



Kindstar Globalgene Technology, Inc.
康聖環球基因技術有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 9960



2025
Annual Report

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Definitions

“AGM”	the annual general meeting of the Company to be held on Friday, June 5, 2026
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Audit Committee”	the audit committee of the Company
“Auditor”	Ernst & Young, the auditor of the Company
“Beijing Hightrust”	Beijing Hightrust Medical Laboratory Co., Ltd. (北京海思特醫學檢驗實驗室有限公司) (formerly known as Beijing Hightrust Clinical Laboratory Co., Ltd. (北京海思特臨床檢驗所有有限公司)), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Chengdu Shengyuan”	Chengdu Shengyuan Medical Laboratory Co., Ltd. (成都聖元醫學檢驗實驗室有限公司), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China and, except where the context requires and only for the purpose of this report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan. “Chinese” shall be construed accordingly
“Companies Act”	the Companies Act (2023 Revision) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company,” “our Company”, “the Company” or “Kindstar Global”	Kindstar Globalgene Technology, Inc., (康聖環球基因技術有限公司) an exempted company with limited liability incorporated under the laws of the Cayman Islands, the Shares of which are listed on the Main Board (stock code: 9960)
“COVID-19”	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2
“CRO”	Contract Research Organizations

“Director(s)”	the director(s) of the Company
“Global Offering”	the global offering of the Shares in connection with the Listing
“Group,” “our Group,” “the Group” or “we”	the Company and its subsidiaries (including the PRC Consolidated Entities)
Guangzhou AnchorDx”	Guangzhou AnchorDx Medical Co., Ltd. (廣州市基準醫療有限責任公司), a limited liability company incorporated in the PRC and a PRC Consolidated Entity
“Guangzhou Kangchengweiye WFOE”	Guangzhou Kangchengweiye Biotechnology Co., Ltd. (廣州康丞唯業生物科技有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“Guangzhou Xinuo”	Guangzhou Xinuo Medical Laboratory Co., Ltd. (廣州希諾醫學檢驗實驗室有限公司), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaxi Kindstar”	Sichuan Huaxi Kindstar Medical Laboratory Co., Ltd. (四川華西康聖達醫學檢驗有限公司), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity
“IFRS”	International Accounting Standards (“ IAS ”), International Financial Reporting Standards, amendments and the related interpretations issued by the International Accounting Standards Board (“ IASB ”)
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/ which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not our connected persons or associates of our connected persons as defined under the Listing Rules
“Kindstar Beijing WFOE”	Kindstar Global (Beijing) Technology, Inc. (康聖環球(北京)醫學技術有限公司) (formerly known as Kangxing Shengda (Beijing) Technology Co., Ltd. (康興聖達(北京)科技有限 公司)), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“Kindstar Biotech”	Wuhan Kindstar Biotech Technology Co., Ltd. (武漢康聖貝泰生物科技有限公司), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity

Definitions

“Kindstar Global Wuhan”	Kindstar Global (Wuhan) Medical Esoteric Technology Co., Ltd. (康聖環球醫學特檢技術服務(武漢)集團有限公司), a limited liability company established in the PRC and a PRC Consolidated Entity
“Kindstar Investment”	Kindstar (Wuhan) Investment Management Co., Ltd. (康聖環球(武漢)投資管理有限 公司), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity
“Kindstar Wuhan WFOE”	Kindstar Global Medical Technology (Wuhan) Co., Ltd. (康聖環球醫學科技(武漢)集團 有限公司), a limited liability company established under the laws of the PRC and a whollyowned subsidiary of the Company
“Kindstar Zhenyuan”	Wuhan Kindstar Zhenyuan Medical Laboratory Co., Ltd. (武漢康聖真源醫學檢驗所有 限公司), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity
“Latest Practicable Date”	April 21, 2026, being the latest practicable date for ascertaining certain information and data contained in this annual report prior to its bulk printing and publication
“Listing”	the listing of the Shares on the Main Board on the Listing Date
“Listing Date”	July 16, 2021, on which dealings in the Shares first commenced on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Memorandum and Articles of Association”	the memorandum and articles of association of the Company, as amended from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Company
“Option”	a right to subscribe for Shares granted pursuant to the terms of the Post-IPO Option Scheme
“Post-IPO Option Scheme”	the post-IPO share option scheme adopted by the Company on June 22, 2021

