience in the corporate secretarial industry. Ms. Wan is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Wan graduated from the University of London in the United Kingdom and admitted to the Bachelor of Science in Business. She also received the Master of Corporate Governance from the Open University of Hong Kong (currently known as the Hong Kong Metropolitan University).

The Board is pleased to present this corporate governance report in the Group's annual report for the year ended December 31, 2025.

CORPORATE MISSION, CULTURE AND VALUES

Letting More Families Have Healthy Children

The Company is an innovative medical device provider for assisted reproduction in the PRC, and is committed to facilitating medical institutions and patients to use automatic, standard and intelligent assisted reproduction products, and to access to stable and high-quality reproductive technologies. The Company's products are developed based on continuous innovation and clinical feedback, resulting in industry-leading clinical results and advancing reproduction science together with clinical studies. The Company's mission is to help more families to have healthy children. The Company's vision is to become the world's leading medical technology company.

Upon the Listing, the Company continued to enrich the product pipeline through independent R&D, as well as mergers and acquisitions. This approach has allowed the Company to establish a comprehensive range of product structure of reagents, consumables, instruments and equipment to serve the entire spectrum of the assisted reproduction industry, rendering the Group one of the few players providing full-industry products in the global market. Through the Group's self-built production facilities, the Group will deliver products that meet global quality standards at a more affordable price, contributing to the field of human reproductive health.

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 year ended December 31, 2025, except for a deviation from the code provision C.2.1 of part 2 of the CG Code, the roles of chairman of the Board 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.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code. No incident of non-compliance of the Model Code was noted by the Company during the Reporting Period.

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, save as disclosed in the section headed "Company's Compliance with Relevant Laws and Regulations" in the Directors' Report, the Board met the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

Corporate Governance Report

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the guidelines for assessing independent set out in Rule 3.13 of the Listing Rules and are independent.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS AND SUPERVISORS

Each of the executive Directors, non-executive Directors and independent non-executive Directors of the Company has entered into a service contract with the Company for a specific term as stipulated in the Articles of Association, but no term of office shall last for more than three years. The non-executive Directors and independent non-executive Directors have been appointed till the expiration of the term of the current Board and unless it is terminated by either the Company or such Director. The term of appointment of each Director is subject to retirement by rotation and re-election at general meeting in accordance with the Articles of Association and the Listing Rules. Directors are elected or replaced by the shareholders' general meeting for a term of three years. A Director may, if re-elected upon expiration of the term of office, serve consecutive terms. No Director or Supervisor has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation. Each term of office of a Supervisor is three years and he or she may serve consecutive terms if re-elected.

The Company may, in accordance with the Articles of Association, by ordinary resolution remove any Director before the expiration of his/her term of office notwithstanding anything to the contrary in the Articles of Association or in any agreement between the Company and such Director.

Where vacancies on the Board exist, the Nomination Committee evaluates skills, knowledge and experience required by the Board, and identifies if there are any special requirements for the vacancy. The Nomination Committee identifies appropriate candidates and convenes Nomination Committee meeting to discuss and vote in respect of the nominated Directors, and recommends candidates for Directors to the Board.

The Nomination Committee considers candidates with individual skills, experience and professional knowledge that can best assist and facilitate the effectiveness of the Board. The Nomination Committee takes the policy on Board diversity of the Company into consideration when it considers the balance of composition of the Board as a whole.

RESPONSIBILITIES OF THE BOARD

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances for discharging their duties to the Company.

The Board reserves for its decision on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

BOARD DIVERSITY POLICY

We have adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the Board Diversity Policy, we seek to achieve diversity of our Board through the consideration of a number of factors when selecting candidates to our Board, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company’s competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. For the purpose of implementation of the Board Diversity Policy, we have the following measurable objectives:

1. at least one third of the Directors shall be independent non-executive Directors;
2. at least one Director is female; and
3. at least one Director shall have obtained accounting or other professional qualifications.

During the year ended December 31, 2025, all the measurable objectives have been fulfilled.

Going forward, we will continue to enhance gender diversity of our Board. Our Board will use its best endeavors to appoint female Directors to our Board (keeping in mind the importance of management continuity and the timeline for retirement and reappointment of Directors under the Articles of Association) and our Nomination Committee will use its best endeavors and on suitable basis to identify and recommend Director candidates to our Board for its consideration on appointment of a new Director when needed. Among the 407 employees of our Group as of December 31, 2025, 218 are males (53.6%) and 189 are females (46.4%), which is fairly balanced in terms of gender diversity. The Board and the Nomination Committee are of the view that our gender diversity at Board level and across workforce is appropriate.

Our Directors have a balanced mix of knowledge and skills, including in management, strategic development, business development, R&D, investment management, finance and corporate finance. They obtained degrees in various areas including biochemistry and molecular biology, mathematics and applied mathematics, biological engineering, law, management, accounting, medicine and business administration.

Our Directors range from 35 years old to 73 years old. Our Board is responsible for reviewing the diversity of our Board. Our Board has reviewed the implementation and effectiveness of the Company’s Board Diversity Policy for the year ended December 31, 2025.

Our Board will monitor the implementation of the Board Diversity Policy and review the Board Diversity Policy from time to time to ensure its continued effectiveness. We will also disclose in our corporate governance report a summary of the Board Diversity Policy together with information regarding the implementation of the Board Diversity Policy.

Corporate Governance Report

DIRECTORS', SUPERVISORS' AND OFFICERS' LIABILITIES INSURANCE

The Company has arranged appropriate insurance cover for Directors', Supervisors', officers' and senior management's liabilities in respect of legal actions against Directors, Supervisors, officers and senior management of the Company arising out of corporate activities.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

Every newly appointed Director should receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Since the Listing Date of our Company, the Directors were regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All the Directors are encouraged to attend relevant training courses at the Company's expenses.

The attendance record of professional training received by the Directors for the year ended December 31, 2025, related to the duties of directors and on-going obligations of listed companies and anti-corruption, is as follows:

Name of Director	Nature of continuous professional development programs
Dr. LIANG Bo	A and B
Mr. KONG Lingyin	A and B
Ms. JIANG Junchao	A and B
Mr. ZHAO Ye (<i>appointed on January 21, 2025</i>)	A and B
Mr. WANG Weipeng	A and B
Mr. LING Yang (<i>resigned on January 15, 2026</i>)	A and B
Dr. KANG Xixiong	A and B
Mr. LAM Siu Wing	A and B
Dr. YEUNG Shu Biu William	A and B

Notes:

A: Attending seminars, meetings, forums, briefings and/or training courses.

B: Reading materials relevant to corporate governance, director's duties and responsibilities, listing rules and other relevant ordinances.

BOARD COMMITTEES

The Board has established three committees, namely the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authorities and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee currently 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.

During the Reporting Period, the Audit Committee has mainly performed the following duties:

- reviewed the Group's audited annual results for the year ended December 31, 2024, and was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made;
- reviewed the Group's unaudited interim results for the six months ended June 30, 2025;
- reviewed internal audit function and its effectiveness;
- reviewed the accounting principles and practices adopted by the Group, and recommended the appointment of the external auditor; and
- assisted the Board in meeting its responsibilities for maintaining an effective system of internal control and risk management.

During the Reporting Period, two meetings have been held by the Audit Committee. The attendance record of each member of the Audit Committee at the meeting of the Audit Committee is set out below:

Name of Director	Attendance/ Number of Audit Committee meeting held during a Director's tenure
Mr. LAM Siu Wing	2/2
Dr. KANG Xixiong	2/2
Mr. WANG Weipeng	2/2

Remuneration and Appraisal Committee

The Company has established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The Remuneration and Appraisal Committee currently consists of one executive Director, namely Dr. Liang and two independent non-executive Directors, namely Mr. LAM Siu Wing and Dr. KANG Xixiong. Dr. KANG Xixiong is the chairman of the Remuneration and Appraisal Committee. The primary duties of the Remuneration and Appraisal Committee are to establish and review the remuneration policy and structure for the Directors, Supervisors and senior management and make recommendations on employee benefit arrangement.

Corporate Governance Report

During the Reporting Period, the Remuneration and Appraisal Committee has mainly performed the following duties:

- reviewed the Group's remuneration policy; and
- reviewed the remuneration package of the Directors and senior management.

During the Reporting Period, one meeting have been held by the Remuneration and Appraisal Committee. The attendance record of each member of the Remuneration and Appraisal Committee at the meeting of the Remuneration and Appraisal Committee is set out below:

Name of Director	Attendance/ Number of Remuneration and Appraisal Committee meeting held during a Director's tenure
Dr. KANG Xixiong	1/1
Dr. LIANG Bo	1/1
Mr. LAM Siu Wing	1/1

Details of the remuneration of each of the Directors, Supervisors and the five highest paid employees for the year ended December 31, 2025 are set out in note 8 and note 9 to the consolidated financial statements. Details of the remuneration by band of the members of the senior management (other than the Directors and Supervisors) of the Company for the year ended December 31, 2025 are set out below:

Remuneration to the senior management by bands	Number of senior management
HKD0–HKD500,000	0
HKD500,001–HKD1,000,000	1
HKD1,000,001–HKD1,500,000	1
HKD2,500,001–HKD3,000,000	1

Nomination Committee

The Company has established the Nomination Committee with written terms of reference in compliance with the CG Code. The Nomination Committee currently consists of two executive Directors, namely Dr. Liang and Ms. JIANG Junchao, and three independent non-executive Directors, namely Dr. KANG Xixiong, Mr. LAM Siu Wing and Dr. YEUNG Shu Biu William. Dr. Liang is the chairman of the Nomination Committee. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment and removal of Directors of our Company and to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board and to assist the board in maintaining a board skills matrix.

During the Reporting Period, the Nomination Committee has mainly performed the following duties:

- reviewed the annual confirmations of independence submitted by the independent non-executive Directors and assessed their independence; and

Corporate Governance Report

- reviewed the structure, size and composition of the Board and whether the composition of the Board complied with the requirements of the Board Diversity Policy.

During the Reporting Period, one meeting have been held by the Nomination Committee. The attendance record of each member of the Nomination Committee at the meeting of the Nomination Committee is set out below:

Name of Director	Attendance/ Number of Nomination Committee meeting held during a Director's tenure
Dr. LIANG Bo	1/1
Ms. JIANG Junchao (<i>appointed on June 25, 2025</i>)	0/0
Dr. KANG Xixiong	1/1
Mr. LAM Siu Wing	1/1
Dr. YEUNG Shu Biu William (<i>appointed on June 25, 2025</i>)	0/0

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience etc. The Nomination Committee discusses and agrees on measurable objectives for achieving diversity on the Board, where necessary, and recommends them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee considers the candidate's character, qualifications, experience, independence (for appointment of Independent Non-executive Directors), and Board diversity aspects, where appropriate, before making recommendation to the Board.

Corporate Governance Function

The Board is responsible for performing the corporate governance functions set out in code provision A.2.1 of the CG Code and such duties have been delegated to the Audit Committee.

During the Reporting Period, the Board reviewed the Company's corporate governance policies and practices, reviewed and monitored training and continuous professional development of the Directors, Supervisors and senior management, reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements, and reviewed the Company's compliance with the CG Code and disclosure in its corporate governance report.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of the Company may from time to time and as the circumstances required, provide updated written training materials relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

Board Composition

During the Reporting Period, the Board consists of the following members:

Executive Directors

Dr. LIANG Bo (梁波) (*Chairman and General Manager*)

Mr. KONG Lingyin (孔令印)

Ms. JIANG Junchao (姜雋超)

Corporate Governance Report

Non-executive Directors

Mr. ZHAO Ye (趙業) (appointed on January 21, 2025)

Mr. WANG Weipeng (王偉鵬)

Mr. LING Yang (凌洋) (resigned on January 15, 2026)

Independent Non-executive Directors

Dr. KANG Xixiong (康熙雄)

Mr. LAM Siu Wing (林兆榮)

Dr. YEUNG Shu Biu William (楊樹標)

None of the Directors has any personal relationship (including financial, business, family or other material or relevant relationship) with any other Directors, Supervisors and the general manager.

Board Meetings and Directors' Attendance Records

Regular Board meetings should be held at least four times a year and at approximately quarterly intervals involving active participation, either in person or through electronic means of communication, of a majority of the Directors. Notices of not less than 14 days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

Apart from regular Board meetings, the chairman of the Company should hold meetings with the independent non-executive Directors without the presence of other Directors each year. During the Reporting Period, the chairman of the Company held one meeting with the independent non-executive Directors without the presence of other Directors.

Four Board meetings and four general meetings were held during the Reporting Period. The attendance records of each Director at the Board meetings and general meetings of the Company are set out below:

Name of Director	Attendance/ Number of Board meetings held during a Director's tenure	Attendance/ Number of general meetings held during a Director's tenure
Dr. LIANG Bo	4/4	4/4
Mr. KONG Lingyin	4/4	4/4
Ms. JIANG Junchao	4/4	4/4
Mr. ZHAO Ye (appointed on January 21, 2025)	4/4	4/4
Mr. WANG Weipeng	4/4	4/4
Mr. LING Yang (resigned on January 15, 2026)	4/4	4/4
Dr. KANG Xixiong	4/4	4/4
Mr. LAM Siu Wing	4/4	4/4
Dr. YEUNG Shu Biu William	4/4	4/4

MECHANISM FOR THE BOARD TO OBTAIN INDEPENDENT VIEWS AND OPINIONS

The Company has established a mechanism for the Board to obtain independent views and opinions (including but not limited to the Articles of Association, terms of reference of Board committees) to ensure the Board has an independent element as a key measure to improve the efficiency of the Board. The mechanism covers the channels for the Directors to seek advice from external professional advisors; the right for Directors to obtain further information and documents from the management in connection with the matters to be discussed at the Board meetings; the procedures and criteria for election of Directors (including independent non-executive Directors); and the number of independent non-executive Directors and their time commitments and contributions to the Board. The Board has reviewed the implementation and effectiveness of the mechanism and believed that the mechanism can ensure the Board to obtain the independent views and opinions.

ANTI-CORRUPTION POLICY

The Company has adopted an anti-corruption policy to create a self-discipline, clean and efficient working environment. The Company makes its effort to combat against any behavior related to bribery, fraud and money laundering, and has set out the standards of behavior for our employees. To deliver a fair, open and just business environment, we strive to uphold the highest ethics and governance standards in our business operations. The Company strictly abides by the PRC Company Law, the Criminal Law of the PRC, the Anti-Money Laundering Law of the PRC and other laws and regulations relating to bribery, fraud and money laundering.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems, and reviewing its effectiveness annually.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions. The Company has an internal audit department with sufficient staff to ensure full and effective implementation and supervision of internal controls of the Company. All departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security.

The management, in coordination with department heads, assessed the likelihood of risk occurrence, provided treatment plans, monitored the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems on an annual basis. The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems during the Reporting Period.

The Board, as supported by the Audit Committee as well as the management, reviewed the risk management (including but not limited to the review on the changes in the nature and extent of significant risks since the last annual review, and the Company's ability to respond to changes in its business and the external environment) and internal control systems, including the financial, operational and compliance controls during the Reporting Period, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

Corporate Governance Report

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, Supervisors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2025, which gives a true and fair view of the affairs of the Group and the Company and of the Group's financial results and cash flows.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report of this annual report.

AUDITOR'S REMUNERATION

The Company appointed KPMG as the external auditor for the year ended December 31, 2025. A statement by KPMG about their reporting responsibilities for the financial statements is included in the Independent Auditor's Report on pages 105 to 111.

For the year ended December 31, 2025, the fees for audit services and non-audit services rendered by external auditor were as follows:

	RMB'000
Audit services	2,193
Non-audit services (<i>interim review</i>)	1,150
Total	3,343

JOINT COMPANY SECRETARIES

Mr. YIN Lejun, who is also the chief financial officer of the Company, was appointed as the joint company secretary with effect from November 28, 2022. For Mr. Yin's biography, please see in the section headed "Directors, Supervisors and Senior Management" of this annual report.

The Company has also appointed, externally, Ms. WAN Wing Yi Carol as the joint company secretary in March 2026. For details of Ms. Wan's biography, please see in the section headed "Directors, Supervisors and Senior Management" of this annual report. Ms. Wan's primary contact with the Company is Mr. YIN Lejun, the joint company secretary and the chief financial officer of the Company.

During the year ended December 31, 2025, Mr. YIN Lejun and Ms. WAN Wing Yi Carol undertook not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Rights to Convene Extraordinary General Meeting

As one of the measures to safeguard Shareholders' interests and rights, the Shareholders are encouraged to participate at the general meetings of the Company and to vote thereat. The annual general meeting of the Company shall be held each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

The annual general meeting of the Company will provide a forum for the Board and the Shareholders to communicate. The Board will answer questions raised by Shareholders at the annual general meeting.

Shareholders may put forward proposals for consideration at general meetings of the Company in accordance with the Articles of Association. Pursuant to the Articles of Association, extraordinary general meetings shall be convened on the requisition of Shareholders holding, at the date of written requisition, 10% or more of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board via email at the email address of the Company at ir@basecare.cn for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. The Board of Directors shall give a written reply on agreeing or disagreeing to convene an extraordinary general meeting of Shareholders within 10 days upon receipt of the request in accordance with the laws, administrative regulations, the Listing Rules and the Articles of Association.

Where the Board of Directors agrees to hold an extraordinary general meeting of Shareholders, it shall send out a notice within five days upon receipt of the request, any changes made to the original proposal in the notices shall obtain the consent of the relevant Shareholders.

Where the Board of Directors does not agree to hold an extraordinary general meeting of Shareholders or fails to give a reply within 10 days upon receipt of the proposal, the Shareholders that solely or collectively hold 10% or more Shares shall have the right to propose to the Board of Supervisors to hold an extraordinary general meeting of Shareholders, and shall put forward the request to the Board of Supervisors in written form.

Where the Board of Supervisors agrees to hold an extraordinary general meeting of Shareholders, it shall send out a notice within five days upon receipt of the request, any changes made to the original proposal in the notices shall obtain the consent of the relevant Shareholders.

Where the Board of Supervisors fails to send out a notice on the extraordinary general meeting of Shareholders within the prescribed time limit, it shall be regarded that the Board of Supervisors will not convene or preside over the meeting, and the Shareholders that solely or collectively hold 10% or more Shares for consecutively 90 or more days may hold or preside over the meeting on their own initiatives.

Procedures for a Shareholder of the Company to propose a person for election as a Director

Subject to the Articles of Association and the PRC Company Law, the Directors shall be elected by the general meeting.

The Articles of Association provides that written notice concerning the proposed nomination of a director candidate and indication of the candidate's intention to accept the nomination shall be sent to the Company seven (7) days before the Shareholders' general meeting is convened. When calculating the time limit of the notice, the date of the meeting and the day on which the notice is given shall be excluded.

Right to Put Enquiries to the Board

For putting forward any enquiries to the Board of the Company, the Shareholders may send written enquiries to the Company by mail to Headquarters: No. 77 Jingu Road, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC, or; Hong Kong: 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong or by email to ir@basecare.cn.

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company has established a shareholders communication policy with a range of communication channels between itself and its Shareholders, investors and other stakeholders so as to actively engage and promote regular, effective and fair communication with its Shareholders, investors and other stakeholders. These include (i) the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchange views with the Board; (iii) updated and key information of the Group available on the Company's website and the Stock Exchange's website; (iv) the Company's website offering communication channel between the Company and its stakeholders; and (v) the Company's H share registrar in Hong Kong serving the Shareholders in respect of all share registration matters. The Board has reviewed the shareholders communication policy during the year ended December 31, 2025 and confirmed its effectiveness.

The Company continues to promote investor relations and enhance communication with its Shareholders, investors and other stakeholders. The Company welcomes suggestions from investors, shareholders and the public. In 2025, we communicated with fund managers and analysts through physical or virtual investor meetings, roadshows, etc. The management of the Company explained the development and trend of the industry and updated investors on our operational conditions, strategic planning and future outlook. Our management has taken actions to address any comments raised by investors. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

With the above measures in place, the shareholders communication policy is considered to have been effectively implemented.

Changes in Constitutional Documents

There were changes in the constitutional documents of the Company for the year ended December 31, 2025 relating to the change of the Company's registered address and expansion of the business scope of the Company. Details of the changes were set out in the circular of the Company dated December 30, 2024 and all the changes were approved by the Shareholders at the 2025 first extraordinary general meeting held on January 21, 2025.

DIVIDEND POLICY

The Company has adopted a policy on payment of dividends pursuant to paragraph M of the mandatory disclosure requirements under Part 1 of the CG Code, such details have also been set out in its Articles of Association and summarized as follows:

The Company may distribute dividends in one of the following forms (or in both forms):

- (1) cash;
- (2) shares.

As for cash dividends and other payments to domestic Shareholders, the Company shall pay in RMB, and such payments to holders of foreign shares will be denominated and declared in Renminbi and paid in foreign currency. Foreign currency required by the Company to pay cash dividends and other monies to holders of foreign shares shall be obtained in accordance with the relevant provisions on foreign exchange administration of the state.

Subject to the applicable law and the Articles of Association, any future determination to pay dividends will be based on a number of factors, including the Company's future operations, capital requirements, general financial condition and other factors that the Board may deem relevant. The Company does not have any pre-determined dividend payout ratio.

REPORT OF THE SUPERVISORS

With the joint efforts of all Supervisors of the Company, in accordance with the laws and regulations such as the PRC Company Law and the provisions of the Articles of Association and the Rules of Procedures for the Board of Supervisors, the Board of Supervisors, in the spirit of being responsible to all Shareholders, conscientiously performed the duties and powers granted by relevant laws and regulations, actively and effectively carried out the work, supervised the compliance of the operation of the Company and the performance of duties by Directors and senior management of the Company, and safeguarded the legitimate rights and interests of the Company as well as its Shareholders.

The work of the Board of Supervisors in 2025 and the work plan for 2026 are hereby reported as follows:

WORK OF THE BOARD OF SUPERVISORS

In 2025, the Board of Supervisors convened and held one meeting of the Board of Supervisors pursuant to the laws. The notice, convening and voting procedures for the meetings were in compliance with the requirements of the PRC Company Law and other laws and regulations as well as the Articles of Association and the Rules of Procedures for the Board of Supervisors. The work of the Board of Supervisors mainly included:

1. attending Shareholders' meetings of the Company to understand the operation of the Shareholders' meetings;
2. attending the meetings of the Board of Directors to understand the operation of the Board of Directors; and
3. reviewing the financial reports of the Company and the audit reports submitted by the Company's auditors.

OPINIONS ON THE BOARD OF SUPERVISORS DURING THE REPORTING PERIOD

(i) Compliance of the Operation

The members of the Board of Directors and senior management of the Company operated in strict compliance with the relevant provisions of the PRC Company Law and the Articles of Association, diligently and responsibly performed their duties with a scientific and reasonable decision-making process, earnestly implemented each resolution of the general Shareholders' meetings, and they were not aware of any illegal acts or actions against the interests of the Company.

(ii) Financial Position of the Company

The Board of Supervisors reviewed and agreed with the audited consolidated financial statements for the year ended December 31, 2025, and believed that the financial statements of the Company have given an objective and true view of the financial position and the operating results of the Company and is free of false representations, misleading statements and material omissions.

(iii) Internal Control

Based on the relevant regulations of the PRC Company Law and the Articles of Association together with its actual condition, the Company has established a comprehensive internal management and internal control system, which ensures the normal operation of the Company. The Company has established a comprehensive internal control mechanism and an internal audit department with sufficient staff to ensure full and effective implementation and supervision of the Company.

(iv) Integrity and Self-discipline

The Directors and senior management of the Company strictly regulated themselves to abide by the laws and regulations with honesty and self-discipline, and no illegal acts due to personal interests were found.

Supervisors' Report

WORK PLAN FOR 2026

The Board of Supervisors will further regulate the work of the Board of Supervisors in accordance with the PRC Company Law, the Articles of Association as well as relevant laws and regulations, reinforce its supervision and safeguard the interests of the Company and its Shareholders:

- (1) to attend Shareholders' meetings of the Company and pay close attention to the operation of the general Shareholders' meetings as well as the Company's business decisions to ensure normal operation of the Company;
- (2) to attend the meetings of the Board of Directors and continue to actively participate in various work meetings organized and convened by the Company to keep abreast of the operation of the Board of Directors and the development of the Company's operation to ensure the standardized operation of the Company;
- (3) to further reinforce the supervision and inspection of the financial position of the Company; and
- (4) to supervise the compliance and due diligence of the Directors and senior management of the Company.

The Board of Supervisors
Suzhou Basecare Medical Corporation Limited
March 30, 2026

The Board is pleased to present this Directors' Report together with the consolidated financial statements of the Group for the year ended December 31, 2025.

GENERAL INFORMATION

The Company was incorporated in the PRC with limited liability on December 14, 2010 and converted into a joint stock company with limited liability on August 27, 2020. The Company's H Shares were listed on the Main Board of the Stock Exchange on February 8, 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are providing genetic testing solutions for assisted human reproduction. There were no significant changes in the nature of the Company's principal activities during the Reporting Period.