“Post-IPO RSU Scheme”	the post-IPO restricted share unit scheme adopted by the Company on June 22, 2021
“PRC Consolidated Entity(ies)”	entity(ies) whose financial results have been consolidated and accounted for as subsidiaries of the Company by virtue of variable interest entity structure
“Pre-IPO Stock Incentive Plans”	the pre-IPO stock incentive plans adopted by the Company on March 14, 2013, December 20, 2015 and December 1, 2016
“Prospectus”	the prospectus of the Company dated June 29, 2021
“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period”	the year ended December 31, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai SimpleGene”	Shanghai SimpleGene Medical Laboratory Co., Ltd. (上海新培晶醫學檢驗所有限公司) (formerly known as Shanghai Meizhong Clinical Testing Center Co., Ltd. (上海美眾臨床檢驗中心有限公司) and Shanghai Meizhong Medical Laboratory Co., Ltd. (上海美眾醫學檢驗所有限公司)), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity
“Shanghai Xinuo”	Shanghai Xinuo Medical Laboratory Co., Ltd. (上海希諾醫學檢驗實驗室有限公司), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00025 each
“Share Subdivision”	the share subdivision referred to in “Appendix IV – Statutory and General Information – A. Further Information about Our Company and Our Subsidiaries – 4. Written Resolutions Passed by Our Shareholders on June 22, 2021” in the Prospectus where, upon completion of the conversion of the preference shares, our Directors be authorized to subdivide each of our issued and unissued shares of par value US\$0.001 each into four Shares of par value US\$0.00025 each, such that following the Share Subdivision, the authorized share capital of the Company shall be US\$500,000 divided into 2,000,000,000 Shares of par value US\$0.00025 each

Definitions

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Kindstar”	Tianjin Kindstar Medical Laboratory Co., Ltd. (天津康聖達醫學檢驗實驗室有限公司) (formerly known as Ounuoaan (Tianjin) Medical Technology Co., Ltd. (歐諾安(天津)醫學科技有限公司)), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity
“treasury Shares”	has the meaning ascribed to it under the Listing Rules
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States
“Wuhan Haixi”	Wuhan Haixi Life Science Technology Co., Ltd (武漢海希生命科技有限公司), a limited liability company established under the laws of the PRC
“Wuhan Kindstar”	Wuhan Kindstar Medical Laboratory Co., Ltd. (武漢康聖達醫學檢驗所有限公司), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity
“Xinjiang Kindstar”	Xinjiang Kindstar Medical Laboratory Co., Ltd. (新疆康聖達醫學檢驗所有限公司), a limited liability company established under the laws of the PRC and a PRC Consolidated Entity
“%”	percent

In this report, the terms “associate,” “close associate,” “connected person,” “connected transaction,” “continuing connected transaction,” “controlling shareholder,” “core connected person,” “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this report have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

Corporate Information

Board of Directors

Executive Directors

Dr. Huang Shiang (*Chairman and Chief Executive Officer*)
Mr. Tu Zanbing
Ms. Chai Haijie

Non-executive Directors

Mr. Huang Zuie-Chin
Mr. Peng Wei
Ms. Huang Lu
Dr. David Guowei Wang
(*appointed with effect from March 27, 2026*)

Independent Non-executive Directors

Dr. Yao Shanglong
Dr. Xia Jinping
Mr. Gu Huaming
Dr. Gang Wang
(*appointed with effect from March 27, 2026*)

Audit Committee

Dr. Xia Jinping (*Chairman*)
Mr. Huang Zuie-Chin
Mr. Gu Huaming

Remuneration Committee

Mr. Gu Huaming (*Chairman*)
Dr. Xia Jinping
Mr. Tu Zanbing

Nomination Committee

Dr. Huang Shiang (*Chairman*)
Ms. Huang Lu
Dr. Yao Shanglong
Dr. Xia Jinping
Mr. Gu Huaming

Company Secretaries

Ms. Chai Haijie
Ms. Lee Mei Yi (*resigned with effect from August 29, 2025*)

Authorized Representatives

Ms. Chai Haijie
Ms. Lee Mei Yi (*resigned with effect from August 29, 2025*)
Mr. Tu Zanbing (*appointed with effect from August 29, 2025*)

Hong Kong Legal Advisor

Jingtian & Gongcheng LLP
Suites 3203-3209
32/F., Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