BUSINESS REVIEW AND RESULTS

A review of the business of the Group during the Reporting Period is provided in the section headed "Business Review" Under "Management Discussion and Analysis" of this annual report. An analysis of the Group's performance during the Reporting Period is provided in the section headed "Financial Review" under "Management Discussion and Analysis" of this annual report.

The results of the Group for the Reporting Period are set out in the Consolidated Financial Statements of this annual report.

FINAL DIVIDENDS

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2025. (2024: nil).

IMPORTANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in the section headed "Management Discussion and Analysis — Important Events after the End of the Reporting Period", no other important events affecting the Company occurred after the Reporting Period and up to the date of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The following are parts of the key risks and uncertainties identified by the Group: Risks Relating

Risks Relating to Sales and Distribution of Our Products:

- Our historical sales mainly relied on two products, our self-developed PGT-A kit and NIPT kit we distributed, and it may be difficult to evaluate our future prospects.
- If we cannot maintain relationships with our key business partners, or cannot establish or seek more collaborations and strategic alliances in the future, our results of operations and prospects could be adversely affected.
- We market and promote our products through third party promoters. There is no guarantee that we will succeed in expanding our sales network.
- If we cannot maintain or develop clinical collaborations and relationships with KOLs, physicians and experts, our results of operations and prospects could be adversely affected.

Directors' Report

Risks Relating to Our Financial Position and Prospects:

- We have incurred significant net losses since inception and expect to continue to incur losses, and may never achieve or sustain profitability.
- We may need to obtain substantial additional financing to fund our operations.
- Our financial prospects depend on the success of our product portfolio.

Risks Relating to Government Regulations:

- Any failure to comply with relevant laws and regulations may adversely affect the business and results of operations of our Group.
- Any adverse change in the regulatory regime relating to the PRC reproductive genetics medical device industry or the medical device industry in general may limit our ability to provide products and any lack of requisite licenses or certificates applicable to our business.
- If we are not able to obtain or maintain, or experience delays in obtaining or maintaining, required regulatory approvals, we will not be able to commercialize our products, and our ability to generate revenue will be materially impaired.

Risks Relating to the R&D of Our Products:

- We invest substantial resources in the R&D in order to develop our products and enhance our technologies, which we may not be able to achieve successfully.
- If we encounter difficulties procuring requisite test samples or collecting samples in our clinical trials, our R&D activities could be delayed or otherwise adversely affected.
- Clinical development involves a time-and cost-consuming process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.
- We may not be able to successfully complete product registration testing or clinical trials in a timely manner and at acceptable costs, or at all.

Risks Relating to Manufacture and Supply of Our Products:

- If our products are not manufactured to the necessary quality standards, it could harm our business and reputation, and our revenue and profitability could be adversely affected.
- If we suffer substantial disruption to our production site or encounter problems in manufacturing our products, our business and results of operations could be adversely affected.
- We depend on third-party suppliers to supply raw materials to manufacture our products. If these suppliers can no longer provide satisfactory products to us on commercially reasonable terms, our business and results of operations could be adversely affected.

Risks Relating to Our Intellectual Property Rights:

- We may not be able to obtain or maintain sufficient intellectual property rights for our products.
- Patent protection depends on compliance with various procedural, regulatory and other requirements, and our patent protection could be reduced or eliminated due to non-compliance.
- Intellectual property rights do not necessarily protect us from all potential threats to our competitive advantage.

- Intellectual property and other laws and regulations are subject to change, which could diminish the value of our intellectual property and impair the intellectual property protection of our products.

Risks Relating to Our Operations:

- Our historical financial and operating results may not be indicative of our future performance, and we may not be able to achieve and sustain the historical level of revenue growth and profitability.
- We recorded negative cash flows from operating activities and have had net liabilities since our incorporation.
- The discontinuation of any preferential tax treatment or government grants currently available to us could adversely affect our financial position, results of operations, cash flows and prospects.
- Our business benefits from certain financial incentives and discretionary policies granted by local governments. Expiration of, or changes to, these incentives or policies would have an adverse effect on our results of operations.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Period,

- (i) the Group's largest supplier accounted for 21.6% (2024: 23.7%) of its total purchases, and the five largest suppliers accounted for 45.7% of its total purchases (2024: 56.2%); and
- (ii) the Group's largest customer accounted for 7.1% (2024: 11.3%) of its total sales, and the five largest customers accounted for 31.3% of its total sales (2024: 32.6%).

None of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own no less than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 11 to the consolidated financial statements.

SUBSIDIARY

Details of the subsidiaries of the Company as of December 31, 2025 are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in note 27 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As of December 31, 2025, the Company did not have any distributable reserves.

CHARITABLE DONATIONS

The Group made charitable donations of approximately RMB116,000 during the Reporting Period.

Directors' Report

BANK AND OTHER BORROWINGS

Particulars of bank and other borrowings of the Group as of December 31, 2025 are set out in note 24 to the consolidated financial statements.

SHARE INCENTIVES

During the Reporting Period, the Company did not adopt any share option plan as prescribed under Chapter 17 of the Listing Rules.

In order to recognize the contributions of our employees and advisors and to incentivize them to further promote our development, Basecare Investment was established on May 23, 2016, through which, certain employees and advisors of our Group were indirectly beneficially interested in the equity interests in our Company. During the Reporting Period, we did not have any equity-settled share-based payment expenses (2024: nil).

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

DIRECTORS AND SUPERVISORS

The Directors and Supervisors who held office during the Reporting Period and up to the date of this annual report were:

Executive Directors

Dr. LIANG Bo (梁波) (*Chairman and General Manager*)

Mr. KONG Lingyin (孔令印)

Ms. JIANG Junchao (姜雋超)

Non-executive Directors

Mr. ZHAO Ye (趙業) (*appointed on January 21, 2025*)

Mr. WANG Weipeng (王偉鵬)

Mr. LING Yang (凌洋) (*resigned on January 15, 2026*)

Independent Non-executive Directors

Dr. KANG Xixiong (康熙雄)

Mr. LAM Siu Wing (林兆榮)

Dr. YEUNG Shu Biu William (楊樹標)

Supervisors

Ms. SHI Lijuan (史麗娟) (*Chairwoman*)

Dr. LIN Yi (林藝)

Ms. ZONG Qiuping (宗秋平)

DIRECTORS' AND SUPERVISORS' BIOGRAPHICAL DETAILS

Details of Directors and Supervisors are set out in "Directors, Supervisors and Senior Management" of this annual report. Up to the date of this annual report, the updated information has been disclosed in the section headed "Directors, Supervisors and Senior Management" pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

CHANGES OF THE BOARD, DIRECTORS AND SUPERVISORS

On January 15, 2026, Mr. LING Yang resigned as a non-executive Director due to his personal work arrangements. Mr. Ling has confirmed that he has no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the Shareholders or the Stock Exchange.

Save as disclosed above, during the Reporting Period, there were no changes of the Board, Directors and Supervisors and the change to the Director's and Supervisors' information that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

None of the Directors or Supervisors nor any entity connected with the Directors or Supervisors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended December 31, 2025.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Details of Directors' and Supervisors' service contracts are set out in "Appointment, Re-election and Removal of Directors and Supervisors" section of the Corporate Governance Report.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

None of the Directors, Supervisors or any of their respective associates was granted by the Company or its subsidiaries any right to acquire shares in, or debentures of, the Company or its subsidiary, or had exercised any such right during the Reporting Period.

COMPETING INTEREST AND OTHER INTEREST

Save as disclosed in the Prospectus and save for their respective interests in the Group, none of the Directors, Supervisors and the Controlling Shareholders were interested in any business which competes or is likely to compete with the businesses of the Group during the Reporting Period.

Each of our Controlling Shareholders has undertaken to us in the non-competition undertaking (the "**Non-Competition Undertaking**") that, during the period of the Non-competition Undertaking, it/he shall not, and shall procure its/his close associates (other than members of our Group) not to directly or indirectly be involved in or undertake any business (other than our business) that directly or indirectly competes, or may compete, with any business engaged by any member of our Group, or hold interest in any companies or business that compete directly or indirectly with the business currently or from time to time engaged in by our Group. For the avoidance of doubt, the restricted business shall include the business in relation to the R&D, manufacturing and commercialization of (i) reproductive genetic test kits and (ii) reproduction related ancillary devices and instruments. For further details, please refer to the section headed "Relationship with Our Controlling Shareholders — Non-competition Undertaking" of the Prospectus.

We have received annual written confirmations from the Controlling Shareholders of the compliance with the provisions of the Non-competition Undertaking by such Controlling Shareholders and their close associates. The independent non-executive Directors have reviewed the compliance with the Non-competition Undertaking for the year ended December 31, 2025 based on the information and confirmation provided by or obtained from the Controlling Shareholders, and were satisfied that our Controlling Shareholders have duly complied with the Non-competition Undertaking.

During the Reporting Period, the Group has not entered into any other contract of significance with the Controlling Shareholders (other than the service contracts of Directors and senior management).

Directors' Report

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Reporting Period.

REMUNERATION POLICY

The Remuneration and Appraisal Committee was set up for reviewing the Company's emolument policy and structure for all remuneration of the Directors, Supervisors and senior management of the Company, having regard to the Company's operating results, individual performance of the Directors, Supervisors and senior management and comparable market practices.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors, Supervisors and five highest paid individuals are set out in notes 8 and 9 to the consolidated financial statements.

None of the Directors or Supervisors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors or Supervisor as an inducement to join, or upon joining the Group, or as compensation for loss of office.

ENVIRONMENTAL POLICIES AND PERFORMANCE

It is our corporate and social responsibility in promoting a sustainable and environmental-friendly environment. We strive to minimize our environmental impact and to build our corporation in a sustainable way.

We are subject to environmental protection and occupational health and safety laws and regulations in China. In 2025, we complied with the relevant environmental and occupational health and safety laws and regulations in China and we did not have any incidents or complaints, which had a material and adverse effect on our business, financial condition or results of operations.

The Environment, Social and Governance Report of the Company prepared in accordance with Appendix C2 to the Listing Rules is set out on pages 58 to 104 of this annual report.

RELATIONSHIPS WITH EMPLOYEES

The Group encouraged the employees to enhance their competitiveness and ability. This raised the momentum in the R&D as well as business development to increase the revenue of the Group. Through solidifying its business foundation and adjusting its operation directives, the Group is striving to forge ahead under adverse conditions to allow us to achieve new progresses in terms of production and operation under a positive and hardworking work culture.

RELATIONSHIPS WITH CUSTOMERS AND SUPPLIERS

We had established a broad customer base, including hospitals and reproductive clinics. To a lesser extent, we also sold our genetic test kits to distributors, who in turn sold our products to hospitals and reproductive clinics. We maintain an outstanding marketing team with a focus on serving key customers, such as third-generation IVF licensed hospitals and reproductive clinics, which are a major component of our customer base. Our in-house sales and marketing team is also responsible for the promotion of our products to hospitals and reproductive clinics through academic marketing activities, to interact with KOLs as well as other industry professionals. As of December 31, 2025, we entered into cooperation agreements with 157 hospitals.

We procure raw materials from suppliers to manufacture our product and support our R&D activities. As of December 31, 2025, we had a total of 238 suppliers of different raw materials. In 2025, we maintained sound relationships with our suppliers such that we could meet business challenges and comply with regulatory requirements, thereby deriving cost effectiveness and reaping long term business benefits.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As of December 31, 2025, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long Position in the Shares of the Company

Name of Director	Position	Nature of interest	Number and class of Shares	Approximate percentage of interest in our Company ⁽²⁾	Approximate percentage of interest in the relevant class of Shares of our Company ⁽³⁾
Dr. Liang ⁽¹⁾	Executive Director and general manager	Beneficial owner	55,231,640 Domestic Shares	20.19%	28.95%
		Interest in a controlled corporation	36,090,379 Domestic Shares	13.19%	18.91%

Notes:

- (1) As of December 31, 2025, Basecare Investment was held as to approximately 58.31% by Dr. Liang (as the sole general partner). Therefore, Dr. Liang was deemed to be interested in the Shares in which Basecare Investment was interested under the SFO.
- (2) Calculated based on the number of the total issued share capital of the Company as of December 31, 2025, being 273,526,000.
- (3) Calculated based on the aggregate number of the Domestic Shares and the Unlisted Foreign Shares of the Company as of December 31, 2025, being 190,812,165.

As of December 31, 2025, to the best knowledge of the Directors, Supervisors or chief executive of the Company, save as disclosed above, none of the Directors, Supervisors or chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations as recorded in the register required to be kept, pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As of December 31, 2025, so far as it was known to the Directors, the following persons (other than the Directors, Supervisors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

Long Position in the Shares of the Company

Name of Substantial Shareholders	Nature of interest	Number and class of Shares	Approximate percentage of interest in our Company ⁽⁷⁾	Approximate percentage of interest in the relevant class of Shares of our Company ⁽⁸⁾
Basecare Investment ⁽¹⁾	Beneficial Owner	36,090,379 Domestic Shares	13.19%	18.91%
HH SPR-XIV HK Holdings Limited ⁽²⁾	Beneficial Owner	6,006,010 H Share 7,630,348 Unlisted Foreign Shares	2.20% 2.79%	7.26% 4.00%
Mr. XU Wenbo ⁽³⁾	Interest in controlled corporation	16,571,513 Domestic Shares	6.06%	8.68%
Broad Vision Investment ⁽³⁾	Beneficial Owner	11,969,242 Domestic Shares	4.38%	6.27%
Beijing Zhongcheng Fangyuan Phase II Investment Center (Limited Partnership) ⁽⁴⁾	Beneficial Owner	15,189,172 Domestic Shares	5.55%	7.96%
Sino-Rock Investment Management Company Limited ⁽⁵⁾	Interest in controlled corporation	12,299,422 Domestic Shares	4.50%	6.45%
Hangzhou Hanshi Investment Management Service Co., Ltd. ⁽⁵⁾	Beneficial Owner	12,299,422 Domestic Shares	4.50%	6.45%
Suzhou Industrial Park Sungent Bio-Venture Capital Investment Enterprise (Limited Partnership) ⁽⁶⁾	Beneficial Owner	11,418,525 Domestic Shares	4.17%	5.98%

Notes:

- (1) As of December 31, 2025, Basecare Investment was held as to approximately 58.31% by Dr. Liang (as the sole general partner). Therefore, Dr. Liang was deemed to be interested in the Shares in which Basecare Investment was interested under the SFO.
- (2) As of December 31, 2025, HH SPR-XIV HK Holdings Limited was wholly owned by HH SPR-XIV CY Holdings Limited, which was wholly owned by HH SPR-XIV Holdings L.P. Hillhouse Capital Management, Ltd. acts as the sole management company of Hillhouse Fund IV, L.P. and is the investment manager for Shares held by Hillhouse Fund IV, L.P., which is the sole limited partner of HH SPR-XIV Holdings L.P. Therefore, each of HH SPR-XIV CY Holdings Limited, HH SPR-XIV Holdings L.P., Hillhouse Fund IV, L.P. and Hillhouse Capital Management, Ltd. was deemed to be interested in the Shares in which HH SPR-XIV HK Holdings Limited was interested under the SFO.

- (3) As of December 31, 2025, (i) Broad Vision Investment was controlled by its general partner, Zhangjiagang Broad Vision Glory Investment Partnership (Limited Partnership) (張家港博華耀世投資合夥企業(有限合夥)) (“**Broad Vision Glory**”), (ii) Zhangjiagang Bo Feng Equity Investment Partnership (Limited Partnership) (張家港博豐股權投資合夥企業(有限合夥)) (“**Bo Feng**”) was controlled by its general partner, Zhangjiagang Bo Xin Investment Partnership (Limited Partnership) (張家港博信投資合夥企業(有限合夥)) (“**Bo Xin**”). Both Broad Vision Glory and Bo Xin were ultimately controlled by Mr. XU Wenbo directly and indirectly through Beijing Broad Vision Funds Co., Ltd. (北京博華資本有限公司) (“**Broad Vision Funds**”). Therefore, Mr. XU Wenbo was deemed to be interested in the Shares in which Broad Vision Investment and Bo Feng were interested under the SFO.
- (4) As of December 31, 2025, Beijing Zhongcheng Fangyuan Phase II Investment Center (Limited Partnership) was controlled by its general partner, Shenzhen Qianhai Hengrui Fangyuan Investment Management Co., Ltd. (深圳前海恒瑞方圓投資管理有限公司), which was held as to 70.00% by Mr. WANG Rui. Therefore, each of Hengrui Fangyuan and Mr. WANG Rui was deemed to be interested in the Shares in which Beijing Zhongcheng Fangyuan Phase II Investment Center (Limited Partnership) was interested under the SFO.
- (5) As of December 31, 2025, Hangzhou Hanshi Investment Management Service Co., Ltd. was wholly owned by Sino-Rock Investment Management Company Limited. Therefore, Sino-Rock Investment Management Company Limited was deemed to be interested in the Shares in which Hangzhou Hanshi Investment Management Service Co., Ltd. was interested under the SFO.
- (6) As of December 31, 2025, Suzhou Industrial Park Sungent Bio-Venture Capital Investment Enterprise (Limited Partnership) (蘇州工業園區新建元生物創業投資企業(有限合夥)) was held as to 43.88% by Suzhou Sungent Holding Group Co., Ltd. (蘇州新建元控股集團有限公司) (“**Sungent Holding**”), which was held as to approximately 72.58% by Suzhou Industrial Park Zhaorun Investment Holding Group Co., Ltd. (蘇州工業園區兆潤投資控股集團有限公司) (“**Zhaorun Investment**”), which was wholly owned by Suzhou Industrial Park Administration Committee (蘇州工業園區管理委員會).

As of December 31, 2025, Suzhou Industrial Park Sungent Bio-Venture Capital Investment Enterprise (Limited Partnership) (蘇州工業園區新建元生物創業投資企業(有限合夥)) was controlled by Suzhou Industrial Park Yuansheng Bioventure Capital Management Co., Ltd (蘇州工業園區元生創業投資管理有限公司) (“**YuanBio Venture Capital**”), which was held as to 51.00% by Suzhou YuanXiang Enterprise Consulting Partnership (Limited Partnership) (蘇州元響企業諮詢合夥企業(有限合夥)) (“**Suzhou Yuan Xiang**”) and 35.00% by Sungent Holding. Suzhou Industrial Park Zhinuo Business Information Consulting Co., Ltd. (蘇州工業園區智諾商務信息諮詢有限公司) (“**Zhinuo Business**”) is a general partner of Suzhou Yuan Xiang. Zhinuo Business was held as to 99.00% by Mr. CHEN Jie. Therefore, each of Sungent Holding, Zhaorun Investment, Suzhou Industrial Park Administration Committee (蘇州工業園區管理委員會), YuanBio Venture Capital, Suzhou Yuan Xiang, Zhinuo Business and Mr. CHEN Jie was deemed to be interested in the Shares in which Suzhou Industrial Park Sungent Bio-Venture Capital Investment Enterprise (Limited Partnership) (蘇州工業園區新建元生物創業投資企業(有限合夥)) was interested under the SFO.

- (7) Calculated based on the number of the total issued share capital of the Company as of December 31, 2025, being 273,526,000.
- (8) Calculated based on the number of the H Shares of the Company as of December 31, 2025, being 82,713,835, or the aggregate number of the Domestic Shares and the number of the Unlisted Foreign Shares of the Company as of December 31, 2025, being 190,812,165.

Directors' Report

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net 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 of the net proceeds:

Use of Proceeds	Planned applications HK\$ in million	Percentage of total Proceeds	Actual amount of proceeds utilized as of January 1, 2025 HK\$ in million	Actual amount of proceeds unutilized as of December 31, 2025 HK\$ in million	Actual amount of proceeds utilized as of December 31, 2025 HK\$ in million	Percentage of proceeds from the Global Offering expected to be used in 2026	Expected timeframe for fully utilization of unutilized net proceeds
Core Product – PGT-A kit	379.7	20%	304.2	49.7	330.0	2.6%	Within the next one year
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%	130.0	2.0	149.9	0.1%	
Optimizing the production process of our PGT-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	227.8	12%	174.2	47.7	180.1	2.5%	
Clinical trial, registration filing and commercialization of our PGT-M kit	189.9	10%	142.8	13.1	176.8	0.6%	Within the next one year
Clinical trial and registration filing of our PGT-M kit (including the relevant labor and consumables costs)	132.9	7%	114.7	8.4	124.5	0.4%	
Commercialization, sales and marketing activities of our PGT-M kit	57.0	3%	28.1	4.7	52.3	0.2%	
Development, clinical trials, registration filings and commercialization of our other products	569.6	30%	522.5	28.7	540.9	1.6%	Within the next one year
Development, clinical trials, registration filings and commercialization of our other genetic test kit products	227.8	12%	225.0	2.0	225.8	0.2%	
Research, development, manufacturing and commercialization of our genetic testing devices and instruments	341.8	18%	297.5	26.7	315.1	1.4%	

Directors' Report

Use of Proceeds	Planned applications HK\$ in million	Percentage of total Proceeds	Actual amount of proceeds utilized as of January 1, 2025 HK\$ in million	Actual amount of proceeds unutilized as of December 31, 2025 HK\$ in million	Actual amount of proceeds utilized as of December 31, 2025 HK\$ in million	Percentage of proceeds from the Global Offering expected to be used in 2026	Expected timeframe for fully utilization of unutilized net proceeds
Improving our R&D capabilities and enhancing our technologies, including (i) introducing and acquiring new technologies in businesses upstream and downstream of genetic testing, and expanding our product portfolio through investments, acquisitions, licensing or other collaborative arrangements; (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%	254.1	9.9	274.9	0.5%	Within the next one year
Constructing and decorating of our R&D center and expanding the manufacturing plant for our test kit products, testing devices and instruments	189.9	10%	96.0	86.8	103.1	4.6%	Within the next one year
Working capital and general corporate purposes	284.8	15%	280.9	1.8	283.0	0.1%	Within the next one year
Total	1,898.7	100%	1,600.5	190.0	1,708.7	10.0%	

The expected timeline for utilizing the net 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 net proceeds have applied in the manner as set out in the section headed “Future Plans and Use of Proceeds” of 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”.

Directors' Report

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Reporting Period, there was no issue of Shares by the Company, and neither the Company nor any of its subsidiaries purchased, sold or redeemed any other listed securities of the Company (including any sale or transfer of treasury shares (as defined in the Listing Rules) (2024: nil).

As of December 31, 2025, the Company did not hold any Shares as treasury shares.

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

Among the material related party transactions disclosed in note 30 to the consolidated financial statements, no transaction constitutes a connected transaction or continuing connected transaction for the Company under Rule 14A.31 of the Listing Rules and is required to be disclosed in this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the relevant laws of the PRC that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities. If any of the Shareholders is unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, he or she is advised to consult an expert.

COMPANY'S COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Reporting Period and up to the date of this annual report, 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.

During the Reporting Period and up to the date of this annual report, none of the Group and the Directors, Supervisors and senior management of the Company were 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 were 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.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

LOAN AGREEMENT WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF CONTROLLING SHAREHOLDERS

During the Reporting Period, the Company did not enter into any loan agreement which contains covenants requiring specific performance of Controlling Shareholders.

PERMITTED INDEMNITY PROVISION

The Company has maintained appropriate liability insurance policies for its Directors, Supervisors and senior management since the Listing Date.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as of the date of this annual report, the Company has maintained the prescribed percentage of public float under the Listing Rules.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years (prepared in accordance with IFRS) are set out on page 4 of this annual report. This summary does not form part of the audited consolidated financial statements.

REVIEW OF ANNUAL RESULTS BY 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 annual results for the year ended December 31, 2025.

AUDITOR

The financial statements for the year ended or as of December 31, 2025 have been audited by KPMG who shall retire at AGM and, being eligible, will offer themselves for reappointment. A resolution for the re-appointment of KPMG as auditors will be proposed at the AGM. The auditor has not changed in the past three financial years.

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 support and contribution to the Group.

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

Hong Kong, March 30, 2026

Environmental, Social and Governance Report

1. ABOUT THIS REPORT

This report is the sixth environmental, social and governance (“**ESG**”) report issued by Suzhou Basecare Medical Corporation Limited (“**Basecare Medical**”) and its subsidiaries (the “**Group**” or “**we**”). This report provides a comprehensive overview of the Group’s work and achievements in practicing the concept of sustainable development and fulfilling its corporate social responsibility, presenting the Group’s practices in the fields of environment, society and governance.

1.1 Reporting Standard

This report is prepared in accordance with the Environmental, Social and Governance Reporting Code (the “**Code**”) contained in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). This report strictly adheres to the mandatory disclosure requirements and the “comply or explain” clause of the Code, and the report content follows the reporting principles of “materiality”, “quantification”, “balance” and “consistency” in the Code. For quick reference to the alignment between this report and the provisions of the Code, please refer to Appendix II to this report: Index of the Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange.

Materiality: The Group has identified and disclosed in this report the ESG issues that have a material impact on the Group and its stakeholders, along with the process and criteria used for the materiality assessment. Management has reviewed and confirmed the assessment results.

Quantification: The Group has disclosed in this report the statistical standards, calculation methodologies, calculation tools and sources of conversion factors for the relevant data.

Balance: This report strives to objectively and fairly present the Group’s performance during the Reporting Period, avoiding any misleading of readers’ decisions or judgments due to selective disclosure, omissions or inappropriate presentation formats.

Consistency: Unless otherwise indicated, the statistical methods and scope for the data disclosed in this report are consistent with those of previous years. If there are any changes that may affect comparability with prior reporting periods, we will provide explicit explanations.

1.2 Reporting Scope

This report presents the core ESG performance of the businesses directly controlled by the Group from January 1, 2025, to December 31, 2025 (hereinafter referred to as the “**Current Year**” or the “**Reporting Period**”), and comprehensively outlines our ESG strategic direction and goal setting. The scope of environmental data disclosed in this report covers the Group’s headquarters office and production base in Suzhou, as well as its Australian subsidiary. For more detailed information on the Group’s corporate governance, please refer to the Corporate Governance section of this annual report or visit the Group’s official website, both of which provide comprehensive governance-related information.

1.3 Report Approval

This report completed the Group’s internal review process on March 30, 2026, and has been formally approved by the Board.

1.4 Feedback on the Report

Should you have any questions, comments or suggestions regarding the content of this report or the Group’s sustainability policies, we sincerely welcome you to contact us via email at chelsea.cheng@basecare.cn to share your feedback. We will properly document such feedback and use it for continuous improvement where appropriate.

Environmental, Social and Governance Report

2 ABOUT BASECARE MEDICAL

2.1 Group Overview

We are an innovative medical device provider for assisted reproduction in the PRC, and we are committed to facilitating medical institutions and patients to access automatic, standard and intelligent assisted reproduction products, as well as stable and high-quality reproductive technologies. Our products are developed based on continuous innovation and clinical feedback, resulting in industry-leading clinical results and advancing reproduction science together with clinical studies. Our mission is to help more families to have healthy children. Our vision is to become the world's leading medical technology company.

With the aim of developing automatic, standard and intelligent assisted reproduction medical devices, we provide medical institutions with high-quality medical devices that meet clinical requirements, so as to improve both the success rate of assisted reproduction and its work efficiency. As assisted reproductive technology is undergoing rapid development and iteration, we focus on “Live”, our core philosophy, to offer users with experience of dynamic, real-time and interactive data throughout the whole process of assisted reproduction. We view and analyze genetic testing data through “Live Browser” in the genetic laboratory, precisely detect the live sperm quality through “Live Morphology” in the andrology laboratory, achieve real-time assisted reproduction preservation and location tracking through “Live Storage” in the cryopreservation laboratory, observe the growth status of embryos in real time through “Live View” in embryology laboratory, and realize interconnection of data from various laboratory scenarios through “Live Intelligence”, which creates an intelligent work environment for assisted reproduction centers to enhance their work efficiency, improve the safety of operations and ultimately increase pregnancy success rates.

2.2 Prizes and Honors

Honor	Issuer
2024 Suzhou Outstanding Talent Special Award	Suzhou Human Resources and Social Security Bureau
2025 National Specialized and Sophisticated “Little Giant” Enterprise Re-evaluation	Ministry of Industry and Information Technology of the People's Republic of China
2025 Suzhou Municipal Special Fund for Building Advanced Manufacturing Bases — Innovative Medical Device Application Demonstration Project	Suzhou Municipal Bureau of Industry and Information Technology
Suzhou Major Scientific and Technological Achievement Transformation	Suzhou Science and Technology Bureau
Jiangsu Provincial Specialized and Sophisticated Small and Medium Enterprise Re-evaluation	Industry and Information Technology Department of Jiangsu
Second Prize of the 2024 Jiangsu Provincial Science and Technology Progress Award	Jiangsu Provincial Department of Science and Technology
Jiangsu Provincial Gazelle Enterprises	Jiangsu Provincial Productivity Promotion Center
Jiangsu Provincial Industry Professor	Jiangsu Education Department
Suzhou Industrial Park Excellence Talents	Suzhou Industrial Park Human Resources and Social Security Bureau

Environmental, Social and Governance Report

3 ESG GOVERNANCE

For companies, ESG governance is a core pillar supporting sustainable development. We deeply integrate ESG factors into every aspect of our daily operations and our long-term strategic planning, ensuring steady growth in economic performance while actively fulfilling our social responsibilities and protecting the ecological environment, thereby enabling comprehensive and sustainable corporate growth.

3.1 Statement of the Board of Directors

The Group fully recognizes the Board's leadership and oversight responsibilities in sustainable development, integrating ESG principles as a key consideration in business operations and continuously advancing their integration across all business processes. To enhance our sustainable development management system, we have established and continue to optimize our ESG governance framework. As the Group's highest decision-making body, the Board deliberates on and approves the ESG strategy and objectives, assumes ultimate oversight responsibility for the ESG report, and monitors and evaluates the effectiveness and progress of related initiatives. Furthermore, the Board reviews the results of the material ESG issues assessment and, based thereon, approves the implementation of relevant ESG management measures. To advance the implementation and progress of ESG governance, the ESG working group coordinates related matters and oversees follow-up actions to support the achievement of the Group's established ESG objectives.

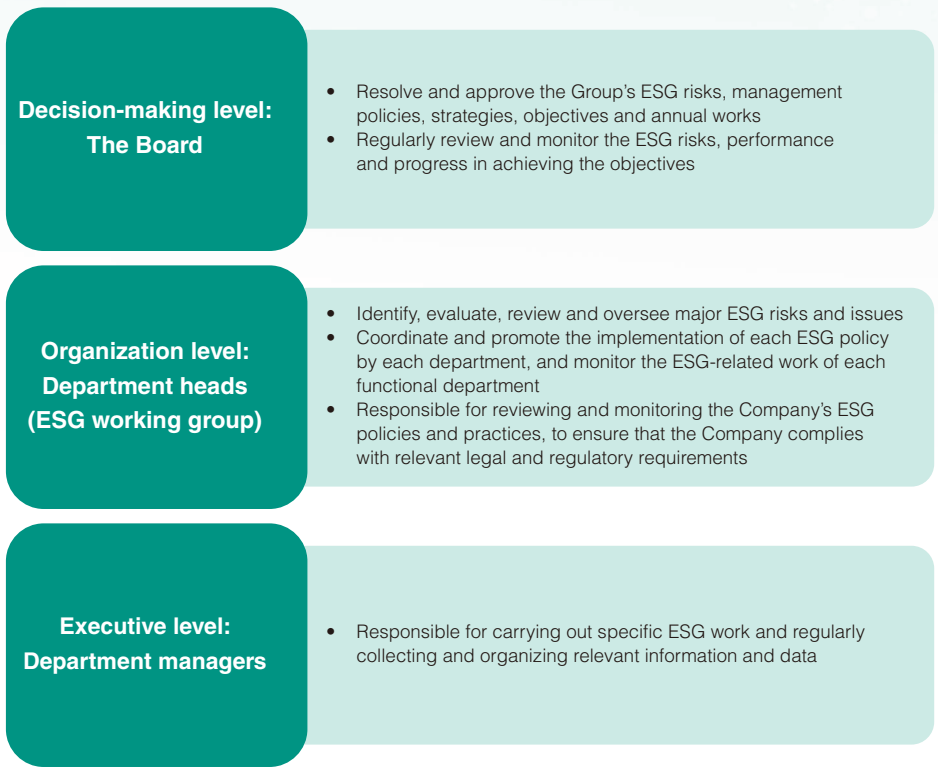
To strengthen ESG management capabilities, the Board received ESG training during the Current Year to enhance its understanding of ESG strategy, oversight and control. During the Current Year, the Board reviewed the Group's ESG management progress, materiality issue assessments, and the implementation status of environmental goals. It will continue to monitor the effectiveness of these implementations and, when necessary, direct management to make corresponding adjustments.

Environmental, Social and Governance Report

3.2 ESG Governance Framework

The Group adheres to business conduct standards and industry's best practices, while continuously enhancing employees' understanding of and commitment to corporate social responsibility. We have established an ESG governance framework to integrate environmental and social considerations into business development and balance growth with responsibility.

To ensure the orderly advancement of ESG management, we have implemented a three-tier governance structure comprising the Board (decision-making level), the ESG working group (organizational level), and various departments (executive level), with clearly defined roles and responsibilities to facilitate the progressive implementation of related initiatives across all management levels. As the highest decision-making authority, the Board bears ultimate responsibility for ESG strategic planning and report preparation, and is tasked with aligning sustainable development goals with the Group's overall business strategy to support the Group's steady progress on its sustainability journey.



Environmental, Social and Governance Report

3.3 Stakeholder Engagement

The Group maintains regular communication with stakeholders to understand and respond to their reasonable expectations and to address their concerns in compliance with applicable laws and regulations. Our stakeholder groups include shareholders/investors, customers, employees, business partners/industry peers, suppliers, regulatory authorities, and communities/non-governmental organizations. We engage through multiple channels and leverage stakeholder feedback to enhance ESG-related management and practices, continuously improving internal management and decision-making processes.

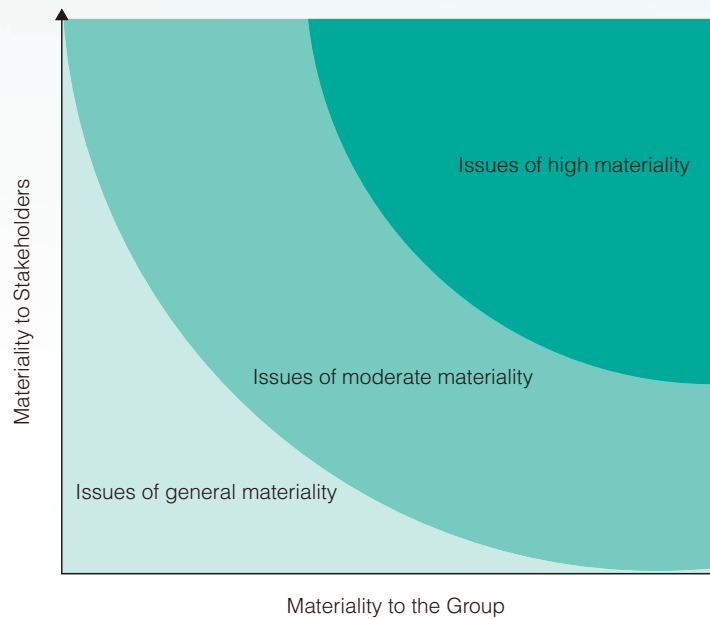
Stakeholders	Communication Channels	Relevant ESG Issues
Shareholders/Investors	<ul style="list-style-type: none"> • AGM • Investor conference • Interim and annual reports • Company newsletters • Results announcement • Shareholder visiting activities 	<ul style="list-style-type: none"> • Business growth • Investment return • Investor education and protection • Corporate investment and financing
Customers	<ul style="list-style-type: none"> • Customer satisfaction survey and feedback form • Customer consultation group • Customer service center • Customer relations manager visits • Daily operation communication 	<ul style="list-style-type: none"> • Business growth • Product innovation and R&D • Product quality and safety • Mutually-beneficial cooperation with suppliers • International strategic cooperation
Employees	<ul style="list-style-type: none"> • Employee feedback survey • Performance interview and assessment • Seminar/workshop/lecture • Corporate WeChat group 	<ul style="list-style-type: none"> • Protection of employees' rights • Sense of belonging among employees • Employee development and training • Affordable healthcare • Data privacy and protection
Business partners/peers	<ul style="list-style-type: none"> • Cooperation projects • Meetings • Visits • Lectures 	<ul style="list-style-type: none"> • Compliant operations • Business growth • Responsible marketing
Suppliers	<ul style="list-style-type: none"> • Supplier assessment system/management procedure • Field visits and inspections • Meetings 	<ul style="list-style-type: none"> • Sustainable development of supply chain • Product quality and safety • Compliant operations
Regulatory agencies	<ul style="list-style-type: none"> • Work reports 	<ul style="list-style-type: none"> • Product quality and safety • Product innovation and R&D • Intellectual property rights and protection • Anti-corruption
Community/non-governmental organizations	<ul style="list-style-type: none"> • Donation 	<ul style="list-style-type: none"> • Promotion of community development • Participation in social charity • Diversity and inclusivity

Environmental, Social and Governance Report

3.4 Materiality Issues

With reference to the Code of the Hong Kong Stock Exchange and the Materiality Map of the Sustainability Accounting Standards Board (SASB), and based on its own business conditions, the Group confirmed with the ESG working group and the management that the results of materiality assessment in 2024 are still applicable to the Current Year, since (i) there are no material changes in the business and operation environment during the Reporting Period; and (ii) the results of the materiality assessment can still address the expectations of stakeholders for the Group. According to the analysis on the results of materiality assessment, the Group identified 23 areas relating to ESG, including nine of high materiality, eight of moderate materiality and six of general materiality.

Materiality Matrix



- Issues of high materiality**
 - Product quality and safety
 - Customer service
 - Information security
 - Protection of intellectual property right
 - Equality and diversity
 - Occupational safety and health
 - Staff training and development
 - Energy management
 - Waste management
- Issues of moderate materiality**
 - Anti-corruption
 - Compliance and employment
 - Salary and benefits
 - Greenhouse gas emissions management
 - Water resource management
 - Air emissions management
 - Addressing climate change
 - Charitable activities
- Issues of general materiality**
 - Supply chain management
 - Customer benefits
 - Sales behavior and product labeling
 - Business ethics
 - Labour standard
 - Staff participation

Environmental, Social and Governance Report

4. COMPLIANT OPERATIONS SAFEGUARDING STEADY DEVELOPMENT

We firmly believe that compliant operations are the cornerstone of sustainable, long-term corporate growth. We establish rigorous standards for product quality and safety to ensure every product fully complies with industry norms and applicable laws and regulations. We actively uphold our responsibility for protecting customer information and privacy, implementing robust safeguards to secure business confidentialities. Regarding information disclosure, we adhere to principles of openness and transparency, enhancing corporate visibility and market reputation through standardized disclosure practices. Through these initiatives, we strive to continuously deliver high-quality products and services to our customers while contributing to the healthy development of the industry and supporting the building of a sustainable ecosystem.

4.1 Professional and Precise Control of Product Quality

Customer safety and health are core values of our Group. We are committed to enhancing product quality and strengthening safety management to deliver reliable products and services to our customers. In terms of product quality management and regulatory compliance, we implement end-to-end control and ensure adherence to all relevant requirements in accordance with our internal policies.

All products manufactured at our Suzhou facility, from R&D and design through to final assembly, strictly follow the Good Manufacturing Practice (GMP) requirements stipulated in the Drug Administration Law of the People's Republic of China and relevant laws and regulations, ensuring that every step complies with regulatory standards. To ensure the high standards and professionalism of medical device manufacturing, our production facilities have obtained ISO 13485:2016 certification (the internationally recognized quality management system standard for the medical device industry). Additionally, we have equipped our factory with two cleanrooms, both meeting the ISO Class 7 requirements specified in ISO 14644-1, thereby ensuring precise product quality through stringent control of the production environment. These certifications and management initiatives reflect our ongoing commitment to product quality and customer safety, as well as our management practices in relevant fields.

We have established an independently operated quality control system. In strict accordance with our Internal Audit Control Procedure, we conduct regular internal self-inspections of the quality management system while continuously advancing system updates and personnel training to ensure that all related business activities comply with established standards. By fully implementing a series of stringent internal management systems, including the Quality Control Procedure, the Facilities and Equipment Control Procedure, the Monitoring and Measuring Equipment Control Procedure, the Labeling and Traceability Control Procedure, the Product Release Control Procedures, the Product Recall Control Procedure and the Unqualified Material Control Procedures, we achieve end-to-end quality control over raw materials, semi-finished products and final products. Through effective identification, clear labeling and strict control, we ensure that the quality of every product category is robustly safeguarded, permitting only compliant products to proceed to the next production stage. The specific procedures and measures are as follows:

Environmental, Social and Governance Report

Raw Material Inspection

- After the arrival of the purchased raw materials, the warehouse manager firstly confirms the correctness of the material name, specification, validity and quantity, secondly fills in the Inspection Request Form, and thirdly notifies the Quality Assurance Department of inspection;
- The Quality Assurance Department receives the Inspection Request Form filled in by the warehouse manager, takes samples by following the sampling procedures, and provides them to the Quality Control Department for inspection;
- According to the Inspection Request Form, the Quality Control Department will inspect and accept the materials in accordance with the Management Procedures for the Acceptance of Purchased Materials, and fill in the acceptance content and conclusion on the Inspection Request Form. For qualified materials, we will label a Certificate of Conformity, fill in the Material Inventory List, and handle the warehouse entry. For unqualified ones, we will follow the Unqualified Material Control Procedures.

Intermediate Inspection

- The Production Department places the intermediates in the inspection area, and fills in the Inspection Request Form, requesting the Quality Assurance Department to inspect the intermediates;
- The Quality Assurance Department receives the Inspection Request Form filled in by the warehouse manager, takes samples by following the sampling procedures, and provides them to the Quality Control Department for inspection;
- The Quality Assurance Department will grant the Certificate of Conformity and release qualified products as intermediate products. If the inspection results fail to meet the quality requirements, the unqualified intermediates shall be isolated and transferred to the non-conforming area.

Finished Product Inspection

- After the production as required, the production personnel place the finished products in the finished goods warehouse for inspection, and then fill in the Inspection Request Form and forward it to the Quality Assurance Department for review;
- After receiving the Inspection Request Form, the Quality Assurance Department takes samples according to the intermediate inspection specifications, and submits the samples together with the Inspection Request Form to the Quality Control Department for inspection;
- The Quality Assurance Department reviews the production batch records of qualified finished products and fills in the Product Release Audit Sheet, and then releases the products in accordance with the Product Release Control Procedures. When finished products prove to be unqualified as inspected by the Quality Control Department, they will be handled in accordance with the Unqualified Material Control Procedures.

During the Reporting Period, the Group did not have any product recalls due to safety and health problems.

Environmental, Social and Governance Report

4.2 Comprehensive Transformation and Quality Enhancement of Customer Services

To consistently meet customer demand for high-quality services, the Group has made service optimization a key strategic priority. We are progressively transitioning our sales model toward a distributor agency framework. Throughout this process, we remain focused on enhancing product and service quality through continuous improvement to better address customer needs and expectations.

To advance the quality and efficiency of reproductive health services, we are proactively accelerating our digital transformation by deeply integrating artificial intelligence technologies into assisted reproduction clinical practice. In this endeavor, we have achieved full interoperability between our complete range of laboratory hardware devices and the iARMS electronic medical record system, thereby delivering an integrated “smart” upgrade solution for reproductive centers. Building on this digital platform, we will continue to optimize service workflows and related capabilities to drive steady improvements in service quality.

To strengthen distributor management and uphold business compliance, we have introduced two key policies: the Customer Management Measures and the Anti-Commercial Bribery Agreement. These cover critical stages including distributor selection, pricing and agreement execution, clearly defining cooperation standards, expressly prohibiting commercial bribery and establishing clear behavioral boundaries. To ensure effective implementation of policies, the sales and marketing departments conduct real-time monitoring of distributor activities and carry out annual distributor evaluations. Based on evaluation outcomes, credit policies and commercial cooperation terms are optimized to maintain consistent service quality. Meanwhile, we provide customer support services through third-party distributors, enabling the Group to focus on core business development while ensuring customers receive comprehensive support. Through policy enforcement and routine oversight, we uphold business compliance and service quality.

To ensure customer feedback is addressed promptly and effectively, we have implemented the Customer Feedback Control Procedure, which details provisions for handling customer complaints and product recall processes. This enables us to quickly identify product issues and timely implement necessary corrective actions. Upon initiation of the process, the marketing department must complete the Customer Information Feedback Processing Checklist immediately upon receiving a customer complaint, attaching any complaint samples where applicable, and subsequently submit the complete documentation to the quality department. After the quality department verifies that the complaint is genuine and valid, it will establish an investigation team to conduct an in-depth root cause analysis, while concurrently assisting the relevant responsible departments in developing actionable corrective and preventive measures. Following implementation of these measures, the quality department will continuously monitor the effectiveness of improvements to ensure that the final outcomes are promptly communicated to the customer. This entire process not only standardizes the feedback handling procedure but also underscores our commitment to valuing customer feedback and adhering to continuous improvement.

During the Reporting Period, the Group received a total of 539 complaints regarding its products and services, all of which have been fully addressed.

Environmental, Social and Governance Report

4.3 Collaborative Innovation Empowering Industry Development

We regard technological innovation and collaborative cooperation as key strategic directions, advancing relevant initiatives aligned with business needs to enhance our product and service capabilities and support long-term growth. Leveraging years of deep engagement and R&D investment in the assisted reproductive technology sector, Basecare Medical has established an integrated innovation model comprising “original innovation + global M&A + digital-intelligence leadership”. Built upon this foundation, we have developed internationally leading global solutions for embryo laboratories, genetics laboratories, andrology laboratories and cryogenic storage laboratories. Meanwhile, we actively engage partners across diverse fields to build strategic alliances, integrating and sharing resources to jointly help the Group overcome development bottlenecks. This series of collaborations not only accelerates technology iteration and product upgrades, but also continuously injects robust vitality and enduring momentum into the Group’s long-term prosperity.

Participate in the development of industry standards

On June 18, 2025, the medical industry standard YY/T 1968–2025, the Software for Preimplantation Chromosomal Aneuploidy Analysis, jointly developed by the Company and seven other institutions including the Institute of Women, Children and Reproduction Health at Shandong University, was officially released and will take effect on July 1, 2026. This is the first industry standard both domestically and internationally focused on PGT analysis software, marking a critical step forward in the standardized development of assisted reproductive genetic testing software in China. As a key participating organization in this standard, Basecare Medical demonstrates its commitment to promoting industry standardization and underscores the recognition of its technical capabilities.

ICS 110
CIS C 44

YY

中华人民共和国医药行业标准

YY/T 1968—2025

胚胎植入前染色体非整倍体分析软件

Software of human embryo preimplantation genetic testing for
chromosome aneuploidy analysis

2025-06-18 发布

2026-07-01 实施

国家药品监督管理局 发布

Environmental, Social and Governance Report

Application of scientific and technological innovation achievements

Technological innovation is a key driver of the national population strategy and the enhancement of reproductive health. We are actively engaged in and advancing this cause, leveraging continuous innovation to achieve the strategic goals of national reproductive health. By optimizing reproductive health services and innovating in genetic testing and assisted reproductive technologies, we help more families achieve eugenics and optimal childbearing, laying a solid foundation for sustainable social development and the optimization of the national population structure. During the Current Year, Basecare Medical successfully obtained medical device registration certificates for multiple major pieces of equipment, smoothly completing the ramp-up phase of transitioning innovative products from development to registered status. These breakthroughs will not only further strengthen the Company's core competitiveness but also enrich its product pipeline, optimize the sales cost structure, and significantly enhance Basecare Medical's brand influence and industry voice in the global assisted reproductive technology sector. Key achievements are as follows:

Achievements	Impact
VitBase, an embryo treatment fluid and one of the products in the Gems embryo culture medium series developed by BMX, a subsidiary of Basecare Medical, has recently officially received a medical device registration certificate from the National Medical Products Administration (Registration No.: Guo Xie Zhu Jin 20253180356).	This marks not only Basecare Medical's first registered certificate for an embryo culture medium but also the successful market launch of VitBase, a key component of the Gems embryo culture medium series. It contributes to Basecare Medical's efforts to complete the Gems embryo culture medium system and advance the localization of fluids used in assisted reproductive technology. VitBase provides embryologists with solutions for the embryo manipulation stage that align with international standards, further promoting the standardization of procedures in domestic embryo laboratories.
On April 7, Basecare Medical's self sperm testing device (BKP200) officially received the medical device registration certificate (Su Xie Zhun Zhun 20252220581), enabling home fertility monitoring in mobile scenarios.	It is applicable not only to people with diseases, but also to the general population. In conjunction with the BKA210 sperm quality analyzer (B2B device), Basecare Medical has taken the lead in achieving "seamless coverage from medical care to home". By redefining testing scenarios through "AI + home use", the industry can expand from medical-grade (B2B) to consumer-grade (B2C), helping to break international monopolies and address shortcomings in the convenience and accessibility of reproductive health testing.
On July 8, 2025, Basecare Medical's independently developed domestically produced Geri® Time-Lapse Incubator officially received a Class II medical device registration certificate (Su Xie Zhu Zhun 20252181382) issued by the Jiangsu Medical Products Administration.	Basecare Medical has become the first enterprise in China to master full-process domestication technologies for time-lapse incubators, marking a key technological breakthrough in China's high-end assisted reproductive device sector. This innovative product, integrating AI and time-lapse photography technologies, not only revolutionizes traditional embryo culture models but also leverages domestic production advantages to drive industry cost reduction and efficiency enhancement, injecting new momentum into the popularization of assisted reproductive technologies.

Environmental, Social and Governance Report

Collaboration empowering the global industrial chain

During the Current Year, Basecare Medical has vigorously advanced the 2025 Global Strategic Partnership Initiative, promoting the implementation of a direct sales model and collaborating to upgrade and build “intelligent” assisted reproductive technology centers. These efforts drove industry progress and innovation, enhanced global healthcare service levels, and delivered greater benefits to patients. Currently, Basecare Medical has established extensive partnerships with over 900 reproductive centers worldwide. Its products have obtained more than 80 regulatory approvals globally, accelerating the development of artificial intelligence technologies and products around the world and bringing additional hope to patients.