Registered Office

P.O. Box 472, 2nd Floor
Harbour Place, 103 South Church Street
George Town, Grand Cayman KY1-1106
Cayman Islands

Head Office and Principal Place of Business in the PRC

Biolake D2-1, 666 Gaoxin Road
East Lake High Tech Zone
Wuhan, Hubei
PRC

Corporate Information

Principal Place of Business in Hong Kong

Room 1920, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Company's Website

www.kindstar.com.cn

Principal Share Registrar

International Corporation Services Limited
Harbour Place
2nd Floor
103 South Church Street
P.O. Box 472
George Town
Grand Cayman KY1-1106
Cayman Islands

Hong Kong Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal Banks

Standard Chartered Bank (HK) Limited
China Merchants Bank Wuhan Branch
CITIC Bank Optics Guanggu Free Trade Zone Branch

Stock Code

9960

Five-Year Financial Summary

Condensed Consolidated Statement of Comprehensive Income

	2025	For the year ended December 31,			
		2024	2023	2022	2021
		RMB'000			
Revenue	933,565	927,568	967,260	1,386,591	930,673
Gross profit	410,880	439,563	451,129	603,055	485,770
Gross profit margin	44.0%	47.39%	46.64%	43.50%	52.20%
Profit/(Loss) before tax	(40,385)	(56,190)	43,322	83,316	(1,453,988)
Profit/(Loss) for the year	(55,149)	(60,681)	36,447	77,484	(1,454,234)

Condensed Consolidated Statement of Financial Position

	2025	As at December 31,			
		2024	2023	2022	2021
		RMB'000			
Assets					
Non-current assets	1,683,985	1,528,339	960,630	976,544	530,791
Current assets	2,070,533	2,246,527	2,708,579	2,748,800	2,658,168
Total assets	3,754,518	3,774,866	3,669,209	3,725,344	3,188,959
Liabilities					
Non-current liabilities	230,943	96,063	30,457	10,062	11,738
Current liabilities	737,813	854,445	743,771	861,553	452,413
Total liabilities	968,756	950,508	774,228	871,615	464,151
Total equity/(deficit)	2,785,762	2,824,358	2,894,981	2,853,729	2,724,808

Chairman's Statement

Dear Shareholders, Partners and Colleagues,

On behalf of the Board of Directors and the management of Kindstar Global, I would like to express my sincere gratitude to friends from all walks of life who have long placed their trust in and supported the development of the Company.

2025 marked a pivotal year, characterized by a combination of normalized healthcare regulation and surging demand for precision medicine. Against a volatile macroeconomic environment and ongoing headwinds, Kindstar Global has demonstrated exceptional operational resilience and strategic resolve by successfully upgrading its business structure from “a competitive edge in single hematology testing” to “a multi-disciplinary matrix synergy”, consolidating its core foundation while forging an entirely new growth curve.

Review of 2025: Strategic Upgrading and Diversified Growth

In 2025, the Group implemented the resource allocation strategy of “Hematology as the Foundation + Oncology as the Navigator”, which delivered remarkable results. Our traditional core strength, hematology testing, further reinforced the Group's core business foundation.

More encouragingly, through the deep integration of AnchorDx in 2025 and the strategic acquisition of Shanghai Pillar Biotech Co., Ltd. in early 2026, Kindstar Global achieved a strategic leap from “point breakthroughs” to a “full industrial chain closed-loop” in precision diagnosis and treatment of solid tumors. With these strategic efforts, Kindstar Global has formally established a comprehensive business ecosystem covering three core segments: early screening and diagnosis of tumors, companion diagnostics, and recurrence monitoring (MRD). This marks a critical milestone in Kindstar Global's evolution from a “hematology leader” to a “pan-tumor platform”, equipping it with strong capabilities to provide full-lifecycle management services for cancer patients.

In addition, our business lines including neuroscience, rheumatology and immunology, as well as maternity and pediatrics, also delivered strong performance, with overall sample testing volume growth exceeding 50%. Driven by our laboratory co-construction model, revenue from co-construction business grew by a notable 48% for the full year. This deeply integrated operating model has not only built high-stickiness customer barriers but also ensured high business continuity amid a complex environment.

Driven by Innovation: Dual Engines of Growth and Technological Independence

Commitment to R&D and innovation underpins Kindstar Global's standing in the industry. In 2025, our sustained breakthroughs in high-barrier technologies allowed us to capture tangible market dividends and secure commanding heights in future technologies.