On September 11, 2025, HM Son, Chairman of South Korea’s Biomed Group, accompanied by TY Kyoung and HJ Choi, visited the global headquarters of Basecare Medical, together with Heny Tang, Business Development Director, and John Kwok, Asia-Pacific President, of BMX, a subsidiary of the Group. This visit not only served as an on-site review of existing collaborations between both parties but also marked the full-scale launch of Basecare Medical’s cooperation with South Korea in the field of assisted reproductive technology.



In May 2025, the Group led its BMX executive team to Spain to pay a follow-up visit to the global headquarters of IVI RMA, the world’s largest assisted reproductive technology group and a core client of BMX for over a decade with unparalleled global influence, further advancing comprehensive strategic cooperation with European KOLs. Together with Merck, both parties drove the R&D of the Geri time-lapse incubator and Gems culture media, as well as the establishment of industry standards. Among the 20,000 babies born at this center to date, one in every three successful cases has benefited from the Geri time-lapse solution. We have established a long-term strategic partnership in this field and are jointly planning the deployment of the next-generation RFID-based Guardian laboratory system. In the future, Basecare will leverage the robust medical network of leading European hospitals and the brand influence of BMX to deliver precision medical services that create greater healthcare value for patients worldwide, through integrated, multi-scenario solutions powered by artificial intelligence.



The Basecare team was invited to visit the IVI Madrid fertility center

Environmental, Social and Governance Report

From March 11 to 14, 2025, Genea Biomedx (BMX), a subsidiary of Basecare Medical, established strategic partnerships with renowned fertility institutions including the Chiang Mai IVF Center and GenPrime Genea during the 31st Annual Meeting of the Thai Society for Reproductive Medicine (TSRM 2025). These collaborations aim to jointly advance the localization of assisted reproductive technologies and the development of smart laboratory infrastructure in Thailand. Concurrently, the Company will further deepen its partnership with DKSH, Thailand's leading channel distributor, and engage in amicable discussions with multiple top-tier Thai institutions. Looking ahead, plans include scaling the deployment of end-to-end solutions covering embryo culture, cryostorage, PGT testing and digital laboratory management across the Asia-Pacific (APAC) market, while continuing to expand the regional service network for BMX's flagship product series throughout the APAC region.



On March 1, 2025, during the inaugural meeting of the Science and Technology Strategic Development Committee of Shenzhen Zhongshan Obstetrics and Gynecology Hospital under the Jinxin Fertility Group, as well as the Shenzhen Zhongshan Reproduction and Genetics Strategic Seminar, we announced the launch of a strategic partnership with Shenzhen Zhongshan Obstetrics and Gynecology Hospital. Both parties will focus on research in reproductive genetics and epigenetics, leveraging medical-enterprise collaboration to accelerate the translation of scientific research outcomes and provide more precise diagnosis and treatment solutions for patients experiencing recurrent miscarriage and repeated implantation failure. Through this collaboration, Basecare Medical will provide robust support to Zhongshan Obstetrics and Gynecology Hospital in discipline development and research translation, delivering cutting-edge solutions for reproductive health in the Greater Bay Area. This marks the entry of both parties into a phase of deep synergy in reproductive genetic technology R&D and clinical translation, jointly exploring new pathways for the intelligent upgrade of assisted reproductive technologies and precision prevention and control of birth defects.



Environmental, Social and Governance Report

On February 25, Genea Biomedx (“**BMX**”), a subsidiary of the Group, held a signing ceremony with Singapore-based Rhea Labs Group at Basecare Medical’s headquarters in Suzhou, announcing their joint expansion of the assisted reproductive technologies market across Europe, the USA, South America and Southeast Asia to build smarter and more comprehensive in vitro fertilization (IVF) clinics. BMX will provide Rhea Labs with a full-portfolio of products for diverse scenarios, along with more precise and efficient solutions to support the development of Rhea Labs’ fertility centers. Meanwhile, both parties will establish a close partnership to accelerate deployment in new countries and markets, driving the AI-driven transformation of the assisted reproductive industry. Furthermore, BMX and Rhea Labs will jointly develop new AI-powered products in the field of assisted reproduction, establishing a new frontier in assisted reproductive technologies and ushering the global reproductive health industry into a new era of data-driven, intelligent decision-making.



BMX CEO Marian Garriga and Rhea CEO Margaret Wang officially signed the Memorandum of Understanding (MOU) for strategic cooperation, witnessed by Liang Bo, Chairman of the Group

On January 14, 2025, we held a signing ceremony of Group Strategic Partnership with Jiayin Hospital Group (“**Jiayin Hospital**”) in Xinjiang. Since 2017, both parties have engaged in deep collaboration in the areas of genetic laboratory construction and the application for qualifications in third-generation IVF technology. As a result, Jiayin Hospital successfully obtained a license for third-generation IVF technology, gradually developing into the largest IVF center in western China, expanding multiple reproductive branch hospitals, and establishing itself as an industry benchmark in the western region. This signing marks that, under the strategic framework of the “Belt and Road Initiative”, both parties will focus over the next five to ten years on the intelligent construction of embryology laboratories, genetic laboratories, andrology laboratories and cryopreservation laboratories, committed to creating a smart, globally benchmarked reproductive center. Basecare Medical will leverage Jiayin Hospital’s medical resources as the leading reproductive center with the largest scale in western China, as well as its strategic position as a “bridgehead” for international expansion under the “Belt and Road Initiative” to focus on the dual development of industry-academia-research collaboration and internet healthcare, building an internationally first-class center for the translation of scientific and technological achievements.



Environmental, Social and Governance Report

4.4 Building a Solid Defense for Information Security

The Group places high importance on information security assurance and the protection of customer privacy. In its operations, it strictly complies with relevant laws and regulations, including the Law of the People's Republic of China on Guarding State Secrets, the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, and the Regulations on the Protection of Security of Computer Information Systems, striving to ensure that business information remains secure and intact at all times. To strengthen the information security defense line, the Group has established and continues to improve relevant management systems and operational procedures, including the Enterprise Information Security Management System, the Regulations on Software Legalization Management and the Network Information Security Emergency Response Procedure. These measures enable efficient identification and precise management of potential information security risks, while proactive preventive measures are deployed in advance to reduce the likelihood of security hazards at the source.

In terms of network security management, the Group implements comprehensive and refined standards for overall network security and the security of its internal network environment, clearly specifying various security protection requirements. For access rights to specific data and materials, the Group implements a refined control mechanism, strictly managing access through tiered authorization and dynamic review processes. Meanwhile, the Group has formulated detailed security standards covering the use of hardware and software as well as network management, ensuring that all operational and management activities comply with security specifications. To mitigate risks associated with malicious software infiltration and cyberattacks, the Group has deployed firewall systems and configured antivirus software, establishing multiple layers of protection for information security.

The Group has established a dedicated software and network security emergency response team, whose core function is to safeguard the Group's software and network security and to efficiently execute on-site emergency response efforts, addressing relevant security risks without delay. Furthermore, the Group consistently conducts regular information security training and awareness campaigns. These programs incorporate practical content on business operation record management and information management processes, effectively enhancing employees' security awareness and legal literacy, while strengthening professional ethics understanding and improving information technology application capabilities. Through these actions, the Group fulfills its commitment to information security and customer privacy protection.

The Group consistently upholds the principles of truthfulness, objectivity and accuracy in all advertising and promotional activities, strictly complying with the relevant provisions of the Advertising Law of the People's Republic of China. By establishing a comprehensive information disclosure process and a standardized management system, the Group implements end-to-end control over the creation, review and publication of information released to the public, striving to ensure the timeliness and accuracy of information dissemination. Furthermore, the Group firmly prohibits any false or misleading product descriptions that could cause consumer misunderstanding, safeguarding information integrity through concrete actions and fulfilling its commitment to consumers based on honesty and good faith.

In brand promotion management, to further strengthen brand consistency and enhance market influence, the Group has formulated the Brand Promotion Management Procedures. These procedures clearly define the standardized usage criteria for brand identifiers and the brand connotations and values they represent, providing an institutional foundation for optimizing and upgrading the Group's brand promotion system. By standardizing the presentation formats of the corporate brand image, the Group continuously enhances brand recognizability and influence in the marketplace, steadily accumulates brand equity, and solidifies the foundation for long-term brand development.

The implementation of these measures has significantly strengthened information security safeguards while improving the quality and transparency of information disclosure. They have also helped build a positive and trustworthy corporate image, providing reliable information support for customers, partners and society at large, thereby enabling the Group to continuously accumulate credibility and reinforce its professional advantages within the industry.

Environmental, Social and Governance Report

4.5 Safeguarding Intellectual Property Rights to Maintain Competitive Advantages

The Group places great emphasis on intellectual property rights management, actively advancing patent filings and leveraging strategies such as copyright protection and trade secret controls to safeguard innovation outcomes. In terms of compliance management, we strictly adhere to relevant laws and regulations, including the Patent Law of the People's Republic of China, the Implementing Regulations of the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and the Copyright Law of the People's Republic of China, ensuring that every IP-related activity is grounded in legal authority. Furthermore, we have established a standardized management system aligned with the national standard GB/T 29490-2013 Enterprise Intellectual Property Rights Management Specification. Through this system, we continuously optimize IP control processes and strengthen protective capabilities, effectively ensuring the realization of innovation value through professional management.

To fortify the security defenses surrounding trade secrets and sensitive information, we have implemented rigorous, multi-dimensional confidentiality measures, among which executing confidentiality agreements with all employees constitutes a core component. Under our standard employment contracts, we expressly incorporate confidentiality clauses that clearly stipulate that all innovative outputs developed, proprietary technical knowledge acquired, and trade secrets accessed by employees during their tenure shall be owned by the Company, thereby legally securing ownership of core information. For senior management, core R&D personnel and other key-position employees who may access confidential company information, we additionally execute non-compete agreements to further mitigate risks of information leakage. These measures help us strengthen ownership attribution and confidentiality management of core information.

As of December 31, 2025, we maintained 195 registered patents in China and obtained 24 newly granted patents.

4.6 Upholding Integrity and Anti-corruption to Maintain Compliance and Transparency

The Group adheres to the principles of integrity, fairness and transparency in its operations and implements compliance management in accordance with applicable laws, regulations and internal policies. These include the Supervision Law of the People's Republic of China, the Company Law of the People's Republic of China, the Criminal Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, as well as relevant laws, regulations, and policies such as the Notice on Further Strengthening the Investigation and Handling of Unfair Competition Cases in the Healthcare Sector and the Action Plan for Special Rectification of Medical Consumables. Through these measures, the Group comprehensively builds a clean and compliant operating ecosystem. We firmly recognize that lawful operation and high ethical standards are the lifeline of an enterprise's long-term development. Therefore, in every aspect of our business operations and strategic decision-making, we adhere to legal regulations and ethical principles as our benchmarks, ensuring the transparency, compliance and social responsibility of our business activities, thereby laying a solid foundation for the enterprise's sustainable development.

Environmental, Social and Governance Report

During the Current Year, we established the Anti-Bribery Committee, with our general manager serving as its chairperson. Legal and other supervisory personnel are responsible for the day-to-day execution of the committee's principal duties (including but not limited to updating policies, providing advice, receiving reports, conducting investigations and reporting outcomes) and report directly to our general manager. The chief financial officer, the HR director, legal counsel, and external counsel collectively oversee internal controls related to anti-bribery risks in the course of their duties. The responsibilities of the Anti-Bribery Committee are explicitly defined in the Anti-Bribery Policy:

- conduct anti-commercial bribery work in accordance with relevant national policies, laws, regulations and company rules and systems;
- strengthen supervision and management over the integrity of employees in key departments and critical functions;
- implement anti-commercial bribery requirements to enhance prevention and remediation of corruption at its source, adhere to addressing both symptoms and root causes, and improve the institutional framework;
- regularly organize and carry out anti-commercial bribery training, and receive and handle reports and complaints; and
- be responsible for tracking, supervising and inspecting the Company's implementation of this policy.

To regulate employees' professional conduct and strengthen ethical awareness, we have detailed codes of professional ethics and standards of ethical behavior in our Employee Handbook. The core principle requires that all business operations be founded on honesty and integrity, providing employees with clear behavioral benchmarks. To address risks of improper gain in marketing activities, we have implemented additional preventive measures by signing the Anti-Commercial Bribery Agreements with all authorized distributors. Through executing such agreements with partners and conducting routine oversight, we reinforce compliance requirements and behavioral standards for market activities.

To further enhance anti-corruption management, we actively promote the effective implementation of our Whistleblowing Management Policy. We encourage employees and all relevant parties engaged in business with the Group to proactively report suspected misconduct, fraudulent activities and violations of law or ethics via convenient channels including telephone, email and written correspondence. Reported information is processed and investigated in accordance with established procedures. Where necessary, appropriate corrective actions are taken. In line with internal policies, we safeguard the legitimate rights and interests of whistleblowers, ensuring they are not subjected to any form of adverse interference or harm during the reporting process. This comprehensive oversight mechanism supports the development of a culture of integrity.

We have established the Internal Audit Management Policy, extending internal audit coverage across company operations, including but not limited to: sales and collections; procurement, expenses and payments; fixed asset management; inventory management; fund management (including investment and financing management); financial reporting; information disclosure; human resources management; and information system management. For cases involving related-party transactions, this also includes the control policies and procedures for such transactions to strengthen internal controls.

Environmental, Social and Governance Report

During the Reporting Period, we provided compliance training on anti-corruption and anti-money laundering and counter-terrorist financing requirements to employees and directors to strengthen the Group's anti-corruption and anti-money laundering education.

During the Reporting Period, the Group received no litigation filed against the Group or its employees, and there were no cases involving corruption, bribery, extortion, fraud or money laundering.

4.7 Comprehensive Management of Responsible Supply Chain

The Group is committed to building close, collaborative partnerships with suppliers to jointly advance the sustainable development of the industry. Throughout our cooperation, we strictly comply with relevant laws and regulations, including the Tendering and Bidding Law of the People's Republic of China and the Implementing Regulations of the Tendering and Bidding Law of the People's Republic of China. Internally, we have established comprehensive procurement management procedures, a holistic supplier evaluation mechanism and an audit and oversight system. We conduct periodic management and assessment of the supply chain to enhance its standardization and stability. These measures have effectively improved the overall quality of the supply chain, laying a solid foundation for the sustainable development of both the enterprise and the industry. Looking ahead, we will continue to deepen collaboration with suppliers, further optimize supply chain processes, and jointly drive the healthy and orderly development of the industry.

For the comprehensive evaluation of potential suppliers, we have established supplier assessment criteria to conduct multi-dimensional reviews of qualifications and capabilities, thereby identifying partners that align with our business needs. The evaluation focuses on several core dimensions, including whether the supplier's certifications are complete and compliant, whether their business reputation is sound, whether their manufacturing capacity meets requirements, whether their technological innovation capabilities are competitive, whether their quality management system is efficient, whether their after-sales service is comprehensive, and whether their product pricing is reasonable. Through this systematic supplier management framework, we control raw material quality at the source to ensure that finished products meet customer expectations and market demands. This process not only enhances our overall product quality but also strengthens our market competitiveness, earning us a strong reputation and widespread industry recognition.

To fortify our supply chain quality defenses, we have built a quality management system covering the entire workflow, extending control across the full supply chain—from raw material procurement, quality inspection, and warehouse management to performance testing and safe storage. During the raw material procurement stage, our R&D team defines clear and explicit quality parameter standards in advance, which serve as the core basis for supplier selection and raw material purchasing, ensuring that all incoming materials meet the Company's quality requirements. Upon arrival of raw materials, the quality inspection team strictly adheres to established standards to conduct random sampling tests on each batch. If any raw materials fail to meet quality standards, they are immediately isolated in a dedicated area, and we promptly engage with the supplier to initiate the return process. Through incoming inspection, isolation and return measures, we mitigate the risk of non-conforming raw materials entering the production process.

As a core execution department, the procurement department is primarily responsible for formulating scientific procurement strategies, efficiently issuing purchase orders and continuously maintaining high-quality supplier relationships. In terms of cooperation models, we typically enter into one-year cooperation contracts with suppliers. Each year, we conduct a comprehensive evaluation based on the suppliers' full-year performance to determine whether to renew the cooperation. Meanwhile, we establish and maintain a curated list of qualified raw material suppliers. Annually, this list is reviewed and updated against multi-dimensional criteria, including stability of production conditions, consistency of product quality, price rationality, corporate scale and strength, market share and industry reputation. For suppliers capable of consistently delivering high-quality raw materials, we deepen cooperation to build long-term partnerships. This not only ensures stability in production processes and the quality of final products but also enables us to create business value together with suppliers, providing strong support for a robust and efficient supply chain.

Concurrently, the quality control department is responsible for implementing quality management and conducting sampling inspections at critical stages to enhance coverage and effectiveness in these areas. To clarify quality responsibilities and strengthen contractual constraints, we have signed rigorous quality assurance agreements with suppliers. These agreements specify in detail the responsibilities and obligations of both parties regarding quality assurance. Should the raw materials supplied fail to meet quality standards or directly cause quality issues, the supplier shall bear corresponding liabilities. In accordance with contractual terms, whether during product inspection or in subsequent usage stages, we reserve the right to return goods or request product replacements upon discovery of any quality issues. Furthermore, at the delivery stage, we require suppliers to submit comprehensive raw material inspection reports. These reports serve as a critical basis for raw material acceptance and quality traceability, effectively safeguarding supply chain quality.

Environmental, Social and Governance Report

Beyond conventional evaluation dimensions, we place particular emphasis on suppliers' ESG risk management. We explicitly oppose any form of corruption and conduct strict reviews of suppliers' protection of labor rights and compliance with labor conditions, ensuring that our partners uphold the same baseline of social responsibility. For products with similar functionalities, where feasible, we prioritize locally produced items or those with superior energy efficiency to minimize environmental impacts from transportation and other stages, thereby advancing green procurement practices.

Our key suppliers include those providing raw materials and equipment. During the Reporting Period, the Group engaged with a total of 277 suppliers in accordance with relevant industry practices, comprising 131 located in Chinese mainland and 146 located overseas.

5. STRENGTHENING SCIENTIFIC MANAGEMENT OF HUMAN RESOURCES

Employees are a vital resource driving the iterative development of the Group's business and products. Through precision recruitment of top talent, personalized capability development and diversified incentive mechanisms, we have not only successfully attracted outstanding industry professionals but also ensured the stable retention of core talent via a comprehensive career development system. Meanwhile, we are committed to building platforms that enable employees to leverage their expertise, fully unleashing their professional skills and innovative potential to inject sustained momentum into business breakthroughs and product iteration. We firmly believe that providing ample growth opportunities, activating individual potential and strengthening team collaboration will drive the realization of both business and social value.

As of December 31, 2025, the Group had a total of 407 employees¹.

5.1 Standardized Procedures for Promoting Equal Employment

The Group adheres to applicable laws and regulations in its human resource management, including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law on the Protection of Minors of the People's Republic of China and the Provisions on the Prohibition of Child Labor. Based on these, the Group has formulated relevant policies and procedures, including the Human Resource Control Procedure, the Recruitment Management System, the Labor Contract Management System, the Employee Handbook, the Performance Management System and the Internal Employee Appointment and Change Policy. The Employee Handbook comprehensively addresses core topics such as standardized recruitment and selection processes, evaluation mechanisms for job promotions, compliant procedures for termination, payroll calculation rules, working hour control requirements and detailed leave policies, providing clear guidance for end-to-end human resource management. We prioritize talent development and growth. When positions become vacant and provided candidates meet the requisite job qualifications, we give priority consideration to outstanding internal employees. Looking ahead, we will continue to uphold the baseline protection of employee rights while continuously optimizing our human resource management system, enhancing professional management capabilities and achieving mutual growth for both employees and the enterprise.

Fair talent selection is a core recruitment principle of our Group. In all employee recruitment activities, we consistently adhere to the principles of "openness, equality, competition and selection of the best", laying a fair foundation for talent selection. When evaluating candidates, we comprehensively consider their educational background, prior work experience and professional skills to ensure the selected talent matches job requirements and supports efficient business operations. During the recruitment process, we implement a dual-review mechanism. The human resources department oversees compliance, while relevant department managers focus on assessing professional competencies. Both parties collaborate in decision-making. Any form of discrimination based on gender, age, nationality, religious belief, family background, skin color or other legally protected characteristics is strictly prohibited. Rigorous process controls ensure the fairness in all recruitment activities.

¹ Excluding outsourced employees

Environmental, Social and Governance Report

At the stage of establishing an employment relationship, we provide employees with clear employment agreements that explicitly specify key terms, including salary structure, benefit details and grounds for termination. We strictly adhere to statutory working hour standards and do not permit any form of forced labor. Furthermore, we conduct rigorous background checks, encompassing identity verification, educational credential validation, screening for adverse records, credit assessment, inquiry into legal disputes, verification of work history, and collection of references from previous employers. These measures effectively prevent the use of child labor and illegal employment practices. In cases of non-compliance, the Group will take appropriate actions in accordance with internal policies and applicable laws.

Regarding the termination process, we strictly adhere to all requirements under the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, ensuring that every termination decision upholds the principle of fairness and full compliance with legal provisions. To enhance human resource management, we have established an exit interview mechanism. Through in-depth conversations with departing employees, we identify the core reasons for their departure and meticulously document relevant information. This approach enables us to accurately understand employee needs, thereby allowing targeted adjustments to management policies and improvements to the work environment, which collectively drive the continuous optimization of our human resource management.

During the Reporting Period, the Group had no instances of non-compliance with applicable laws and regulations concerning compensation and termination, recruitment and promotion, working hours, equal opportunity and anti-discrimination, child labor or forced labor, nor were any cases of child labor or forced labor identified.

5.2 Optimizing Compensation to Enhance Employee Benefits

The Group has established a targeted compensation system that allocates pay based on employee attendance records and performance appraisal results, ensuring fairness and reasonableness throughout the distribution process. To enhance talent attraction and retention, we continuously iterate our compensation and benefits packages; furthermore, through regular market research and assessments, we promptly optimize our compensation framework to maintain its competitiveness and market sensitivity.

We have introduced targeted equity incentive schemes, enabling employees to share in the Group's development achievements and jointly bear development responsibilities. Leveraging these comprehensive measures encompassing both compensation safeguards and incentive mechanisms, we have not only effectively stimulated employee motivation and strengthened their sense of corporate identity, but also significantly enhanced the Group's ability to attract talent, resulting in a substantial increase in employee satisfaction.

In compliance with relevant national policies and regulations in China, the Group fully implements statutory protections for all eligible employees, including endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and the housing provident fund, ensuring that every employee enjoys comprehensive social security. In addition, we have introduced supplementary commercial medical insurance to further enhance the level of employee protection.

We have carefully designed a diversified leave benefits system to help employees achieve work-life balance. In addition to national public holidays, our coverage includes personal leave, sick leave, annual leave, compensatory time off, as well as special leaves such as marriage leave, bereavement leave, maternity leave, prenatal checkup leave, nursing leave and paternity leave. Through this varied leave arrangement, we support employees in balancing work and life whenever needed.

Environmental, Social and Governance Report

We have also introduced a series of thoughtful benefits tailored to employees' actual needs, covering meal subsidies, business travel allowances, accommodation subsidies, as well as holiday gifts, childbirth congratulations and get-well gifts for illness. These initiatives aim to enhance employee happiness and sense of belonging, ensuring everyone genuinely feels cared for and supported.

Furthermore, we have specifically established the "EAP Employee Care Program", a comprehensive benefit initiative providing long-term care and support to employees. Its services span illness care, psychological counseling, legal assistance and more. Managed by a professional team, the program delivers comprehensive guidance, training and consulting services tailored to individual employee needs. It aims to provide psychological and legal counseling and support, helping employees navigate challenges in both work and life.

5.3 Safeguarding Employee Physical and Mental Health and Safety

To ensure a safe and healthy working environment for our employees, the Group strictly complies with relevant laws and regulations, including the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, the Work Safety Law of the People's Republic of China, the Fire Protection Law of the People's Republic of China, the Provisions on the Supervision and Administration of Occupational Health in the Workplace, and the Regulations on Work-Related Injury Insurances. This ensures the comprehensive implementation of health and safety standards in the workplace, effectively safeguarding employees' physical well-being and lives. We are committed to providing a safe and healthy working environment for our employees, regarding this as a critical component of compliance and corporate responsibility.

To proactively mitigate potential risks in the workplace, we have established a comprehensive strategy and procedural framework for health and workplace safety. This framework encompasses core policies such as the Occupational Health and Safety Management System, the Safety Warning Signs and Protective Equipment Management System and the Emergency Response Plan for Safety Incidents. These policies clearly define the specific responsibilities of each organizational unit in overseeing work safety, providing clear guidance for safety management. We conduct management across multiple dimensions: not only establishing a foundational framework for work safety, but also standardizing the operation of specialized equipment, controlling high-risk work processes, implementing hazardous substance management, strengthening fire safety assurances, advancing risk monitoring and prevention, and carrying out routine on-site inspections to identify safety hazards. This holistic approach ensures robust protection of employees' physical and mental well-being. To ensure that the production work environment remains safe at all times, we implement systematic safety management measures, conduct comprehensive inspections of potential risk factors on a regular basis, and perform rigorous assessments and validations of the safety of equipment and production facilities. These efforts include detailed checks across multiple dimensions, such as equipment operating conditions, implementation of maintenance schedules, and effectiveness of safety protection devices, thereby establishing an all-encompassing safety barrier.