First, we have built a mature product matrix for early cancer screening. Leveraging synergies from the aforementioned strategic mergers and acquisitions, our early screening product portfolio has fully moved beyond proof-of-concept and is supported by robust evidence-based medical data. We have strategically focused on major high-prevalence cancer types in China with large market potential, including lung cancer and gastric cancer. Facing a trillion-scale blue ocean market, we are well positioned to rapidly seize market share with mature solutions, translating substantial clinical demand into robust growth momentum for the Company.

Furthermore, Tuoruijing, a portfolio company of the Group, has independently developed a new-generation ultra-multiplex PCR platform. With its disruptive advantages of high throughput, rapid turnaround time and powerful genotyping capability, the platform demonstrates unparalleled advantages in the genotyping of complex pathogens and gene mutations, providing faster and more accurate evidence for clinical decision-making. In 2026, this platform is expected to transition from R&D to commercialization, establishing an exclusive competitive moat with high technological barriers and serving as a core engine for the Company's next phase of explosive growth.

Outlook on 2026: Strive for the Highest Goals by Conquering the Greatest Challenges

In 2026, China's precision medicine industry is entering a "deeper stage" with both opportunities and challenges. We will take on the guiding principle of "strive for the highest goals by conquering the greatest challenges": In facing the "greatest challenges", we will proactively step outside our comfort zone, concentrate resources to breakthroughs in multi-omics data integration and cutting-edge companion diagnostic technologies, and strengthen our competitive moat through the synergistic "IVD + LDT" dual-track model to secure absolute leadership in core technologies. In pursuing the "highest goals", we will deepen the integration of high-quality technologies with clinical scenarios through the path of "introduction – assimilation – innovation", establishing a sustainable growth ecosystem. We firmly believe that only by daring to challenge the most difficult technological frontiers can we reach the farthest future.

"Time will come for us to ride the wind and cleave the waves". Kindstar Global will build differentiated competitive barriers through a balanced offensive and defensive strategy. We are confident that, with the wisdom and dedication of all our employees, we will deliver sustainable returns to shareholders, provide more precise diagnosis and treatment for patients, and lead China's precision medicine industry to new heights.

Finally, I would like to thank all employees, customers, partners, and shareholders once again for your tremendous support. Let us join hands to write a new chapter in 2026.

Chairman

Huang Shiang

Hong Kong

March 27, 2026

Business Review and Outlook

In 2025, amid a backdrop of normalized regulation in the healthcare industry and surging demand for precision medicine, Kindstar Global demonstrated strong business resilience and forward-looking expansion logic, achieving a strategic upgrade to its business structure. Although the overall macroeconomic growth moderated, the Company's core businesses performed steadily. The synergistic advantages of our multi-technology platforms and the nationwide network of specialized services ensured a solid operating foundation. The Company's traditional core strength, hematology testing, continued to play a solid role as the "ballast stone". Through technological iteration and channel penetration, this segment further consolidated its market share. Meanwhile, the solid tumor segment that we strategically focus on began to unlock its market potential. Non-hematology specialties including neuroscience, infectious diseases and autoimmunity recorded significant growth. The multi-disciplinary portfolio effectively mitigated risks arising from policy fluctuations and laid a solid resource foundation for the Company's long-term sustainable growth.

Steady Development of Specialty Esoteric Testing Businesses

Building on years of focused efforts, the Group has established profound technological barriers in core specialty areas including hematology, oncology, neuroscience and infectious diseases. Based on our keen insight into industry trends, we further optimized our strategic resource allocation, under which the hematology segment maintains a stable core foundation while the oncology segment drives growth. During the Reporting Period, the Group continued to deepen strategic ties with key hospitals through the joint laboratory model. In 2025, revenue from the Group-wide joint laboratory business surged by 48%, which not only validated the Company's successful transition in applying its esoteric testing technologies to in-hospital settings, but also built high-stickiness customer barriers through in-depth operations, ensuring sustained business continuity amid a complex industry environment.