To enhance employees' safety awareness and practical skills, we organize safety education and training for personnel in relevant positions and enforce qualification or certification requirements for specific roles as mandated. In particular, for critical positions involving equipment operation, we ensure that only individuals with valid qualifications are permitted to assume their duties. For newly hired employees, we deliver a comprehensive training program encompassing three-tier safety education, aiming to instill safety awareness and solidify foundational safety knowledge from the outset of their employment.

In collaboration with a professional occupational health service team, we strictly adhere to the inspection items and prescribed intervals specified in the "Occupational Disease Hazard Factors Inspection Report" to arrange detailed occupational health examinations for employees in relevant positions. Meanwhile, we have established and implemented an employee occupational health record management system to track relevant information, thereby effectively preventing the occurrence of occupational diseases.

Environmental, Social and Governance Report

We also place strong emphasis on employees' psychological well-being, recognizing it as a core element in maintaining a positive work atmosphere and enhancing work efficiency. Accordingly, we proactively organize and host a variety of employee engagement activities, designed both to strengthen teamwork and collaboration among team members and to enrich employees' leisure time while boosting their sense of well-being. Through these efforts, we are committed to cultivating a work environment filled with mutual support, further improving overall operational effectiveness and revitalizing our corporate culture.

During the Current Year, Basecare's overseas team, Genea Biomedx, meticulously organized the "Design Your Own Embryology Hat" campaign. Embryologists from around the globe submitted highly creative laboratory hat designs. We selected the top 10 entries for exhibition at our booth during the European Society of Human Reproduction and Embryology Annual Meeting (ESHRE 2025), where on-site attendees voted to determine the winner. This event, blending science and creativity, added a touch of fun to the solemn academic conference, making #ScienceAndFun one of the most talked-about hashtags at the meeting.



Carla Giménez, an embryologist from Spain, won the competition with her imaginative design

During the Reporting Period, all departments organized team-building activities as planned to strengthen employee communication and collaboration. We updated the Detailed Rules for Expense Reimbursement Management to facilitate reimbursement for quarterly meal allowances and off-site team-building expenses.

During the Reporting Period, the Group did not violate any laws or regulations concerning the provision of a safe working environment and the protection of employees from occupational hazards, nor did any work-related injury accidents occur, and the number of days lost due to the work-related injuries was 0 day. Over the past three years (including the current reporting period), the Group experienced no fatalities arising from work-related circumstances.

Environmental, Social and Governance Report

5.4 Employee Training Fostering Mutual Growth and Win-Win Outcomes

We believe that the continuous improvement of employee capabilities is crucial to the Company's long-term development. Building on this, we continuously optimize our employee training system, carefully designing and implementing diversified training programs to support employees in mastering professional knowledge and skills relevant to our business operations, thereby helping them unlock their potential and achieve steady career growth. To standardize employee training management and align with both the implementation of our corporate business strategy and employee development needs, we have established the Training Management Policy. This policy clearly defines the respective responsibilities of the human resources department and management teams across all departments, and mandates the execution of training feedback and effectiveness evaluations in accordance with prescribed procedures. Our training system is structured as follows:

Environmental, Social and Governance Report

Basecare Academy

- Employees can access the system anytime and anywhere through mobile phones, computers, and tablets, making full use of the online learning and communication platform to carry out independent learning.

Orientation training for new employees

- Let new employees understand the Company's corporate culture, business philosophy, company development history, product overview, management standards and other aspects. In addition, the Company has also formulated the "Spring Seedling" workplace care plan to help new employees quickly integrate into the team and adapt to the new environment.

Job skills training

- According to the Company's development plan and the needs of each department, employees will be provided with job skills training according to their professional division of labor, and the management of each department will be responsible for planning and implementation. In addition, the Company has also developed the "mentor program" to help new employees master job skills as quickly as possible.

Core competency training

- Based on the Company's development and current status, the human resources department will work with various departments to develop, including effective communication, execution, emotion and stress management, time management and efficiency improvement, leadership, etc.

External training

- Training conducted by organizations outside the Company.

Environmental, Social and Governance Report

To ensure that employee training achieves its intended outcomes, we have adopted a diversified assessment approach. This includes on-the-spot Q&A sessions, theoretical knowledge tests, and practical skills demonstrations. Through this multi-dimensional evaluation, we comprehensively measure the depth of knowledge acquired and the level of skill proficiency demonstrated by employees during training. This comprehensive assessment system enables us to accurately gauge each employee's learning effectiveness and their ability to apply knowledge and skills in practice.

Upon completion of each training session, the human resources department distributes the Training Feedback Questionnaire to all participants. This method systematically collects feedback, covering evaluations of the trainer's professional competence, assessments of the practical value of the course content, and surveys on overall satisfaction with the training arrangement. Employee feedback serves as the core reference for optimizing and upgrading subsequent training plans. It plays an irreplaceable role in continuously improving training quality and ensuring training effectiveness.

Through this systematic process integrating assessment and feedback, we are committed to enhancing the practical value of training. We strive to ensure that every training session precisely aligns with employee development needs, supports their smooth career progression, and provides strong support for the ultimate achievement of the Company's strategic goals.

6. COMPREHENSIVE STRENGTHENING OF NATURAL ENVIRONMENT PROTECTION

We have established sustainability and low-carbon development as our management objectives, integrating relevant environmental management requirements into our business processes. We strictly comply with China's environmental laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Law on the Prevention and Control of Water Pollution of the People's Republic of China and the Law on the Prevention and Control of Pollution from Solid Waste of the People's Republic of China. Building upon compliance with applicable regulations, we advance energy conservation and resource efficiency improvements to reduce the adverse environmental impacts of our operations.

During this Reporting Period, the Group did not violate any environmental protection laws, nor did it experience any major incidents causing harm to the environment or natural resources, and it received no penalties or litigation notices related to environmental matters.

Based on last year's data, we will maintain our intensity targets for energy consumption, water usage, greenhouse gas emissions and waste generation. We will continue to monitor progress toward these targets to implement targeted energy-saving and emission-reduction measures. During the Current Year, the Group's water usage intensity, purchased electricity consumption intensity, greenhouse gas emission intensity and non-hazardous waste generation intensity all decreased compared to last year.

6.1 Multi-dimensional Management to Optimize Carbon Emissions

To support the implementation of China's "Dual Carbon" strategic goals and proactively address the risks of global warming, we are committed to continuously reducing greenhouse gas emissions in our daily operations and enhancing energy management through energy-saving policies and initiatives. We have established a dedicated leadership team for energy conservation and emission reduction, guided by the Energy Conservation and Emission Reduction Management System. Focusing on improving energy efficiency and minimizing resource waste, we are gradually building an efficient energy management system by optimizing energy consumption patterns, monitoring dynamic energy consumption data and upgrading management methodologies. Furthermore, low-carbon and energy-saving principles are integrated into every aspect of our corporate operations, product research and development, and production processes, thereby reducing the environmental burden imposed by our business activities.

Environmental, Social and Governance Report

The use of fuel-powered vehicles directly contributes to air pollution, representing one of the primary sources of such contamination. Meanwhile, carbon emissions largely stem from electricity consumption. To protect environmental resources and minimize negative environmental impacts as much as possible, we are implementing multiple strategies to reduce vehicle emissions, enforcing various energy-saving measures across office facilities, and actively promoting heightened energy-saving awareness among our employees. These strategies include:

Lighting system

- Use natural daylighting where feasible;
- Improve lighting equipment energy efficiency through maintenance;
- Divide the office into multiple distinct lighting zones, with independently controllable lighting switches installed in each zone.

Heating and cooling system

- Avoid installing air conditioning units in locations directly exposed to sunlight;
- Regularly clean filters and fan coil units;
- Install weatherstripping on doors and windows to prevent conditioned air from escaping;
- Regularly inspect and replace pressure gauges, flexible pressure hoses, and air compressor connectors to reduce the likelihood of refrigerant leaks;
- Set air conditioning temperatures in accordance with guidelines;
- Shut down relevant equipment during non-working hours as required;
- Implement a building management system to enhance energy consumption monitoring and control;
- Adopt a water-cooled air conditioning system.

Company vehicles

- Maintain the company fleet (inefficient vehicles consume more fuel and emit more pollutants);
- Regularly inspect and inflate tires to maintain correct pressure.

Electronic devices and appliances

- Set computers to automatically enter standby or sleep mode when idle;
- Completely power off electronic devices outside of working hours;
- Remember to unplug electric kettles and microwaves, and especially shut off office power before weekends and holidays.

Business travel

- Select direct flights for unavoidable business travel;
- For communications that can be completed via video conferencing, adopt remote methods where business needs allow to reduce travel-related emissions

Environmental, Social and Governance Report

6.2 High-efficiency and Rational Utilization of Water Resources

We have strengthened water resource management. We continuously monitor and evaluate water usage across our business operations and enhance water use efficiency by promoting water-saving measures and conducting regular inspections. Specific actions include:

- standardizing water usage procedures to minimize unnecessary consumption;
- promptly repairing dripping faucets upon discovery to prevent ongoing water loss;
- collecting wastewater from handwashing and face-washing activities for secondary use in daily cleaning or plant irrigation;
- carrying out scheduled leak inspections at critical areas and organizing timely repairs;
- selecting and installing dual-flush toilets to allow water volume selection based on actual needs, thereby reducing waste during flushing;
- deploying faucets and urinals equipped with infrared sensors to enable contactless automatic water flow control, preventing waste caused by human oversight; and
- installing rainwater harvesting systems.

During this Reporting Period, no issues were identified in our processes related to obtaining applicable water resources.

6.3 Standardized Disposal and Reuse of Waste

To effectively manage waste and minimize its adverse environmental impacts, the Group has implemented measures for waste classification and compliant disposal. We have formulated and enforced the Waste Management Procedures, which cover the entire process from safe storage and compliant disposal to detailed recordkeeping, thereby enabling systematic control over waste. Our waste management strategy clearly distinguishes between hazardous and non-hazardous waste, with specific measures as follows:

**Hazardous waste:
Medical waste, waste chemical reagents, and other special hazardous wastes**

- Disposal is entrusted to qualified third-party agencies;
- Medical waste and waste chemical reagents are stored in isolation using dedicated yellow medical waste containers;
- Specific hazardous wastes are sterilized or otherwise disposed of in compliance with applicable regulations.

**Non-hazardous waste:
Daily household waste and recyclable materials**

- Disposal is entrusted to qualified third-party agencies;
- We have established dedicated sorting and recycling facilities to collect recyclable materials such as paper, metal, and plastic through classified collection and recycling.

Environmental, Social and Governance Report

At the source, we implement measures such as digitalization and reuse to reduce the consumption of paper and single-use items, while promoting resource recycling and reuse. On one hand, we optimize office processes by introducing an electronic office system (ERP) to minimize paper document printing, enforcing a double-sided printing policy to control paper usage, and promoting email and instant messaging tools as alternatives to paper-based communication. On the other hand, we standardize supply management by precisely assessing procurement needs to avoid over-purchasing, and encourage employees to repeatedly use office supplies such as envelopes and folders in daily operations. Through these initiatives, we continuously reduce waste generation, promote resource reuse, and uphold the concept of green office practices.

6.4 Scientifically Addressing the Challenges of Climate Change

The Group places significant emphasis on climate-related issues. In accordance with the climate-related disclosure requirements under the Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Code, we are committed to enhancing our capabilities in identifying and managing climate risks. The Group adheres to the climate-related disclosure requirements set forth in Part D of Appendix C2, applying a "comply or explain" approach to its disclosures. For items during the Reporting Period where reasonably obtainable data remains unavailable or cannot be reliably measured, the Group invokes permissible data exemptions, providing specific reasons, detailing efforts undertaken, offering alternative disclosures, and outlining a timeline for rectification to ensure traceability and year-on-year improvement of such disclosures.

Governance

The Board is responsible for the overall leadership and oversight of ESG initiatives, including approving the formulation and implementation progress of the Group's overall ESG and climate strategies, and receiving regular updates from the ESG working group on the identification and management of climate-related risks and opportunities. The ESG working group is responsible for driving and supervising the implementation of ESG and climate-related initiatives, facilitating overall planning and cross-departmental coordination to ensure that climate actions are executed across all business units. During the Reporting Period, training on climate-related matters was provided to the Directors.

Environmental, Social and Governance Report

Strategies²

We identify and assess climate-related risks over the short term (within 5 years), medium term (5 to 15 years), and long term (beyond 15 years). We have currently implemented multiple carbon reduction measures, including optimizing energy usage to lower operational emissions, establishing emergency response plans to enhance operational resilience and systematically tracking policies and regulations to ensure compliance.

Risk description	Potential impact ³	Countermeasures
Acute physical risks (short-term)	The increasing frequency of extreme weather events (such as typhoons and heavy rainfall) exposes the Group to potential risks of damage to facilities including offices, production bases, and laboratories. This not only jeopardizes employee safety but may also disrupt production processes, thereby threatening stable operations and resulting in property losses.	The Group has formulated and implemented a series of emergency response plans aimed at minimizing the adverse impacts of extreme weather events on our operations.
Chronic physical risks (long-term)	As global warming intensifies, office areas may require additional cooling infrastructure to maintain suitable working environments, leading to increased energy consumption and higher operating costs.	We continue to advance energy conservation and emission reduction initiatives, specifically by reducing energy consumption, lowering emissions and adopting sustainable business models to alleviate environmental pressure.
Policy and regulatory risks (medium-to-long-term)	Given the growing global emphasis on sustainable development, governments are expected to enact stricter environmental regulations and emission reduction requirements. Failure to rapidly adapt to these changes in the environmental sector could result in multiple challenges, including rising costs and regulatory fines. To ensure future compliance, we may need to invest in more efficient production equipment and technologies, potentially increasing our capital expenditures.	The Group will closely monitor changes in environmental laws, regulations, and policies, and promptly adopt adaptive response strategies.
Market risks (medium-to-long-term)	We must closely monitor the profound impact of climate change on market demand; failure to respond effectively could damage our corporate reputation, weaken market competitiveness and even lead to property losses.	We are committed to enhancing energy efficiency to actively respond to and meet various environmental requirements.

¹ Currently, information regarding climate-related opportunities is not yet suitable for public disclosure.

² None of the aforementioned risks have had a material impact on the asset values of our Group; the aforementioned risks reflect expected impacts. In the future, we will continue to deepen and refine our scenario analysis based on the professional expertise, comprehensive capabilities and resource allocation we have accumulated.

Environmental, Social and Governance Report

Preliminary assessments during the Reporting Period did not identify significant risks that would necessitate material adjustments to the carrying amounts of assets or liabilities in the next reporting year. As key assumptions and parameters still require validation, disclosures for the Current Year are primarily qualitative. Moving forward, based on accumulated expertise and resource allocation, we will gradually expand the scope and improve the quality of quantitative disclosures.

Risk management

We highly value the potential impact of climate risks and opportunities and have established a systematic process for identification, assessment, prioritization and monitoring. Each year, we review the applicability of key climate issues through a combination of internal seminars and expert consultations. Going forward, we will further integrate climate assessments into our overall risk framework and continuously improve our response measures through regular reviews and dynamic adjustments.

Indicators and targets

We have consistently disclosed greenhouse gas emissions in Scope I and Scope II of our annual ESG reports. We have also begun preliminary data collection with relevant departments to identify Scope III areas that are significant to the Group's business for future disclosure.

Greenhouse gas emissions⁴⁵		
Scope I	tCO ₂ e	14.97
Scope II	tCO ₂ e	1,723.18
Total greenhouse gas emissions (Scope I and Scope II)	tCO ₂ e	1,738.15
Greenhouse gas emission intensity	tCO ₂ e/m ²	0.02

Climate-related goals

We are committed to reducing the environmental impact of our operational activities. For further information on the measures we have taken to achieve our environmental goals, please refer to the section titled "Multi-dimensional Management to Optimize Carbon Emissions" in this chapter.

Meanwhile, in accordance with the HKEX's new climate-related "comply or explain" mechanism, the Group will make every effort to disclose climate-related indicators and targets—including cross-industry metrics applicable to all industries, internal carbon pricing, remuneration, industry-specific metrics, other climate-related targets, and their progress—based on available data and applicable methodologies.

⁴ The methodology for calculating greenhouse gas emissions references the "Greenhouse Gas Protocol Corporate Accounting and Reporting Standard" published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

⁵ We establish the boundaries for greenhouse gas emissions accounting using the operational control approach and perform calculations using the location-based method.

Environmental, Social and Governance Report

7. EMPOWERING CORE BUSINESSES AND COURAGEOUSLY FULFILLING CORPORATE RESPONSIBILITIES

The Group deeply recognizes that building robust and efficient channels of communication and engagement with surrounding communities is a vital foundation for achieving symbiotic growth and shared success throughout our ongoing development. We consistently uphold the philosophy of giving back to society, regard serving communities as one of our core responsibilities, and fulfill our corporate social responsibility through concrete actions. During the Current Year, anchored in technology and guided by people’s livelihoods, we have made the prevention and control of birth defects a central mission to enhance population quality and safeguard family well-being. By actively assuming corporate responsibility and aligning with national strategies and local commitments, we have brought the “Healthy China” livelihood promise to life through the implementation of public-welfare initiatives. We donated RMB31,000 during the Current Year.

On August 27, 2025, the launch ceremony for the Jinjiang District Three-tier Prevention Public-Welfare Project on Birth Defects, themed “Guarding the Starting Point of Life, Building a Healthy Future Together”—a key strategic collaboration with Jinxin Group—was successfully held. Leveraging our technological expertise in reproductive health and genetic testing, and responding to the “Healthy China 2030” Outline’s goal of “significantly reducing the incidence of severe, multiple, disabling birth defects” as well as the 14th Five-Year Plan’s emphasis on expanding preconception optimal-health screening, the Group provides carrier-screening solutions and testing support tailored to clinical needs. These offerings cover 30 high-prevalence severe recessive genetic disorders and offer PGT-M technological pathways for high-risk families, shifting screening forward to the preconception and early-pregnancy stages, avoiding the high decision-making costs associated with traditional screening, and helping build a closed-loop process of “screening–diagnosis–intervention”. This project continued to advance efforts in birth defect prevention and control, ensuring that every family can benefit from the warmth of eugenics policies. It marked the precise local implementation of the national strategy on birth defect prevention and control led by the National Health Commission, injecting new momentum into public health.



Environmental, Social and Governance Report

APPENDIX I: SUSTAINABILITY DATA HIGHLIGHT

The following presents the Group's sustainability data related to environmental aspects for its headquarters office and production base in Suzhou, as well as its Australian subsidiary, during the Reporting Period:

	Unit	2025
Emissions⁶		
Nitrogen oxides	kg	15.63
Sulfur oxides	kg	0.01
Suspended particles	kg	1.50
Greenhouse gas emissions		
Direct greenhouse gas emissions (Scope I)	tCO ₂ e	14.97
Indirect greenhouse gas emissions (Scope II)	tCO ₂ e	1,723.18
Total greenhouse gas emissions	tCO ₂ e	1,738.15
Greenhouse gas emission intensity	tCO ₂ e/m ²	0.02
Energy consumption		
Gasoline consumption	L	753.89
Natural gas consumption	m ³	5,952.00
Purchased electricity consumption	kWh	3,104,730.45
Purchased electricity consumption intensity	kWh/m ²	41.29
Solar power generation	kWh	289,681.00
Water consumption		
Total water consumption	m ³	13,082.00
Total water consumption	m ³ /m ²	0.17
Waste production		
Total non-hazardous waste produced	tonnes	82.68
Intensity of non-hazardous waste produced	tonnes/m ²	0.001
Total hazardous waste produced	tonnes	2.58
Intensity of hazardous waste produced	tonnes/m ²	0.00003
Packaging materials		
Total packaging materials	tonnes	3.25

⁶ We calculate the Group's air pollutant emissions with reference to "Appendix II: Guidelines for Reporting Environmental Key Performance Indicators to the How to Prepare Environmental, Social and Governance Reports" issued by the Stock Exchange.

Environmental, Social and Governance Report

The sustainability data in the social aspects of the Group during the Reporting Period is as follows:

	Unit	2025
Total number of employees¹	Person	407
Employee number by gender⁷		
Female	Person	218
Male	Person	189
Employee number by employment type		
Short-term contract/part-time employees	Person	2
Frontline employees	Person	345
Middle management	Person	45
Senior management	Person	15
Employee number by age group⁷		
Below 30	Person	128
30–50	Person	214
Above 50	Person	0
Employee number by geographical region		
Chinese mainland	Person	342
Overseas	Person	65

⁷ Excluding overseas employees

Environmental, Social and Governance Report

	Unit	2025
Total employee turnover rate⁸	%	27.27
Employee turnover rate by gender		
Female	%	15.72
Male	%	11.55
Employee turnover rate by age group⁷		
Below 30	%	12.28
30–50	%	19.59
Above 50	%	0.00
Employee turnover rate by geographical region		
Chinese mainland	%	26.78
Overseas	%	0.49

⁸ Employee turnover rate = number of employees who have left ÷ number of employees at the end of the year

Environmental, Social and Governance Report

	Unit	2025
Development and training		
Percentage of employees trained by gender^{7, 9}		
Female	%	57.89
Male	%	42.11
Percentage of employees trained by employee category⁹		
Short-term contract/part-time employees	%	0.49
Frontline employees	%	84.77
Middle management	%	11.06
Senior management	%	3.69
Average training hours completed per employee by gender^{7, 10}		
Female	Hour	12.03
Male	Hour	12.03
Average training hours completed per employee by employee category^{7, 10}		
Frontline employees	Hour	9.91
Middle management	Hour	12.28
Senior management	Hour	15.02

⁹ Percentage of employees trained = number of employees trained in this category ÷ total number of employees x 100%

¹⁰ Average training hours = Total training hours of employees in this category ÷ total number of employees

Environmental, Social and Governance Report

APPENDIX II: INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF THE HONG KONG STOCK EXCHANGE

A. Environmental			Relevant Section
A1: Emission	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to exhaust and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6 Comprehensive Strengthening of Natural Environment Protection — 6.1 Multi-dimensional Management to Optimize Carbon Emissions; 6.3 Standardized Disposal and Reuse of Waste
	A1.1	The types of emissions and respective emissions data.	Appendix I: Sustainability Data Highlight
	A1.2	Direct (scope 1) and indirect energy (scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6 Comprehensive Strengthening of Natural Environment Protection — 6.1 Multi-dimensional Management to Optimize Carbon Emissions; Appendix I: Sustainability Data Highlight
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Sustainability Data Highlight
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I: Sustainability Data Highlight
	A1.5	Description of emissions targets and the steps taken to achieve such targets.	6 Comprehensive Strengthening of Natural Environment Protection — 6.1 Multi-dimensional Management to Optimize Carbon Emissions
	A1.6	Description of how hazardous and nonhazardous wastes are handled, reduction initiatives and results achieved.	6 Comprehensive Strengthening of Natural Environment Protection — 6.3 Standardized Disposal and Reuse of Waste

Environmental, Social and Governance Report

A. Environmental			Relevant Section	
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6	Comprehensive Strengthening of Natural Environment Protection — 6.1 Multi-dimensional Management to Optimize Carbon Emissions; 6.2 High-efficiency and Rational Utilization of Water Resources
	A2.1	Direct and/or indirect energy consumption by type (e.g. Electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix I: Sustainability Data Highlight	
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I: Sustainability Data Highlight	
	A2.3	Description of energy use efficiency initiatives and results achieved.	6	Comprehensive Strengthening of Natural Environment Protection — 6.1 Multi-dimensional Management to Optimize Carbon Emissions
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	6	Comprehensive Strengthening of Natural Environment Protection — 6.2 High-efficiency and Rational Utilization of Water Resources
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix I: Sustainability Data Highlight	
A3: Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	6	Comprehensive Strengthening of Natural Environment Protection
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6	Comprehensive Strengthening of Natural Environment Protection

Environmental, Social and Governance Report

B. Social			Relevant Section	
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5	Strengthening Scientific Management of Human Resources —
			5.1	Standardized Procedures for Promoting Equal Employment;
			5.2	Optimizing Compensation to Enhance Employee Benefits
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix I: Sustainability Data Highlight	
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Sustainability Data Highlight	
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5	Strengthening Scientific Management of Human Resources —
			5.3	Safeguarding Employee Physical and Mental Health and Safety
	B2.1	Number and rate of work-related fatalities in each of the past three years (including the reporting year).	5	Strengthening Scientific Management of Human Resources —
			5.3	Safeguarding Employee Physical and Mental Health and Safety
	B2.2	Lost days due to work injury.	5	Strengthening Scientific Management of Human Resources —
		5.3	Safeguarding Employee Physical and Mental Health and Safety	
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5	Strengthening Scientific Management of Human Resources —
			5.3	Safeguarding Employee Physical and Mental Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5	Strengthening Scientific Management of Human Resources —
			5.4	Employee Training Fostering Mutual Growth and Win-Win Outcomes
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix I: Sustainability Data Highlight	
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: Sustainability Data Highlight	