In 2025, the coverage of hematology testing services was further expanded, with more than 100 newly added partner hospitals during the year. We advanced the joint development of multiple hematology precision platforms with leading hospitals including Fujian Union Hospital, Shanghai Zhongshan Hospital, and The Second Hospital Affiliated to Guangxi Medical University, and accelerated the implementation of a standardized system for the precise diagnosis and treatment of lymphoma in partnership with Roche Diagnostics. Our pediatric hematology segment continued to deepen our presence in pediatric hematology-oncology hospitals and pediatric hematology departments of large Class 3A hospitals, partnering with nearly 300 hospitals for the full year. The segment's NGS-based IG/TCR rearrangement testing product enables precise detection of minimal residual disease (MRD) for clinical patients with lymphoid hematologic tumors, and recorded sales growth of nearly 50% during the year. The rapid scaling of the business fully demonstrates its clinical recognition and technological advantages.

In the solid tumor sector, the Group demonstrated strong growth momentum. Leveraging its dual strategic layout on “known tumor” and “unknown tumor” segments, the Group’s solid tumor MRD testing business achieved explosive growth, with revenue doubling year on year. During the Reporting Period, driven by both clinical testing and pharmaceutical partnership engines, the Group added top-tier institutions including Tianjin Medical University Cancer Hospital and Tongji Hospital to its partner network. The Group also deepened its strategic cooperation with GeneMind to jointly build a closed-loop high-throughput sequencing ecosystem. Substantive breakthroughs were made in in-hospital joint laboratory projects. As an example, the NGS platform jointly established with Huazhong University of Science And Technology Affiliated Tongji Hospital (華中科技大學附屬同濟醫院) has been officially put into operation, integrating upstream and downstream resources to form a mature full-process laboratory solution. Technologically, the Group successfully developed a personalized custom MRD product based on whole-genome sequencing (WGS), which accurately targets low ctDNA-release tumor indications such as early-stage lung adenocarcinoma and breast cancer. Going forward, the Group will conduct high-level clinical research centered on this core technology to establish an academic leadership position in minimal residual disease monitoring.

2025 marked the first year following AnchorDx’s formal integration into the Group. By absorbing AnchorDx’s team and products, we took our first strategic step in early screening and early diagnosis of solid tumors. During the Reporting Period, breakthroughs were achieved across all signature product lines. PulmoSeek® Plus, our product for early lung cancer screening, was included in the second batch of the National Medical Products Administration’s pilot program for vitro diagnostic reagents by medical institutions (LDT) earlier this year. In December 2025, together with the co-development unit, The First Affiliated Hospital of Guangzhou Medical University, we completed the filing work of LDT and achieved full implementation for in-hospital testing. This regulatory compliance qualification has established a differentiated competitive barrier for our early lung cancer screening business and unlocked large-scale growth potential in this blue-ocean market.

In 2025, UriFind®, the urothelial carcinoma detection product under AnchorDx, achieved a historic inflection point from early-stage development to normalized procurement and scaled-up volume, with its testing volume steadily rebounding. The Company has built a highly competitive funnel-shaped hospital access matrix: over 200 hospitals in the development stage and more than 140 authorized hospitals. This robust access pipeline not only validates the core clinical value of the products but also provides solid and predictable support for the Group’s sustained revenue growth going forward. Gastromia®, a non-invasive early gastric cancer detection product for digestive system, completed the NMPA registration review for Class III in vitro diagnostic medical devices at the end of 2025 and obtained the Class III medical device registration certificate in January 2026. Backed by AnchorDx’s core technology platform and proprietary oncology segment, Kindstar Global has strategically completed the construction of a full-cycle solid tumor management system, fully covering the entire business closed-loop from early screening, auxiliary diagnosis to recurrence monitoring (MRD) and companion diagnosis. This has enabled its testing capabilities to deeply penetrate solid tumor areas across three core systems: respiratory, digestive and urinary, and forming interdisciplinary and comprehensive clinical service capabilities. With the commercial launch of multiple signature products from AnchorDx, the Group’s “Grand Oncology” segment will steadily shift from “strategic reserve” to “performance driver”.

Business Review and Outlook

In the field of neurology, building on comprehensive disease testing coverage, we added 41 new testing assays and 83 new hospitals for testing collaboration by precisely identifying clinical needs throughout the year. In addition, leveraging deep strategic collaboration with Nanfang Hospital and Nanfang Hospital Medical Alliance (南醫醫聯體), the Company continued to improve the efficiency of regional medical resource integration. Meanwhile, the neurology business proactively explored cooperation potential with a number of upstream enterprises in neurodegenerative diseases, laying a strategic foundation for capturing future growth opportunities.