Environmental, Social and Governance Report

B. Social			Relevant Section	
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	5	Strengthening Scientific Management of Human Resources —
			5.1	Standardized Procedures for Promoting Equal Employment
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	5	Strengthening Scientific Management of Human Resources —
			5.1	Standardized Procedures for Promoting Equal Employment
	B4.2	Description of steps taken to eliminate such practices when discovered.	5	Strengthening Scientific Management of Human Resources —
			5.1	Standardized Procedures for Promoting Equal Employment
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	4	Compliant Operations Safeguarding Steady Development —
			4.7	Comprehensive Management of Responsible Supply Chain
	B5.1	Number of suppliers by geographical region.	4	Compliant Operations Safeguarding Steady Development —
			4.7	Comprehensive Management of Responsible Supply Chain
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	4	Compliant Operations Safeguarding Steady Development —
			4.7	Comprehensive Management of Responsible Supply Chain
B5.3	Description of practices relating to identifying environmental and social risks at each link of the supply chain where the practices are being implemented, how they are implemented and monitored.	4	Compliant Operations Safeguarding Steady Development —	
		4.7	Comprehensive Management of Responsible Supply Chain	
B5.4	Description of practices relating to selecting suppliers to promote the use of green products and services where the practices are being implemented, how they are implemented and monitored.	4	Compliant Operations Safeguarding Steady Development —	
		4.7	Comprehensive Management of Responsible Supply Chain	

Environmental, Social and Governance Report

B. Social			Relevant Section	
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4	Compliant Operations Safeguarding Steady Development —
			4.1	Professional and Precise Control of Product Quality;
			4.2	Comprehensive Transformation and Quality Enhancement of Customer Services;
			4.4	Building a Solid Defense for Information Security
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	4	Compliant Operations Safeguarding Steady Development —
			4.1	Professional and Precise Control of Product Quality
	B6.2	Number of products and service related complaints received and how they are dealt with.	4	Compliant Operations Safeguarding Steady Development —
		4.2	Comprehensive Transformation and Quality Enhancement of Customer Services	
B6.3	Description of practices relating to observing and protecting intellectual property rights.	4	Compliant Operations Safeguarding Steady Development —	
		4.5	Safeguarding Intellectual Property Rights to Maintain Competitive Advantages	
B6.4	Description of quality assurance process and recall procedures.	4	Compliant Operations Safeguarding Steady Development —	
		4.1	Professional and Precise Control of Product Quality	
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4	Compliant Operations Safeguarding Steady Development —	
		4.4	Building a Solid Defense for Information Security	

Environmental, Social and Governance Report

B. Social			Relevant Section	
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	4	Compliant Operations Safeguarding Steady Development —
			4.6	Upholding Integrity and Anti-corruption to Maintain Compliance and Transparency
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	4	Compliant Operations Safeguarding Steady Development —
			4.6	Upholding Integrity and Anti-corruption to Maintain Compliance and Transparency
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	4	Compliant Operations Safeguarding Steady Development —
			4.6	Upholding Integrity and Anti-corruption to Maintain Compliance and Transparency
	B7.3	Description of anti-corruption trainings provided to directors and employees.	4	Compliant Operations Safeguarding Steady Development —
			4.6	Upholding Integrity and Anti-corruption to Maintain Compliance and Transparency
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	7	Empowering Core Businesses and Courageously Fulfilling Corporate Responsibilities
	B8.1	Focus areas of contribution.	7	Empowering Core Businesses and Courageously Fulfilling Corporate Responsibilities
	B8.2	Resources contributed to the focus area.	7	Empowering Core Businesses and Courageously Fulfilling Corporate Responsibilities

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		Relevant Section	
(I) Governance	19.	<p>An issuer shall disclose information about:</p> <p>(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities;</p> <p>(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.</p>	6.4 Scientifically Addressing the Challenges of Climate Change
	20.	<p>Climate-related risks and opportunities</p> <p>An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.</p>	6.4 Scientifically Addressing the Challenges of Climate Change
(II) Strategy	21.	<p>Business model and value chain</p> <p>An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.</p>	6.4 Scientifically Addressing the Challenges of Climate Change Determining the scope of the value chain: we have adopted reasonable information relief as we are unable to determine the scope of our value chain using all reasonable and well-founded information that can be obtained without incurring unnecessary costs or efforts on the reporting date.
	22.	<p>Strategy and decision-making</p> <p>An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.</p>	6.4 Scientifically Addressing the Challenges of Climate Change

Environmental, Social and Governance Report

Part D: Climate-related Disclosures	Relevant Section
<p>23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	<p>6.4 Scientifically Addressing the Challenges of Climate Change</p>
<p>24. Financial position, financial performance and cash flows Current financial effect An issuer shall disclose qualitative and quantitative information about:</p> <p>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the Reporting Period; and</p> <p>(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.</p>	<p>6.4 Scientifically Addressing the Challenges of Climate Change</p> <p>Financial effects relief—We will further assess the financial effects of climate-related risks and opportunities in the future.</p>
<p>25. Anticipated financial effect The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration;</p> <p>(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p>	<p>Capability relief — We lack the necessary skills, capabilities, and resources to prepare such disclosures.</p>

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		Relevant Section	
	26.	<p>Climate resilience</p> <p>An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range.</p>	6.4 Scientifically Addressing the Challenges of Climate Change Reasonable information relief– We have not yet disclosed any climate scenario analysis, but we will explore its feasibility in the future.
(III) Risk management	27.	<p>An issuer shall disclose information about:</p> <p>(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks;</p> <p>(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and</p> <p>(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.</p>	6.4 Scientifically Addressing the Challenges of Climate Change
(IV) Metrics and targets	28.	<p>Greenhouse gas emissions</p> <p>An issuer shall disclose its absolute gross greenhouse gas emissions generated during the Reporting Period, expressed as metric tons of CO₂ equivalent, classified as:</p> <p>(a) Scope 1 greenhouse gas emissions;</p> <p>(b) Scope 2 greenhouse gas emissions; and</p> <p>(c) Scope 3 greenhouse gas emissions.</p>	6.4 Scientifically Addressing the Challenges of Climate Change Appendix I: Summary of Environmental and Social Key Performance Indicators Reasonable information relief– Going forward, we will continue to collect more comprehensive data to gradually expand and refine the scope of our disclosures for each Scope 3 sub-category that has a significant impact on the Group's business.

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		Relevant Section
29.	<p>An issuer shall:</p> <ul style="list-style-type: none"> (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). 	<p>6.4 Scientifically Addressing the Challenges of Climate Change</p> <p>Appendix I: Summary of Environmental and Social Key Performance Indicators</p> <p>Reasonable information relief-Going forward, we will continue to collect more comprehensive data to gradually expand and refine the scope of our disclosures for each Scope 3 sub-category that has a significant impact on the Group's business.</p>
30.	<p>Climate-related transition risks</p> <p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	<p>Reasonable information relief-</p> <p>In our future reports, we will strengthen the methodologies and processes for assessing the financial effects of climate-related risks and opportunities.</p>
31.	<p>Climate-related physical risks</p> <p>An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>	<p>Reasonable information relief-</p> <p>In our future reports, we will strengthen the methodologies and processes for assessing the financial effects of climate-related risks and opportunities.</p>

Environmental, Social and Governance Report

Part D: Climate-related Disclosures	Relevant Section
<p>32. Climate-related opportunities An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.</p>	<p>Reasonable information relief–In our future reports, we will strengthen the methodologies and processes for assessing the financial effects of climate-related risks and opportunities.</p>
<p>33. Capital deployment An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p>	<p>The Group has identified climate-related risks and will further identify relevant data to optimize disclosures.</p>
<p>34. Internal carbon prices An issuer shall disclose:</p> <ul style="list-style-type: none"> (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making. 	<p>Negative statement–Currently, the Group does not use internal carbon prices in its decision-making processes but will explore the feasibility of implementing in the future.</p>
<p>35. Remuneration An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).</p>	<p>Negative statement–Currently, we have not incorporated climate-related factors into the compensation of senior management but will explore the possibility of doing so in the future.</p>

Environmental, Social and Governance Report

Part D: Climate-related Disclosures	Relevant Section
<p>36. Industry-based metrics An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.</p>	<p>Currently, we are not disclosing any industry-based metrics but will explore their feasibility in the future.</p>
<p>37. Climate-related targets An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.</p>	<p>6.4 Scientifically Addressing the Challenges of Climate Change</p>
<p>38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target.</p>	<p>6.4 Scientifically Addressing the Challenges of Climate Change</p>
<p>39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.</p>	<p>6.4 Scientifically Addressing the Challenges of Climate Change</p>
<p>40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39.</p>	<p>6.4 Scientifically Addressing the Challenges of Climate Change</p>
<p>41. Applicability of cross-industry metrics and industry-based metrics In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p>	<p>Currently, we are not disclosing any cross-industry metrics or industry-based metrics but will explore their feasibility in the future.</p>



**Independent auditor's report to the shareholders of
Suzhou Basecare Medical Corporation Limited**

(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Suzhou Basecare Medical Corporation Limited (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages 112 to 180, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition	
<i>Refer to Note 4 to the consolidated financial statements and the accounting policies on Note 2(t).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>The Group's revenue is primary derived from sales of testing kits, testing devices, instruments and consumables.</p> <p>The Group recognises revenue at the point in time when control of the goods is transferred to the customers. Depending on the terms of the contracts, this point in time is determined by when goods left the Group's warehouse, loaded on board, or delivered to the customer's premises or a location designated by the customer.</p> <p>We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Group and is, therefore, subject to possible manipulation through the timing of revenue recognition to meet targets or expectations and also because the impact of any errors in the recognition of revenue could be material to the consolidated financial statements.</p>	<p>Our audit procedures to assess the recognition of revenue included the following:</p> <ul style="list-style-type: none"> • obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls in relation to revenue recognition; • inspecting, on a sample basis, sales contracts with key customers to identify terms and conditions relating to the transfer of control and assessing the Group's policies in respect of the recognition of revenue with reference to the requirements of the prevailing accounting standards; • comparing, on a sample basis, specific revenue transactions recorded before and after the financial year-end date with shipping documents or goods acceptance notes, as applicable under the different sales contracts, invoices and sales contracts ("underlying documentation"), to assess whether the related revenue had been recognised in the appropriate financial period on the basis of the terms of sale as set out in the respective sales contracts; • comparing revenue transactions recorded during the current year, on a sample basis, with underlying documentation to assess whether the related revenue was recognised in accordance with the Group's revenue recognition accounting policies; • obtaining confirmations, on a sample basis, from customers of the Group to confirm the sales transactions during the year and, for unreturned confirmations, performing alternative procedures by comparing details of the transactions with relevant underlying documentation; and • inspecting journal entries relating to revenue recognition during the year which were considered to meet specific risk-based criteria, enquiring of management the reasons for such adjustments and comparing the details of the adjustments with relevant underlying documentation.

KEY AUDIT MATTERS (Continued)

Expected credit loss allowances for trade receivables	
<i>Refer to Note 19 to the consolidated financial statements and the accounting policies on Note 2(k)(i).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2025, the Group's gross carrying amount of trade receivables amounted to RMB240.7 million, against which an allowance of RMB66.5 million for expected credit losses (ECLs) was recorded.</p> <p>Management measures the ECL allowance for the trade receivables individually or at an amount equal to lifetime ECLs. The ECL allowance is estimated using a provision matrix. The estimated loss rates take into account the ageing of trade receivable balances and the repayment history of the Group's customers.</p> <p>We identified the ECL allowance for trade receivables as a key audit matter because determining the level of the ECL allowance requires the exercise of significant management judgement which is inherently subjective.</p>	<p>Our audit procedures to assess the ECL allowance for trade receivables included the following:</p> <ul style="list-style-type: none"> obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to credit control, debt collection and estimating the ECL allowance; evaluating the Group's policy and method for estimating ECLs with reference to the requirements of the applicable accounting standard; assessing whether items in the trade receivables ageing report were categorised in the appropriate time-band by comparing individual items therein with sales invoices and other underlying documentation, on a sample basis, and testing the accuracy of the historical credit loss data; re-performing the calculation of the ECL allowance as at 31 December 2025 based on the Group's ECL policy and method.

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

Assessing potential impairment of goodwill	
<i>Refer to Note 15 to the consolidated financial statements and the accounting policies on Note 2(k)(ii).</i>	
The Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2025, the carrying amount of goodwill amounted to RMB143.1 million, which arose from the acquisition of BMX Holdco Pte. Ltd. and its subsidiaries (collectively referred to as the “BMX Group”) in June 2023.</p> <p>Management performs annual impairment assessment of the goodwill by comparing the carrying value of the cash-generating unit (“CGU”) to which goodwill was allocated to the recoverable amount estimated based on discounted cash flow forecast to determine if any impairment loss should be recognised. The Group engaged an external valuer to assist in goodwill impairment assessment.</p> <p>The preparation of discounted cash flow forecasts involves the exercise of significant management judgement, in particular in assessing future revenue growth rate, future gross margins, and discount rate.</p> <p>We identified the assessment of potential impairment of goodwill as a key audit matter because the goodwill impairment assessment involves a significant degree of management judgement, which can be inherently uncertain and could subject to management bias.</p>	<p>Our audit procedures to assess impairment of goodwill included the following:</p> <ul style="list-style-type: none"> • assessing management’s identification of the CGU and the allocation of assets and liabilities to the identified CGU with reference to the requirements of the prevailing accounting standards; • evaluating the external valuer’s competence and capabilities and considering their objectivity and independence; • evaluating and challenging the key assumptions adopted in the preparation of the discounted cash flow forecasts by comparing the forecasted revenue and forecasted gross margins with reference to our understanding of the business, historical trends and available industry information and available market data; • engaging our internal valuation specialists to assist us in evaluating management’s valuation methodology adopted in the impairment assessment with reference to the requirements of the prevailing accounting standards and the discount rate applied in the discounted cash flow forecast by benchmarking against those of comparable companies and external market data if available; • performing sensitivity analyses of the key assumptions adopted in the discounted cash flow forecasts, including future revenue growth rate, forecast gross margins and discount rate, and considering the resulting impact on management’s conclusion in respect of the impairment assessment and whether there were any indicators of management bias; • considering the disclosures in the consolidated financial statements in respect of management’s impairment assessments of goodwill with reference to the requirements of the prevailing accounting standards; and • performing retrospective review on forecasted revenue, forecasted gross margins and discount rate in the valuation.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is LAI, Chi Yin, Frankie (practising certificate number: P05676).

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

30 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025
(Expressed in Renminbi Yuan)

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	233,270	299,109
Cost of sales		(109,662)	(162,886)
Gross profit		123,608	136,223
Other net income	5	836	45,811
Selling and distribution costs		(110,452)	(111,731)
Administrative expenses		(121,514)	(164,657)
Research and development expenses		(106,418)	(135,259)
Other operating expenses		(138)	(1,352)
Loss from operations		(214,078)	(230,965)
Finance costs	6(a)	(13,115)	(9,372)
Loss before taxation	6	(227,193)	(240,337)
Income tax	7	3,738	3,127
Loss for the year		(223,455)	(237,210)
Attributable to:			
Equity shareholders of the Company		(223,455)	(237,029)
Non-controlling interests		—	(181)
Loss per share (RMB)	10	(0.8)	(0.9)
Basic and diluted (RMB)			

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025
(Expressed in Renminbi Yuan)

	2025	2024
	RMB'000	RMB'000
Loss for the year	(223,455)	(237,210)
Other comprehensive income for the year, net of nil tax		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	15,054	(19,081)
Other comprehensive income	15,054	(19,081)
Total comprehensive income for the year	(208,401)	(256,291)
Attributable to:		
Equity shareholders of the Company	(208,401)	(256,110)
Non-controlling interests	—	(181)
Total comprehensive income for the year	(208,401)	(256,291)

The notes on pages 118 to 180 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2025
(Expressed in Renminbi Yuan)

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment	11	395,117	380,691
Right-of-use assets	12	9,352	15,587
Intangible assets	13	92,875	99,601
Goodwill	15	143,131	137,570
Financial assets measured at fair value through profit or loss (“FVPL”)	16	31,057	37,532
Other non-current assets	17	17,171	18,710
Deferred tax assets	26(b)	937	348
		689,640	690,039
Current assets			
Inventories	18	100,551	92,404
Trade and other receivables	19	207,336	200,279
Other current assets	20	1,766	564
Time deposits with original terms above 3 months	21	28,115	111,884
Restricted cash	21	4,126	1,362
Cash and cash equivalents	21	414,908	572,749
		756,802	979,242
Current liabilities			
Trade and other payables	22	132,599	163,881
Contract liabilities	23	3,301	1,663
Bank loans	24	52,018	24,358
Lease liabilities	25	1,981	4,408
Income tax payable	26(a)	393	374
		190,292	194,684
Net current assets		566,510	784,558
Total assets less current liabilities		1,256,150	1,474,597

Consolidated Statement of Financial Position

As at 31 December 2025 (continued)
(Expressed in Renminbi Yuan)

	Note	31 December 2025 RMB'000	31 December 2024 RMB'000
Non-current liabilities			
Bank loans	24	288,665	296,207
Lease liabilities	25	696	3,447
Deferred tax liabilities	26(b)	27,849	29,863
Other non-current liabilities		4,275	3,265
		321,485	332,782
NET ASSETS			
		934,665	1,141,815
CAPITAL AND RESERVES			
	27		
Share capital		273,526	273,526
Reserves		661,139	869,540
Total equity attributable to equity shareholders of the Company			
		934,665	1,143,066
Non-controlling interests			
		—	(1,251)
TOTAL EQUITY			
		934,665	1,141,815

Approved and authorised for issue by the board of directors on 30 March 2026.

Liang Bo
Director

Kong Lingyin
Director

The notes on pages 118 to 180 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025
(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company							Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	
Balance at 1 January 2024	273,526	1,677,279	(1,941)	7,905	(557,593)	1,399,176	(1,070)	1,398,106
Changes in equity for 2024:								
Loss for the year	–	–	–	–	(237,029)	(237,029)	(181)	(237,210)
Other comprehensive income	–	–	(19,081)	–	–	(19,081)	–	(19,081)
Total comprehensive income for the year	–	–	(19,081)	–	(237,029)	(256,110)	(181)	(256,291)
Balance at 31 December 2024	273,526	1,677,279	(21,022)	7,905	(794,622)	1,143,066	(1,251)	1,141,815
Changes in equity for 2025:								
Loss for the year	–	–	–	–	(223,455)	(223,455)	–	(223,455)
Other comprehensive income	–	–	15,054	–	–	15,054	–	15,054
Total comprehensive income for the year	–	–	15,054	–	(223,455)	(208,401)	–	(208,401)
Deregistration of a subsidiary	–	–	–	–	–	–	1,251	1,251
Balance at 31 December 2025	273,526	1,677,279	(5,968)	7,905	(1,018,077)	934,665	–	934,665

The notes on pages 118 to 180 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025
(Expressed in Renminbi Yuan)

	Note	2025 RMB'000	2024 RMB'000
Operating activities			
Cash used in operations	21(b)	(167,438)	(229,133)
Income tax paid		(440)	17
Net cash used in operating activities		(167,878)	(229,116)
Investing activities			
Payment for purchase of property, plant and equipment		(85,571)	(93,296)
Proceeds from disposal of property, plant and equipment		577	1,542
Maturity of time deposits		111,884	—
Placement of time deposits		(28,115)	(111,884)
Payment for purchase of financial assets measured at FVPL		(4,593)	(1,519)
Distributions from financial assets measured at FVPL		350	—
Interest received from bank deposits		13,590	23,963
Net cash generated from/(used in) investing activities		8,122	(181,194)
Financing activities			
Proceeds from bank loans	21(c)	47,235	90,144
Repayment of bank loans	21(c)	(27,117)	(39,711)
Bank borrowing cost paid	21(c)	(12,738)	(11,044)
Payment for capital element of lease liabilities	21(c)	(3,447)	(5,136)
Payment for interest element of lease liabilities	21(c)	(111)	(471)
Net cash generated from financing activities		3,822	33,782
Net decrease in cash and cash equivalents		(155,934)	(376,528)
Cash and cash equivalents at the beginning of the year	21(a)	572,749	943,216
Effect of foreign exchange rate changes		(1,907)	6,061
Cash and cash equivalents at the end of the year	21(a)	414,908	572,749

The notes on pages 118 to 180 form part of these financial statements.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

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 14 December 2010 as a limited liability company. Upon approval by the Company’s board meeting held on 11 August 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 and its subsidiaries (together, the “**Group**”) are principally engaged in the research and development, manufacturing and sales of testing kits, testing devices, instruments and consumables, and provision of leasing services.

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

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of Compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards (“**IFRSs**”), International Accounting Standards (“**IASs**”) and Interpretations issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “**Group**”).

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the assets are stated at their fair value as explained in the accounting policies set out in Note 2(f).

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests (“**NCI**”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets.

NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2(o) or (p), depending on the nature of the liability.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(k)(ii)).

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(k)(ii)).

(f) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 28(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(t)(ii)(a)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- FVOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(f) Other investments in securities (Continued)

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 2(t)(ii)(b)).

(g) Derivative financial instruments

Derivatives financial instruments are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss.

(h) Property, plant and equipment

Property, plant and equipment, including buildings, right-of-use assets arising from leases over leasehold properties, plants and equipment (see note 2(j)), are stated at cost less accumulated depreciation and impairment losses (see note 2(k)(ii)).

The cost of self-constructed items of property, plant and equipment comprises its purchase price, the direct costs of construction, capitalised borrowing costs (see note 2(v)) and any other costs directly attributable of bringing the asset to working condition and location for its intended use. Subsequent expenditure relating to an item of property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the original assessed standard of performance of the existing asset, will flow to the Group or the Company. All other subsequent expenditure is recognised as an expense in profit or loss in the period in which it is incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

Buildings	20–40 years
Office equipment, furniture and fixtures	3–15 years
Motor vehicles	4–10 years
Medical equipment and instruments	3–10 years
Leasehold improvements	3–4 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(i) Intangible assets (other than goodwill)

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, including patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(k)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

— Software	5–10 years
— Trademark	20 years
— Contractual rights and customer relationships	10 years
— Patent and patent applications	10 years

Amortisation methods, useful lives and residual values are reviewed.

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value assets items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leased assets (Continued)

As a lessee (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 2(h) and note 2(k)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see notes 2(f) (i) and 2(k)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses (“**ECL**”s) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables that are held for the collection of contractual cash flows which represent solely payments).

Other financial assets measured at fair value, including equity and debt securities measured at FVPL, are not subject to the ECL assessment.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group or the Company is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and
- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Significant increases in credit risk (Continued)

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it probable that the debtor will enter into bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or lease receivable is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised (provided that no impairment loss has been recognized).

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(k)(i)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 2(k)(i)).

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other financial institutions, property pre-sale proceeds held by solicitors that are held for meeting short-term cash commitments, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL (see note 2(k)(i)).

(o) Trade and other payables and contract liabilities

(i) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(ii) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(t)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(m)).

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note (see note 2(v)).

(q) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(q) Employee benefits (Continued)

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the binomial lattice model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(r) Income tax (Continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 2(k)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Sale of testing kits and testing devices, instruments and consumables

Revenue is recognised when the customer takes possession of and accepts the products, depending on the terms set forth in the customer contracts. Payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers, but the Group generally provides credit terms to customers within six months upon customer acceptance. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

(b) Service income

The Group earns revenue by provision of services to its customers through contracts. Revenue from rendering of services is recognised over time by measuring the progress of that performance obligation.

(ii) Revenue from other sources and other income

(a) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(b) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(t) Revenue and other income (Continued)

(ii) Revenue from other sources and other income (Continued)

(c) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognised as deferred income and subsequently recognised in profit or loss over the useful life of the asset.

(u) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Hong Kong dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Hong Kong dollars at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES *(Continued)*

(w) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.

- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (Continued)

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENT AND ESTIMATES

(a) Critical accounting judgement in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgement:

Research and development expenses

Development expenses incurred on the Group's pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Management will assess the progress of each of the research and development projects and determine the criteria met for capitalisation. All development expenses were expensed when incurred during the reporting period.

(b) Sources of estimation uncertainty

Note 28(e) contains information about the assumptions and risk factors relating to fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and distribution expenses. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to changes in market conditions. Management reassesses these estimations at the balance sheet dates to ensure inventory is shown at the lower of cost and net realisable value.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

3 ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

(b) Sources of estimation uncertainty (Continued)

(ii) Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due. The provision matrix is initially based on the Group's historical observed default rates. At the end of the reporting period, the historical observed default rates had been checked to determine whether they need to be updated and the changes on the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables are disclosed in Note 28(a).

(iii) Income tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The management carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of these transactions is reconsidered periodically to take into account changes in tax legislations. Deferred tax assets are recognised for deductible temporary differences and cumulative tax losses.

As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

(iv) Impairment of non-current assets

If circumstances indicate that the carrying amount of a non-current asset may not be recoverable, the asset may be considered "impaired", and an impairment loss would be recognised in accordance with accounting policy for impairment of non-current assets as described in Note 2(k)(ii). The carrying amounts of the Group's non-current assets, including property, plant and equipment and right-of-use assets are reviewed periodically to determine whether there is any indication of impairment. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and the fair value less costs to sell. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. It is difficult to precisely estimate selling price of the Group's non-current assets because quoted market prices for such assets may not be readily available. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to level of revenue, amount of operating costs and applicable discount rate. Management uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and amount of operating costs.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING

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

(a) Disaggregation of revenue

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products and service lines		
— Sales of testing kits	143,248	121,863
— Sales of testing devices, instruments and consumables	69,874	159,157
— Others	20,148	18,089
	233,270	299,109
Disaggregated by timing of revenue recognition		
— Point in time	213,482	287,726
— Over time	19,788	11,383
	233,270	299,109
Disaggregated by geographical location of customers		
— The PRC	119,926	201,897
— Europe	59,240	58,431
— Asia (excluding the PRC)	33,752	21,328
— Others	20,352	17,453
	233,270	299,109

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:

	2025 RMB'000	2024 RMB'000
Customer A	N/A*	33,738

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

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (Continued)

(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

	2025			2024		
	The PRC RMB'000	Australia RMB'000	Total RMB'000	The PRC RMB'000	Australia RMB'000	Total RMB'000
Disaggregated by timing of revenue recognition						
Point in time	126,256	87,226	213,482	201,949	85,777	287,726
Over time	—	19,788	19,788	—	11,383	11,383
Revenue from external customers	126,256	107,014	233,270	201,949	97,160	299,109
Inter-segment revenue	2,511	72,615	75,126	—	51,067	51,067
Reportable segment revenue	128,767	179,629	308,396	201,949	148,227	350,176
Reportable segment (loss)/profit before taxation	(230,851)	10,643	(220,208)	(193,583)	(32,880)	(226,463)
Interest income from bank deposits	11,747	51	11,798	25,205	65	25,270
Interest expense	12,811	304	13,115	9,148	224	9,372
Depreciation and amortisation for the year	35,603	12,759	48,362	19,630	16,147	35,777
Impairment loss recognised/ (reversed) on trade and other receivables	2,571	2,298	4,869	19,452	(895)	18,557
Reportable segment assets	1,159,863	393,454	1,553,317	1,407,115	350,691	1,757,806
Additions to non-current segment assets during the year	48,748	1,560	50,308	54,395	2,368	56,763
Reportable segment liabilities	452,686	149,942	602,628	465,988	133,443	599,431

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (Continued)

(d) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

	2025 RMB'000	2024 RMB'000
Revenue		
Reportable segment revenue	308,396	350,176
Elimination of inter-segment revenue	(75,126)	(51,067)
	<hr/>	<hr/>
Consolidated revenue (Note 4(a))	233,270	299,109
	<hr/>	<hr/>
Profit or loss		
Total reportable segments' loss before taxation	220,208	226,463
Elimination of inter-segment transaction	2,635	9,633
Unallocated expenses	4,350	4,241
	<hr/>	<hr/>
Consolidated loss before taxation	227,193	240,337
	<hr/>	<hr/>
Assets		
Total reportable segments' assets	1,553,317	1,757,806
Elimination of inter-segment balance	(106,875)	(88,525)
	<hr/>	<hr/>
Consolidated total assets	1,446,442	1,669,281
	<hr/>	<hr/>
Liabilities		
Total reportable segments' liabilities	602,628	599,431
Elimination of inter-segment balance	(90,851)	(71,965)
	<hr/>	<hr/>
Consolidated total liabilities	511,777	527,466
	<hr/>	<hr/>

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

5 OTHER NET INCOME

	2025	2024
	RMB'000	RMB'000
Government grants (i)	3,189	7,926
Interest income from bank deposits	11,798	25,270
Net realised and unrealised (losses)/gains on financial assets measured at FVPL	(10,719)	2,898
Net foreign exchange (losses)/gains	(4,370)	8,657
Others	938	1,060
	836	45,811

(i) Government grants comprise primarily subsidies received from the government for encouragement of research and development projects.

6 LOSS BEFORE TAXATION

(a) Finance costs

	2025	2024
	RMB'000	RMB'000
Interest on bank loans	12,719	11,090
Interest on lease liabilities	396	471
Total finance costs on financial liabilities not at FVPL	13,115	11,561
Less: borrowing costs capitalised into properties under construction	—	(2,189)
	13,115	9,372

(b) Staff costs

	2025	2024
	RMB'000	RMB'000
Salaries, wages and other benefits	151,947	168,940
Contributions to defined contribution retirement plan (i)	16,458	16,511
	168,405	185,451

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

6 LOSS BEFORE TAXATION (Continued)

(b) Staff costs (Continued)

- (i) Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

Employees of the Group's Australian subsidiaries are members of a state-managed retirement scheme in Australia. The Group's Australian subsidiaries are required to contribute a certain percentage of staff payroll costs to the retirement scheme to fund the benefits, which is the only obligation of the Group with respect to the retirement benefit scheme.

The Group has no other material obligation for the payment of retirement benefits beyond the contributions described above.

(c) Other items

	2025	2024
	RMB'000	RMB'000
Depreciation of property, plant and equipment	33,055	19,365
Depreciation of right-of-use assets	4,556	5,562
Amortisation of intangible assets	10,751	10,850
	<hr/>	
Total amortisation and depreciation	48,362	35,777
Less: depreciation expense of land use rights capitalised into properties under construction	—	(91)
	<hr/>	
Amortisation and depreciation charged directly to profit or loss	48,362	35,686
	<hr/>	
Impairment losses on trade and other receivables	4,869	18,557
Auditors' remuneration		
— audit services	2,193	3,329
— non-audit services	1,150	1,100
Research and development expenses (i)	106,418	135,259
Cost of inventories (Note 18 (a))	103,594	140,295
Donations	116	581

- (i) During the year ended 31 December 2025, research and development expenses include staff costs and depreciation expenses of RMB61,490,000 (2024: RMB70,307,000), which amounts are also included in the respective total amounts disclosed separately above.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 RMB'000	2024 RMB'000
Current tax - other overseas countries	—	77
Deferred tax	(3,738)	(3,204)
Total	(3,738)	(3,127)

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	2025 RMB'000	2024 RMB'000
Loss before taxation	(227,193)	(240,337)
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned (i)	(56,397)	(64,203)
Effect of preferential tax rate (ii)	13,249	16,372
Effect of additional deduction on research and development expenses (ii)	(11,509)	(18,055)
Tax effect of other non-deductible expenses	330	381
Tax effect of temporary differences and tax losses not recognised	58,552	62,378
Tax effect of used tax losses not recognised in prior years	(7,963)	—
Actual tax expense	(3,738)	(3,127)

(i) Statutory tax rate

Under the Corporate Income Tax Law of the People's Republic of China (the "PRC 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 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%.

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

(ii) Preferential tax

Under the PRC CIT Law and its relevant regulation, entities that qualified as a high and new technology enterprise ("HNTE") 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 6 November 2023 and is subject to a preferential income tax at 15% for a three-year period.

Under the PRC CIT Law 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 ended 31 December 2025.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	2025 Total RMB'000
Executive directors					
Dr. Liang Bo	—	2,334	660	47	3,041
Mr. Kong Lingyin	—	739	169	48	956
Ms. Jiang Junchao (i)	—	689	169	48	906
	—	3,762	998	143	4,903
Non-executive directors					
Mr. Zhao Ye (iii)	—	—	—	—	—
Mr. Wang Weipeng	—	—	—	—	—
Mr. Ling Yang (iv)	—	—	—	—	—
	—	—	—	—	—
Independent non-executive directors					
Dr. Kang Xixiong	183	—	—	—	183
Dr. Yang Shubiao	183	—	—	—	183
Mr. Lam Siu Wing	183	—	—	—	183
	549	—	—	—	549
Supervisors					
Ms. Shi Lijuan	—	258	32	48	338
Ms. Zong Qiuping	—	328	27	48	403
Ms. Lin Yi	—	—	—	—	—
	—	586	59	96	741

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

8 DIRECTORS' EMOLUMENTS (Continued)

	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	2024 Total RMB'000
Executive directors					
Dr. Liang Bo	—	2,340	660	47	3,047
Mr. Kong Lingyin	—	693	139	47	879
Ms. Jiang Junchao (i)	—	231	46	16	293
Ms. Yang Ying (ii)	—	346	61	31	438
	—	3,610	906	141	4,657
Non-executive directors					
Mr. Xu Wenbo (v)	—	—	—	—	—
Mr. Wang Weipeng	—	—	—	—	—
Mr. Ling Yang (iv)	—	—	—	—	—
	—	—	—	—	—
Independent non-executive directors					
Dr. Kang Xixiong	183	—	—	—	183
Dr. Yang Shubiao	183	—	—	—	183
Mr. Lam Siu Wing	183	—	—	—	183
	549	—	—	—	549
Supervisors					
Ms. Shi Lijuan	—	255	45	47	347
Ms. Zong Qiuping	—	326	58	47	431
Ms. Lin Yi	—	—	—	—	—
	—	581	103	94	778

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

8 DIRECTORS' EMOLUMENTS (Continued)

Notes:

- (i) Ms. Jiang Junchao was appointed as an executive director of the Company on 29 August 2024.
- (ii) Ms. Yang Ying was appointed as an executive director of the Company on 30 April 2022, and resigned on 29 August 2024.
- (iii) Mr. Zhao Ye was appointed as a non-executive director of the Company on 21 January 2025.
- (iv) Mr. Ling Yang was appointed as a non-executive director of the Company on 10 August 2023, and resigned on 15 January 2026.
- (v) Mr. Xu Wenbo was appointed as a non-executive director of the Company on 10 August 2023, and resigned on 30 December 2024.

During the year ended 31 December 2025, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in Note 9 below as an inducement to join or upon joining the Group or as a compensation for loss of office.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, one (2024: two) is director whose emolument is disclosed in Note 8. The aggregate of the emoluments in respect of the other four (2024: three) individuals are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	5,243	4,360
Discretionary bonuses	938	1,351
Retirement scheme contributions	71	111
	6,252	5,822

The emoluments of the four (2024: three) individuals with the highest emoluments are within the following bands:

	2025 Number of Individuals	2024 Number of Individuals
HKD1,000,001–HKD1,500,000	—	2
HKD1,500,001–HKD2,000,000	4	—
HKD2,000,001–HKD2,500,000	—	—
HKD3,500,001–HKD4,000,000	—	1

10 LOSS PER SHARE

The calculation of basic loss per share for the year ended 31 December 2025 is based on the loss attributable to equity shareholders of the Company of RMB223,455,000 (2024: loss of RMB237,029,000) and the weighted average of 273,526,000 ordinary shares (2024: 273,526,000) in issue.

There were no potential dilutive ordinary shares for the year ended 31 December 2025 and 2024 and therefore dilutive loss per share are the same as the basic loss per share.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

11 PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Office equipment, furniture and fixtures RMB'000	Motor vehicles RMB'000	Medical equipment and instruments RMB'000	Construction in progress RMB'000	Leasehold improvements RMB'000	Total RMB'000
Cost:							
At 1 January 2024	—	5,837	1,262	81,295	281,675	10,141	380,210
Additions	—	2,644	45	11,402	40,791	250	55,132
Transfers	249,022	37,050	—	—	(286,072)	—	—
Disposals	—	(10)	—	(2,761)	—	—	(2,771)
Exchange adjustment	—	15	—	197	(2)	—*	210
At 31 December 2024 and 1 January 2025	249,022	45,536	1,307	90,133	36,392	10,391	432,781
Additions	1,371	4,106	—	15,357	21,390	7,926	50,150
Transfers	17,478	27,667	—	10,424	(55,569)	—	—
Disposals	—	(55)	(453)	(3,649)	—	—	(4,157)
Exchange adjustment	—	78	—	1,471	4	71	1,624
At 31 December 2025	267,871	77,332	854	113,736	2,217	18,388	480,398
Accumulated depreciation:							
At 1 January 2024	—	(2,373)	(445)	(22,675)	—	(8,052)	(33,545)
Charge for the year	(5,604)	(3,389)	(222)	(10,150)	—	—	(19,365)
Written back on disposals	—	6	—	1,183	—	—	1,189
Exchange adjustment	—	(33)	—	(336)	—	—*	(369)
At 31 December 2024 and 1 January 2025	(5,604)	(5,789)	(667)	(31,978)	—	(8,052)	(52,090)
Charge for the year	(6,914)	(6,566)	(179)	(11,597)	—	(7,799)	(33,055)
Written back on disposals	—	38	415	796	—	—	1,249
Exchange adjustment	—	(73)	—	(1,241)	—	(71)	(1,385)
At 31 December 2025	(12,518)	(12,390)	(431)	(44,020)	—	(15,922)	(85,281)
Net book value:							
At 31 December 2025	255,353	64,942	423	69,716	2,217	2,466	395,117
At 31 December 2024	243,418	39,747	640	58,155	36,392	2,339	380,691

* This represents an amount less than RMB500.

As at 31 December 2025, buildings and land use right owned by the Group have been pledged as collateral under the Group's borrowing arrangements with carrying amount of RMB255,353,000 (2024: RMB243,418,000) and RMB6,881,000 (2024: RMB7,154,000), respectively. Further details are set out in Note 24(b).

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

11 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Impairment assessment

The directors of the Company considered that the Group has two cash generating units (“CGUs”), i.e. the PRC CGU and the Australia CGU. As at 31 December 2025, the management of the Group identified indication for impairment from the overall operations of the PRC and conducted an impairment test to assess the recoverable amounts of the assets comprising the PRC CGU, which included the property, plant and equipment, intangible assets and right-of-use assets.

The recoverable amount of the CGU is determined based on value-in-use calculation. The Group engaged an independent professional valuer to assist with the calculation. That calculation uses cash flow projections based on financial budgets approved by the director of the Company covering the ten years with a pre-tax discount rate of 15.5%.

Based on the result of the assessment, the recoverable amount calculated based on VIU is estimated to exceed the carrying amount of the PRC CGU at 31 December 2025 by approximately RMB95,806,000.

12 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is presented below:

	Office Building (a) RMB'000	Land use rights (b) RMB'000	Total RMB'000
At 1 January 2024	12,510	7,428	19,938
Additions	1,631	—	1,631
Charge for the year	(5,288)	(274)	(5,562)
Exchange adjustment	(420)	—	(420)
At 31 December 2024 and 1 January 2025	8,433	7,154	15,587
Additions	158	—	158
Charge for the year	(4,283)	(273)	(4,556)
Lease termination	(2,008)	—	(2,008)
Exchange adjustment	171	—	171
At 31 December 2025	2,471	6,881	9,352

(a) Office building leased for own use

The Group leases office buildings under leases expiring within three years. Some leases include an option to renew the lease when all terms are renegotiated. None of the leases includes variable lease payments.

(b) Land use rights

The Group's land use rights are all located in the PRC with a lease period of 30 years when granted.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

12 RIGHT-OF-USE ASSETS (Continued)

(b) Land use rights (Continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025	2024
	RMB'000	RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
– Land use rights	273	274
– Properties leased for own use	4,283	5,288
	<hr/>	<hr/>
Total amortisation and depreciation	4,556	5,562
	<hr/>	<hr/>
Interest on lease liabilities (Note 6(a))	396	471
Expense relating to short-term leases	1,843	1,488

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 21(d) and 25, respectively.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

13 INTANGIBLE ASSETS

	Software RMB'000	Patent and patent applications RMB'000	Contractual rights and customer relationships RMB'000	Trademarks RMB'000	Total RMB'000
Cost:					
At 1 January 2024	131	72,241	25,697	26,181	124,250
Exchange adjustment	—	(5,088)	(1,811)	(1,844)	(8,743)
At 31 December 2024	131	67,153	23,886	24,337	115,507
At 1 January 2025	131	67,153	23,886	24,337	115,507
Exchange adjustment	8	2,715	965	984	4,672
At 31 December 2025	139	69,868	24,851	25,321	120,179
Accumulated amortisation					
At 1 January 2024	(47)	(3,840)	(1,366)	(696)	(5,949)
Charge for the period	(24)	(7,044)	(2,506)	(1,276)	(10,850)
Exchange adjustment	—	581	207	105	893
At 31 December 2024	(71)	(10,303)	(3,665)	(1,867)	(15,906)
At 1 January 2025	(71)	(10,303)	(3,665)	(1,867)	(15,906)
Charge for the period	(13)	(6,987)	(1,858)	(1,893)	(10,751)
Exchange adjustment	(7)	(417)	(110)	(113)	(647)
At 31 December 2025	(91)	(17,707)	(5,633)	(3,873)	(27,304)
Net book value:					
At 31 December 2025	48	52,161	19,218	21,448	92,875
At 31 December 2024	60	56,850	20,221	22,470	99,601

The patents and technology know-how, contractual rights and customer relationships and trademarks were acquired through acquisition of subsidiaries, with an estimated useful life of 10 to 20 years.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

14 INVESTMENTS IN SUBSIDIARIES

(a) Information about subsidiaries

The following list contains subsidiaries which affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Company name	Date of incorporation/ establishment	Place of incorporation and business	Particulars of registered and paid-up capital	Proportion of ownership interest		Principal activities
				As at 31 December 2025	As at 31 December 2024	
Suzhou Basecare Medical Device Co., Ltd. (" Basecare Medical Device ") ("蘇州貝康醫療器械有限公司") (i)(ii)	25 February 2015	The PRC	RMB1,171,883,000/ RMB1,171,883,000	100%	100%	Research, development, manufacturing, and sales of testing kits, testing devices and instruments
Suzhou Basecare Intelligent Manufacturing Co., Ltd. (" Basecare Intelligent Manufacturing ") ("蘇州貝康智能製造有限公司") (i)(ii)	10 April 2019	The PRC	RMB10,000,000/ RMB10,000,000	100%	100%	Research, development, manufacturing and sale of testing devices and instruments
Shanghai Basecare Biological Technology Co., Ltd. (" Basecare Shanghai ") ("上海貝康生物科技股份有限公司") (i)(ii)	9 July 2021	The PRC	RMB15,000,000/ RMB15,000,000	100%	100%	Research and development of software for testing devices and instruments
Suzhou Industrial Park Basecare Biological Industry Co., Ltd. (" Basecare Industrial Park ") ("蘇州工業園區貝康生物產業有限公司") (i)(ii)	24 June 2021	The PRC	RMB12,000,000/ RMB10,000,000	83%	80%	Provision of marketing service
Basecare Medical Pte, Ltd. (" Basecare Singapore ")	24 February 2022	Singapore	USD1,000,000/ USD48,000	100%	100%	Research and development of testing devices and instruments
BMX Holdco Pte. Ltd. (" BMX ")	28 June 2022	Singapore	SGD3,199,980.97 & USD 5,506,589.2/ SGD3,199,980.97 & USD 5,506,589.2	100%	100%	Investment holding
Genea Biomedx Pty Ltd.	26 November 2003	Australia	AUD10/AUD10	100%	100%	Research, development, manufacturing and sale of testing devices, instruments and consumables

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

14 INVESTMENTS IN SUBSIDIARIES (Continued)

(a) Information about subsidiaries (Continued)

Company name	Date of incorporation/ establishment	Place of incorporation and business	Particulars of registered and paid-up capital	Proportion of ownership interest		Principal activities
				As at 31 December 2025	As at 31 December 2024	
Genea IP Holdings Pty Ltd.	18 December 2014	Australia	AUD100/AUD100	100%	100%	Research and development, of testing devices, instruments and consumables
Biomedx Innovations SL	22 November 2019	Spain	EUR3,000/ EUR3,000	100%	100%	Provision of marketing service
Genea Biomedx UK Ltd.	30 November 2012	The United Kingdom	GBP1/GBP1	100%	100%	Provision of marketing service
Genea Hong Kong Limited	31 July 2014	Hong Kong	AUD8,274,142/ AUD8,274,142	100%	100%	Provision of marketing service
Biomedx Innovations Pty Ltd	18 December 2014	Australia	AUD100/AUD100	100%	100%	Provision of marketing service
Biomedx Innovations	20 July 2021	France	EUR1,000/ EUR1,000	100%	100%	Provision of marketing service
Biomedx US LLC	30 November 2023	The United States	USD10/USD10	100%	100%	Provision of marketing service
Biomedx innovations US LLC	17 October 2024	The United States	USD5,000/ USD5,000	100%	100%	Administration

Notes:

- (i) The English translation of these entities is for reference only. The official names of the entities established in the PRC are in Chinese.
- (ii) These entities are limited liability companies established in the PRC.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

14 INVESTMENTS IN SUBSIDIARIES (Continued)

(b) The carrying amount of Interest in subsidiaries is listed below:

	2025 RMB'000	2024 RMB'000
Unlisted, at cost		
Basecare Medical Device	1,171,883	1,171,883
Basecare Intelligent Manufacturing	10,000	10,000
Basecare Shanghai	15,000	15,000
Basecare Industrial Park	10,000	8,000
Basecare Deyu (i)	—	800
BMX Holdco Pte. Ltd.	288,637	288,637
	1,495,520	1,494,320

Note:

(i) Suzhou Basecare Deyu Biotechnology Co., Ltd. ("Basecare Deyu") was deregistered on 15 January 2025.

15 GOODWILL

	RMB'000
Cost:	
At 1 January 2024	147,990
Exchange adjustment	(10,420)
	137,570
At 31 December 2024 and 1 January 2025	5,561
Exchange adjustment	143,131
At 31 December 2025	143,131

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

15 GOODWILL (Continued)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's CGUs identified according to country of operation and operating segment as follows:

	2025	2024
	RMB'000	RMB'000
Australia	143,131	137,570

The recoverable amount of the CGU is determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used in estimating the recoverable amount are as follows:

	At 31 December	At 31 December
	2025	2024
Annualised revenue growth rate during the budget period	1.10%–31.00%	14.87%–50.68%
Gross profit margin	62.50%–65.80%	52.87%–55.43%
Steady growth rate used in the extrapolation after budget period	1.90%	1.90%
Pre-tax discount rate	21.24%	20.85%

The recoverable amount of the CGU is estimated to exceed the carrying amount of the CGU at 31 December 2025 by RMB95,430,000 (2024: RMB37,236,000).

The recoverable amount of the CGU would equal its carrying amount if key assumptions were changed to the following rates:

	At 31 December	At 31 December
	2025	2024
Steady growth rate used in the extrapolation after budget period	-5.23%	-0.61%
Pre-tax discount rate	26.78%	22.44%

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

16 FINANCIAL ASSETS MEASURED AT FVPL

	2025 RMB'000	2024 RMB'000
Non-current assets		
Unlisted fund investment (i)	13,729	5,533
Derivative financial instrument (ii)	—	11,407
Unlisted equity investment (ii)	17,328	20,592
	31,057	37,532

- (i) On 10 August 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 USD1,500,000 (equivalent to approximately RMB10,543,000). The Fund principally makes equity and equity-related investments in healthcare industry.

As at 31 December 2025, the Group has contributed USD1,369,000 (equivalent to approximately RMB9,622,000) (31 December 2024: USD776,000 (equivalent to approximately RMB5,578,000)) to the fund, representing 0.9% (31 December 2024: 1.1%) of the total size of the fund. As at 31 December 2025, the Group recognised the fair value changes of RMB3,603,000 in unrealised gain on financial assets measured at FVPL (2024: unrealised gain of RMB764,000). Further details of the remaining fund investment commitment are set out in Note 29.

- (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 asset measured at FVPL with the fair value change being recognised in unrealised gain or loss on financial assets measured at FVPL (see Note 28(e)). During 2025, the Company initiated a request to Cellpro Biotech and its original shareholders for the redemption of the equity shares of Cellpro Biotech held by the Company. As at 31 December 2025, the redemption was still under negotiation.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

17 OTHER NON-CURRENT ASSETS

	2025	2024
	RMB'000	RMB'000
Value-added tax recoverable	13,612	15,386
Others	3,559	3,324
	17,171	18,710

18 INVENTORIES

	2025	2024
	RMB'000	RMB'000
Raw materials	29,353	24,331
Finished goods	33,446	18,180
Devices and instruments	25,618	31,060
Others	12,134	18,833
Total	100,551	92,404

(a) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025	2024
	RMB'000	RMB'000
Carrying amount of inventories sold	103,594	140,295
Write-down of inventories	1,746	—
Total	105,340	140,295

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

19 TRADE AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	240,728	227,024
Less: losses allowance on trade receivables	(66,514)	(61,645)
Trade receivables, net	174,214	165,379
Bill receivables	—	2,471
Trade and bill receivables, net	174,214	167,850
Prepayments to suppliers	20,225	22,117
Deposits	2,494	2,523
Interest receivables	953	2,746
Other receivables	9,450	5,043
Trade and other receivables, net	207,336	200,279

(a) Ageing analysis of trade and bill receivables

As of the end of the reporting period, the ageing analysis of the Group's trade and bill receivables, based on the invoice date and net of losses allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 6 months	166,934	161,280
6~12 months	6,944	5,363
12~18 months	336	1,207
	174,214	167,850

Trade receivables are generally due within 60 to 360 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 28(a).