In terms of the maternity and pediatrics business, we added esoteric testing items covering mass spectrometry, immunology and molecular diagnostic platforms in 2025, with key breakthroughs in cutting-edge areas including diabetes antibodies, podocyte injury and monoclonal antibody drug concentration monitoring, significantly enhancing market competitiveness in this segment. The signature pediatric neurology program published major research results in international journals based on the MOG-IgG multi-center study and CBA testing technology, strengthened its brand endorsement at the clinical front through an academic-driven model. For pediatric endocrinology, signature items including multiple steroid hormone tests, vitamin panel tests and trace element tests were rolled out. Through in-depth business cooperation with several top national children's specialty hospitals, we effectively expanded clinical coverage and brand influence.

In 2025, we closely monitored market trends and continuously optimized the strategic layout of our new specialty esoteric testing business. In the field of rheumatology and immunology testing, the Company focused deeply on the two core application scenarios of pregnancy immune abnormalities and renal injury, while thoroughly exploring clinical testing needs and optimizing its product portfolio. During the Reporting Period, the segment maintained a positive momentum of "stable existing business plus explosive incremental growth", with sample testing volume growing by over 50%. In terms of cardiovascular testing and endocrine testing, we continued to strengthen the R&D commercialization and clinical delivery capabilities of relevant technology platforms. At present, each of the two segments steadily provides more than 200 testing items, further highlighting its systematic advantages. During the year, key breakthroughs were achieved in the translation of R&D achievements in the relevant segments: 1 new approved Class I reagent for mass spectrometry testing items was obtained, 1 Class II in vitro diagnostic assay kit was obtained, and two utility model patents were added. The implementation of the above projects has boosted our in-depth clinical collaboration with many top domestic medical institutions, providing a core driving force for the long-term sustainable growth of the relevant businesses.

Scientific Research and Innovation to Drive the Development of the Industry

Upholding innovation-driven development is fundamental to our standing in the industry. In 2025, the scientific research department of the Group published 13 articles, applied for 56 patents, of which 25 were granted, including 6 invention patents, and obtained 54 copyrights. During the Reporting Period, the Group had 131 new R&D detection projects in total, including 48 projects related to molecular biology detection technology, 21 projects related to flow cytometry detection technology, 11 projects related to cytogenetic detection technology, 6 projects related to hematopathology testing technology, and 45 projects related to clinical laboratory and pathology testing.

In terms of R&D, we continued to develop a variety of key projects during the Reporting Period, including the development of MRD monitoring for acute myeloid leukemia based on the NGS technology platform, detection of 144 gene mutations in multiple myeloma, development of whole-genome ROH and triploidy prediction software using NGS, establishment of a CNV and CN-LOH interpretation database for hematologic malignancies, establishment of a fusion rearrangement interpretation database for hematologic malignancies, and nearly 30 different types of FISH assays, among other sophisticated testing programs. We have also made remarkable progress in multiple areas of CAR-T clinical monitoring and efficacy evaluation. Our R&D projects cover core indicators such as the in vivo expansion quantity of CAR-T cells, transgene copy number, and patients' immune functional status. Meanwhile, based on cutting-edge target research, the Company has successfully developed a number of esoteric testing items targeting multiple myeloma (MM) and T-cell targets, representing a major breakthrough in technological application.

The Company has jointly developed a product for lymphoma ctDNA-MRD detection with Roche Diagnostics. We are currently conducting a large-scale real-world observational study in collaboration with top lymphoma centers across China, and interim data have fully confirmed its detection performance is highly aligned with expectations. In parallel, some leading institutions have initiated interventional studies based on this system, advancing its role from a monitoring tool to clinical decision support. Technically, building on its extensive whole-genome data accumulation in lymphoma and real-world validation experience, the product has established a comprehensive technological barrier. Leveraging the sophistication of its underlying design and high data threshold, it has significantly raised the cost of imitation, creating an insurmountable market moat.