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

20 OTHER CURRENT ASSETS

	2025	2024
	RMB'000	RMB'000
Value-added tax recoverable	1,319	564
Others	447	—
	1,766	564

21 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	2025	2024
	RMB'000	RMB'000
Cash at banks	250,319	574,111
Time deposits with original terms within 3 months	168,715	—
Less: Restricted cash	(4,126)	(1,362)
Cash and cash equivalents	414,908	572,749
Time deposits with original terms above 3 months	28,115	111,884

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

21 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(Continued)*

(b) Reconciliation of loss before taxation to cash used in operations:

	Note	2025 RMB'000	2024 RMB'000
Loss before taxation		(227,193)	(240,337)
Adjustments for:			
Depreciation of property, plant and equipment	6(c)	33,055	19,365
Depreciation of right-of-use assets	6(c)	4,556	5,471
Amortisation of intangible assets	6(c)	10,751	10,850
Write-down of inventories	18(a)	1,746	—
Impairment loss on trade receivables	6(c)	4,869	18,557
Net (gains)/losses on disposal of property, plant and equipment and right-of-use assets		(440)	659
Finance costs	6(a)	13,115	9,372
Foreign exchange losses/(gains)	5	4,370	(8,657)
Interest income	5	(11,798)	(25,270)
Net realised and unrealised losses/(gains) on financial assets measured at FVPL	5	10,719	(2,898)
Operating loss before changes in working capital		(156,250)	(212,888)
Changes in working capital:			
(Increase)/decrease in inventories		(9,893)	3,941
(Increase)/decrease in operating receivables		(36,187)	7,560
Increase/(decrease) in operating payables		32,510	(52,424)
Increase in contract liabilities		1,638	24,822
Increase in other non-current liabilities		3,508	277
Increase in restricted cash		(2,764)	(421)
Cash used in operations		(167,438)	(229,133)

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

21 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank loans RMB'000 (Note 24)	Interest payables on bank loans RMB'000 (Note 22)	Leases liabilities RMB'000 (Note 25)	Total RMB'000
At 1 January 2025	320,565	456	7,855	328,876
Changes from financing cash flows:				
Proceeds from bank loans	47,235	—	—	47,235
Repayments of bank loans	(27,117)	—	—	(27,117)
Bank borrowing cost paid	—	(12,738)	—	(12,738)
Payment for capital element of lease liabilities	—	—	(3,447)	(3,447)
Payment for interest element of lease liabilities	—	—	(111)	(111)
Total changes from financing cash flows	20,118	(12,738)	(3,558)	3,822
Other changes:				
Interest expense	—	12,719	396	13,115
Increase in lease liabilities from entering into new leases during the year	—	—	158	158
Lease termination	—	—	(2,085)	(2,085)
Exchange adjustment	—	—	(89)	(89)
Total other changes	—	12,719	(1,620)	11,099
At 31 December 2025	340,683	437	2,677	343,797

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

21 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(c) Reconciliation of liabilities arising from financing activities (Continued)

	Bank loans RMB'000 (Note 24)	Interest payables on bank loans RMB'000 (Note 22)	Leases liabilities RMB'000 (Note 25)	Total RMB'000
At 1 January 2024	270,132	410	11,785	282,327
Changes from financing cash flows:				
Proceeds from bank loans	90,144	—	—	90,144
Repayments of bank loans	(39,711)	—	—	(39,711)
Bank borrowing cost paid	—	(11,044)	—	(11,044)
Payment for capital element of lease liabilities	—	—	(5,136)	(5,136)
Payment for interest element of lease liabilities	—	—	(471)	(471)
Total changes from financing cash flows	50,433	(11,044)	(5,607)	33,782
Other changes:				
Interest expense	—	8,901	471	9,372
Capitalised borrowing costs	—	2,189	—	2,189
Increase in lease liabilities from entering into new leases during the year	—	—	1,631	1,631
Exchange adjustment	—	—	(425)	(425)
Total other changes	—	11,090	1,677	12,767
At 31 December 2024	320,565	456	7,855	328,876

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2025 RMB'000	2024 RMB'000
Within operating cash flows	1,202	1,179
Within financing cash flows	3,558	5,607
	4,760	6,786

All these amounts relate to the lease rentals paid.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

22 TRADE AND OTHER PAYABLES

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

	2025 RMB'000	2024 RMB'000
Within 3 months	19,335	21,670
3 ~ 6 months	3,233	2,431
6 ~ 9 months	3,907	1,228
9 ~ 12 months	2,767	157
Over 1 year	5,435	2,135
	<hr/>	
Trade payables	34,677	27,621
Payroll payables	18,591	23,698
Interest payables	437	456
Payables for purchases of property, plant and equipment	32,976	61,487
Other payables and accruals	45,918	50,619
	<hr/>	
	132,599	163,881
	<hr/>	

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

23 CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Advanced receipts from customers for sales of medical devices and instruments	3,301	1,663
	<hr/>	

Movements in contract liabilities

	2025 RMB'000	2024 RMB'000
Balance at 1 January	1,663	47
Addition	3,301	1,663
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	(1,663)	(47)
	<hr/>	
Balance at 31 December	3,301	1,663
	<hr/>	

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

24 BANK LOANS

(a) The analysis of the repayment schedule of bank loans is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year or on demand	52,018	24,358
More than 2 years but less than 5 years	214,590	246,799
After 5 years	74,075	49,408
	340,683	320,565

(b) The analysis of the carrying amount of bank loans is as follows:

	2025 RMB'000	2024 RMB'000
Secured bank loans (i)	230,183	197,065
Unsecured bank loans (ii)	110,500	123,500
	340,683	320,565

(i) As at 31 December 2025, the secured bank loans were pledged by the Group's land use right of RMB6,881,000 (2024: RMB7,154,000) and buildings of RMB255,353,000 (2024: RMB243,418,000) with an interest at 3.20%–3.65% per annum (2024: 3.30%–3.90%).

(ii) As at 31 December 2025, the unsecured bank loans represent the utilised bank facilities of RMB110,500,000 (2024: RMB123,500,000) with an interest at 3.10% per annum (2024: 3.45%) for the acquisition of subsidiaries.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

25 LEASE LIABILITIES

As of the end of the reporting period, the lease liabilities were repayable as follows:

	31 December 2025		31 December 2024	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	1,981	2,046	4,408	4,667
After 1 year but within 2 years	479	495	2,969	3,042
After 2 years but within 5 years	217	222	478	493
	696	717	3,447	3,535
	2,677	2,763	7,855	8,202
Less: total future interest expenses		(86)		(347)
Present value of lease liabilities		2,677		7,855

26 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents

	2025 RMB'000	2024 RMB'000
Provision for the year	393	374

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

26 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

(b) Movements of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements during the year are as follows:

	Credit loss allowance	Fair value adjustments in respect of net assets acquired in business combinations	Employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax assets/(liabilities) arising from				
At 1 January 2024	54	(35,465)	365	(35,046)
(Charged)/credited to profit or loss	(52)	3,248	8	3,204
Exchange adjustment	(2)	2,354	(25)	2,327
At 31 December 2024 and 1 January 2025	—	(29,863)	348	(29,515)
Credited to profit or loss	564	3,174	—	3,738
Exchange adjustment	8	(1,160)	17	(1,135)
At 31 December 2025	572	(27,849)	365	(26,912)

Reconciliation to the consolidated statement of financial position:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	937	348
Net deferred tax liabilities recognised in the consolidated statement of financial position	(27,849)	(29,863)
	(26,912)	(29,515)

(c) Deferred tax assets not recognised

As at 31 December 2025, the Group has not recognised deferred tax assets of certain entities in respect of their respective cumulative tax losses and temporary differences of RMB1,434,402,000 (2024: RMB1,110,656,000), as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

27 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company	Share capital RMB'000	Share premium RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2024	273,526	1,677,279	7,905	23,567	1,982,277
Change in equity for 2024:					
Total comprehensive income for the year	—	—	—	(41,364)	(41,364)
Balance at 31 December 2024 and 1 January 2025	273,526	1,677,279	7,905	(17,797)	1,940,913
Change in equity for 2025:					
Total comprehensive income for the year	—	—	—	(106,223)	(106,223)
At 31 December 2025	273,526	1,677,279	7,905	(124,020)	1,834,690

(b) Share capital and share premium

Issued and fully paid	Numbers of ordinary shares	Share capital RMB'000	Share premium RMB'000	Total RMB'000
At 31 December 2024 and 31 December 2025	273,526,000	273,526	1,677,279	1,950,805

(c) Dividends

No dividends were paid or declared by the Company or any of its subsidiaries during the reporting period.

(d) Nature and purpose of reserves

(i) Share premium

Share premium represents the excess of the net considerations from the shareholders of the Company over the total share capital subscribed.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

27 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Nature and purpose of reserves (Continued)

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Company and certain subsidiaries within the Group. The reserve is dealt with in accordance with the accounting policies set out in Note 2(u).

(iii) Share-based payment reserve

Share-based payment reserve recognised based on the fair value of the awarded shares in accordance with the accounting policy adopted for share-based payments in Note 2(q)(ii).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. The Group made no changes to its capital management objectives, policies or processes during 2024 and 2025.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents and time deposit is limited because the counterparties are reputable banks or financial institution, for which the Group considered have low credit risks.

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 industry or country in which the customers operate also has an influence on credit risk. As at 31 December 2025 and 2024, 36.5% and 45.7% of the total trade receivables were due from the Group's top five largest customers. Trade receivables are generally due within 60 to 360 days from the date of billing.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Credit risk *(Continued)*

The Group measures loss allowances for trade receivables at lifetime ECL. The Group determines ECL by using a provision matrix, estimated based on historical credit loss experience, the past default experience of the debtor, general economic conditions of the industry and country in which the debtors operates and an assessment of both the current and the forecast duration of condition as of the end of the reporting period. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The Group measures loss allowances for trade receivables individually or at an amount equal to lifetime ECL which is calculated using a provision matrix. As the Group's historical credit loss experience indicates significantly different loss patterns for different customer segments, the loss allowance based on past due status is further distinguished between the Group's different customer bases. The customer bases consist of the following groups:

Group 1: Customers from the operating segments of: The PRC

Group 2: Customers from the operating segments of: Australia

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

	2025		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Group 1 customers			
Current (not past due)	9.6%	74,527	(7,167)
Within 6 months past due	18.6%	24,863	(4,628)
6 ~ 12 months past due	47.9%	6,100	(2,923)
12 ~ 18 months past due	90.5%	3,531	(3,195)
18 ~ 24 months past due	100.0%	391	(391)
Over 2 years past due	100.0%	852	(852)
		110,264	(19,156)
Group 2 customers			
Current (not past due)	4.4%	44,853	(1,971)
Within 6 months past due	13.9%	4,533	(632)
6 ~ 12 months past due	28.4%	3,767	(1,068)
12 ~ 18 months past due	61.3%	1,579	(968)
18 ~ 24 months past due	97.5%	892	(870)
Over 2 years past due	100.0%	1,575	(1,575)
		57,199	(7,084)
Individual assessment	55.0%	73,265	(40,274)
		240,728	(66,514)

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

	2024		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Group 1 customers			
Current (not past due)	7.9%	121,385	(9,560)
Within 6 months past due	47.7%	46,378	(22,143)
6 ~ 12 months past due	80.9%	13,373	(10,824)
12 ~ 18 months past due	97.9%	4,444	(4,350)
18 ~ 24 months past due	100.0%	6,729	(6,729)
Over 2 years past due	100.0%	3,253	(3,253)
		195,562	(56,859)
Group 2 customers			
Current (not past due)	0.4%	17,073	(69)
Within 6 months past due	4.2%	7,489	(314)
6 ~ 12 months past due	16.2%	2,881	(468)
12 ~ 18 months past due	95.9%	2,036	(1,952)
18 ~ 24 months past due	100.0%	758	(758)
Over 2 years past due	100.0%	1,225	(1,225)
		31,462	(4,786)
		227,024	(61,645)

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Movement in the loss allowance account in respect of trade receivables and contract assets during the year is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Balance at 1 January	(61,645)	(43,088)
Impairment losses recognised	(4,869)	(18,557)
	(66,514)	(61,645)
Balance at 31 December	(66,514)	(61,645)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's shareholders when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities as of the end of the reporting periods of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current as at the end of the reporting period) and the earliest date the Group can be required to pay:

	As at 31 December 2025					Carrying amount RMB'000
	Contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	
Lease liabilities	2,046	495	222	—	2,763	2,677
Trade and other payables	132,599	—	—	—	132,599	132,599
Bank loans	63,236	154,259	97,049	88,130	402,674	340,683
	197,881	154,754	97,271	88,130	538,036	475,959

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (Continued)

	As at 31 December 2024					Carrying amount RMB'000
	Contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	
Lease liabilities	4,667	3,042	493	—	8,202	7,855
Trade and other payables	163,881	—	—	—	163,881	163,881
Bank loans	35,985	135,060	153,958	63,802	388,805	320,565
	204,533	138,102	154,451	63,802	560,888	492,301

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from cash at banks, bank loans and lease liabilities. Instruments bearing interest at variable rates and fixed rates expose the Group to cashflow interest rate risk and fair value interest rate risk respectively. The Group regularly reviews its strategy on interest rate risk management in the light of the prevailing market condition. The Group's interest rate profile as monitored by management is set out in (i) below.

(i) Interest rate profile

The following table details the interest rate profile of the Group's financial assets and liabilities as of the end of the reporting period.

	2025		2024	
	Effective interest rate %	RMB'000	Effective interest rate %	RMB'000
Fixed rate instruments:				
Lease liabilities	3.20%–4.50%	(2,677)	3.70%–4.50%	(7,855)
Bank loans	3.10%–3.65%	(340,683)	3.30%–3.90%	(320,565)
Time deposits with original terms within 3 months	3.03%–3.70%	168,715	NA	—
Time deposits with original terms above 3 months	3.58%	28,115	1.85%–4.45%	111,884
		(146,530)		(216,536)
Variable rate instruments:				
Cash at bank	0%–1.35%	246,193	0.001%–2.00%	572,749
		99,663		356,213

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(c) Interest rate risk *(Continued)*

(ii) Sensitivity analysis

The following table details the effect on the Group's loss after tax for the reporting period and accumulated losses as at the end of the reporting period that an increase/decrease of 100 basis points in interest rates would have.

	As at 31 December 2025			As at 31 December 2024		
	Increase/ (decrease) of basis point	Effect on loss after tax RMB'000	Effect on accumulated losses RMB'000	Increase/ (decrease) of basis point	Effect on loss after tax RMB'000	Effect on accumulated losses RMB'000
Interest rates	100 (100)	(852) 852	852 (852)	100 (100)	(3,481) 3,481	3,481 (3,481)

The sensitivity analysis above indicates the instantaneous change in the Group's loss after tax and accumulated losses that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's loss after tax and accumulated losses is estimated as an annualised impact on interest expense or income of such a change in interest rates.

(d) Currency risk

The Group is exposed to currency risk primarily from (i) sales and purchases which give rise to receivables, payables that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily EUR and USD and (ii) the cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate, in the PRC subsidiaries, whose functional currency is RMB and overseas subsidiaries, whose functional currency is AUD. The currencies giving rise to this risk are primarily USD and EUR.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Currency risk (Continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of the entities into the Group's presentation currency are excluded.

	Exposure to foreign currencies (expressed in Renminbi)	
	As at 31 December 2025	
	USD RMB'000	EUR RMB'000
Cash and cash equivalents	179,243	8,969
Trade and other receivables	23,608	35,962
Restricted cash	1	412
Lease liabilities	—	(848)
Trade and other payables	(152)	(11,718)
Net exposure arising from recognised assets	202,700	32,777
	Exposure to foreign currencies (expressed in Renminbi)	
	As at 31 December 2024	
	USD RMB'000	EUR RMB'000
Cash and cash equivalents	285,782	6,611
Trade and other receivables	12,681	16,676
Restricted cash	—	376
Lease liabilities	—	(879)
Trade and other payables	(1,263)	(1,942)
Net exposure arising from recognised assets	297,200	20,842

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Currency risk *(Continued)*

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax (and accumulated losses) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2025		2024	
	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses	Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses
USD (against CNY)	10%	(20,270)	10%	(29,720)
	(10)%	20,270	(10)%	29,720
EUR (against CNY)	10%	(3,278)	10%	(2,084)
	(10)%	3,278	(10)%	2,084

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' loss after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting periods on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

Financial assets at fair value through profit or loss

The Group has a team with assistance of external valuers, performing valuations for the financial instruments, including unlisted equity investment and put options which are categorised into Level 3 of the fair value hierarchy. The team reports directly to the head of finance department. A valuation analysis of changes in fair value measurement is prepared by the team periodically, and is reviewed and approved by the head of finance department.

	Fair value at	Fair value measurements as		
	31 December	at 31 December 2025 categorised into		
	2025	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurements				
Financial assets:				
Unlisted fund investments	13,729	—	13,729	—
Derivative financial instrument	—	—	—	—
Unlisted equity investment	17,328	—	—	17,328
	31,057	—	13,729	17,328

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Financial assets at fair value through profit or loss (Continued)

	Fair value at 31 December 2024 RMB'000	Fair value measurements as at 31 December 2024 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurements				
Financial assets:				
Unlisted fund investments	5,533	—	5,533	—
Derivative financial instrument	11,407	—	—	11,407
Unlisted equity investment	20,592	—	—	20,592
	37,532	—	5,533	31,999

During the year ended 31 December 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of unlisted fund investment is determined by the financial institution based on the observable quoted price of the underlying investment portfolio.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Derivative financial instrument	Black-Scholes model	2025: Exercise probability (2024: Expected volatility)	0% (31 December 2024: 62.27%)	Note a
Unlisted equity investment	Market method	LoMD	25% (31 December 2024: 20%)	1% increase/(decrease) in discount rate would result in (decrease)/increase in fair value by RMB208,000 (31 December 2024: RMB400,000).

Note a: 1% increase in exercise probability would result in increase in fair value by RMB150,000 (31 December 2024: 1% increase/(decrease) in expected volatility would result in increase/(decrease) in fair value by RMB28,000).

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements (Continued)

The movements during the period in the balance of these Level 3 financial assets at fair value through profit or loss was as follows:

	2025 RMB'000	2024 RMB'000
Derivative financial instrument		
At 1 January	11,407	13,155
Changes in fair value recognised in profit or loss during the year	(11,407)	(1,748)
At 31 December	—	11,407
Total gains or losses for the year included in profit or loss from continuing operations	(11,407)	(1,748)
Unlisted equity investment		
At 1 January	20,592	17,168
Changes in fair value recognised in profit or loss during the year	(3,264)	3,424
At 31 December	17,328	20,592
Total gains or losses for the year included in profit or loss from continuing operations	(3,264)	3,424

(ii) Fair values of financial assets and liabilities carried at other than fair value

All financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2025 and 2024.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

29 COMMITMENTS

Capital commitments outstanding at 31 December 2025 and 2024 not provided for in the consolidation financial statements were as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Authorised and contracted for		
– Property, plants and equipment	3,037	56,327
– Fund investment (Note 16)	921	5,205
	3,958	61,532

30 MATERIAL RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The Group carried out the following transactions with its related parties during the year:

Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9 is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries, allowances and benefits in kind	7,578	7,394
Discretionary bonuses	1,598	2,151
Retirement scheme contributions	119	205
	9,295	9,750

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

31 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

		31 December 2025	31 December 2024
	Note	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		334,861	323,530
Right-of-use assets		6,881	10,014
Interest in subsidiaries	14	1,495,520	1,494,320
Financial assets measured at fair value through profit or loss (FVPL)	16	31,057	37,532
Other non-current assets		8,231	15,387
		1,876,550	1,880,783
Current assets			
Trade and other receivables		83,664	67,175
Restricted cash		792	—
Cash and cash equivalents		260,511	399,654
		344,967	466,829
Current liabilities			
Trade and other payables		40,823	78,852
Contract liabilities		4,793	3,659
Lease liabilities		—	1,742
Bank loans		52,018	24,358
		97,634	108,611
Net current assets		247,333	358,218
Total assets less current liabilities		2,123,883	2,239,001

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

31 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (Continued)

	31 December 2025	31 December 2024
Note	RMB'000	RMB'000
Non-current liabilities		
Bank loans	288,665	296,207
Other non-current liabilities	528	676
Lease liabilities	—	1,205
	<hr/>	<hr/>
NET ASSETS	1,834,690	1,940,913
	<hr/>	<hr/>
CAPITAL AND RESERVES		
	27	
Share capital	273,526	273,526
Reserves	1,561,164	1,667,387
	<hr/>	<hr/>
TOTAL EQUITY	1,834,690	1,940,913
	<hr/>	<hr/>

Approved and authorised for issue by the board of directors on 30 March 2026.

Liang Bo
Director

Kong Lingyin
Director

32 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

There were no material non-adjusting events after the reporting period.

Notes to the Financial Statements

(Expressed in Renminbi Yuan unless otherwise indicated)

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures — Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027
Amendments to IAS 21, <i>Translation to a hyperinflationary presentation currency</i>	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i>	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and position of the Group.

Definitions

“AI”	artificial intelligence
“Articles of Association”	articles of association of our Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Basecare Intelligent Manufacturing”	Suzhou Basecare Intelligent Manufacturing Co., Ltd. (蘇州貝康智能製造有限公司), a company established in the PRC with limited liability on April 10, 2019 and a wholly-owned subsidiary of our Company
“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 annual report. Basecare Investment is one of our Controlling Shareholders
“Basecare Medical Device”	Suzhou Basecare Medical Device Co., Ltd. (蘇州貝康醫療器械有限公司), a company established in the PRC with limited liability on February 25, 2015 and a wholly-owned subsidiary of our Company
“BMX”	BMX Holdco Pte. Ltd., a company incorporated in Singapore and a wholly owned subsidiary of the Company as of the date of this annual report
“BMX Acquisition”	the acquisition of BMX and its seven subsidiaries by the Company, which was completed on June 21, 2024
“Bo Feng”	Zhangjiagang Bo Feng Equity Investment Partnership (Limited Partnership) (張家港博豐股權投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC on October 27, 2024
“Board” or “Board of Directors”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“Broad Vision Investment”	Zhangjiagang Broad Vision Investment Fund (Limited Partnership) (張家港博華創業投資合夥企業(有限合夥)), previously known as Ningbo Meishan Free Trade Port Area Bohua Guangzheng Venture Capital Partnership (Limited Partnership) (寧波梅山保稅港區博華光證創業投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC on May 11, 2018
“CE”	European conformity (conformité européenne)
“Company”, “our Company” or “the Company” or “Basecare Medical”	Suzhou Basecare Medical Corporation Limited (蘇州貝康醫療股份有限公司)
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules

Definitions

“China” or “the PRC”	the People’s Republic of China excluding, for the purpose of this annual report, Hong Kong, Macau Special Administrative Region and Taiwan
“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”	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for purposes of this annual report, for the purposes of this annual report, our Core Product refers to our PGT-A kit
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Shares”	ordinary shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by domestic investors
“Dr. Liang”	Dr. LIANG Bo (梁波), our founder, executive Director, chairman of the Board, general manager and Controlling Shareholder
“FDA”	The United States Food and Drug Administration
“Global Offering”	the offer of H Shares for subscription as described in the Prospectus
“GMP”	Good Manufacturing Practice, guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (《中華人民共和國藥品管理法》) as part of quality assurance which aims to minimize the risks of contamination, cross contamination, confusion and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use
“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
“Hillhouse HK”	HH SPR-XIV HK Holdings Limited, a limited company incorporated in Hong Kong on July 12, 2018 and a Pre-IPO Investor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“iARMS”	intelligent assisted reproduction management system
“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

“IVM”	in vitro maturation
“Jiangsu MPA”	the Jiangsu Medical Products Administration(江蘇省藥品監督管理局)
“Listing” or “IPO”	the listing of the H Shares on the Main Board of the Stock Exchange on the Listing Date
“Listing Date”	February 8, 2021, being the date on which the H Shares were listed on the Main Board
“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 C3 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
“Nomination Committee”	the nomination committee of the Board
“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)
“PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“Prospectus”	the prospectus issued by the Company dated January 27, 2021
“R&D”	research and development
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Renminbi” or “RMB”	Renminbi Yuan, the lawful currency of China
“Reporting Period”	the year ended December 31, 2025
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	shares in the share capital of our Company, with a nominal value of RMB1.00 each, comprising our Domestic Shares, Unlisted Foreign Shares and H Shares

Definitions

“Shareholder(s)”	holder(s) of the Shares
“sq.m”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Suzhou Sungent”	Suzhou Industrial Park Sungent Bio-Venture Capital Investment Enterprise (Limited Partnership) (蘇州工業園區新建元生物創業投資企業(有限合夥)), a limited partnership incorporated in the PRC on October 28, 2013 and a Pre-IPO Investor
“TGA”	The Therapeutic Goods Administration of Australia
“treasury shares”	has its meaning ascribed under the Listing Rules
“Unlisted Foreign Shares”	unlisted ordinary Share(s) issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for in a currency other than RMB
“%”	per cent