Building High-Barrier Technologies to Drive Future Growth

In 2025, LymScan®, the Group's core immune repertoire product for minimal residual disease (MRD) monitoring in hematologic malignancies achieved leapfrog growth, with segment revenue surging nearly 50% year-on-year. Supported by its strong clinical substitution value, the business saw significantly enhanced customer stickiness, and we have forged in-depth commercial cooperation with BeOne Medicines after successfully passing its supplier qualification review. In terms of technical endorsement, our subsidiary Kindstar Biotech's Ig/TCR technology continues to maintain global leadership, having been awarded the EuroClonality EQA Top Performance Certificate for two consecutive years (2024-2025), underscoring the Company's technological influence in this field. For the health monitoring market, the Company completed a major version upgrade of "KangbeiTest Plus (康貝測 Plus)", its T-cell immune function assessment product, with the number of detectable clonotypes – a core indicator – increasing by up to 18-fold, while filing relevant intellectual property applications simultaneously. Furthermore, the Group achieved a key breakthrough in digital transformation: its first immune dataset for healthy populations has been officially launched and certified.

Business Review and Outlook

Leveraging strong industrialization capability of R&D results, Haixi Biological, the Group's reagent development platform, has built a diversified reagent product matrix covering NGS capture, multiplex amplification, universal library preparation, single-gene and fusion gene detection, and organ transplantation-related products. As at the date of this report, the number of product categories from R&D industrialization has exceeded 180. By precisely aligning with clinical demands, the penetration rate of the relevant business in the hospital market has increased significantly, with revenue growing 76.8% year-on-year. Responding actively to the trend of domestic sequencing platform substitution, Haixi Biological completed performance upgrades and platform adaptation for its existing NGS targeted capture reagent kits. At present, the Company's NGS reagent kits are fully compatible with major domestic NGS platforms, including MGI (華大智造), GeneMind (真邁生物) and CeloPharma (賽陸醫療), greatly expanding the application scope of our products. Launched in 2025, the 74-gene fusion screening kit ranks among the leading products in China with its excellent coverage and detection sensitivity. It quickly gained clinical recognition and has since achieved large-scale sales at numerous top-tier medical institutions and well-known third-party testing laboratories.

Scientific Research Services and CRO

Leveraging on its professional R&D and innovation strength and bioinformatics accumulation, the Group has become a core multi-omics scientific research partner for many national and international leading biotechnology scientific research institutes and pharmaceutical companies. In terms of hardware capabilities and delivery efficiency, having become one of the first PacBio-certified Revio service providers in the Asia-Pacific region in 2023, the Group further introduced multiple PacBio Revio systems and MGI DNBSEQ-T7 and other cutting-edge instruments in 2025. The Company currently operates three PacBio Revio sequencing systems. Through differentiated positioning of dedicated platforms in China and overseas, we deliver targeted support to meet global scientific research needs. Through a comprehensive upgrade of the latest SPRQ reagents, single-cell output has increased by up to 49%, placing the Company among the national leaders in overall delivery capacity and throughput for third-generation sequencing. In terms of technology matrix and product depth, supported by a full-dimensional technology matrix consisting of third-generation sequencing, nanopore sequencing, next-generation sequencing, multi-platform single-cell sequencing (10x Genomics, MolBio, etc.) and cutting-edge spatial transcriptomics (10x Genomics HD, Stereo-seq), the Group's platform scale and throughput rank among the top tier in the Asia-Pacific region. In 2025, we further expanded our distinctive product lines, including third-generation testing for thalassemia, DMD gene capture, AAV genome sequencing and HiFi-C, enabling deeper empowerment of research services. During the year, the scientific research services segment added more than 130 new partner hospitals and enterprises, with total revenue reaching nearly RMB40 million.

During the Reporting Period, the Group achieved substantial breakthroughs in its globalization strategy, and initially completed the construction and operational preparation of Kindstar Sequenon's sequencing center in New Zealand. As an extension of the Group's physical footprint, the center also serves as a core hub for the global coverage of our service capabilities. Leveraging the PacBio Revio platform and the localized Kindstar Cloud bioinformatics analysis system, the center provides end-to-end long-read sequencing services covering sample customs clearance, extraction and library preparation to data delivery, precisely meeting the needs of overseas scientific research institutions and pharmaceutical companies.

In 2025, the Group secured 8 new and add-on contracts for laboratory services, covering multiple therapeutic areas including multiple myeloma, acute myeloid leukemia and myelodysplastic syndromes. The total value of newly signed contracts amounted to RMB5.74 million, with partners covering well-known domestic and international pharmaceutical companies and cell therapy research institutions.

Internet Hospital

2025 marked a pivotal year of strategic transformation for Kindstar You Yi. As of now, the platform has achieved simultaneous improvements in both scale and quality in terms of cooperative physician resources, covering more than 10 core departments including hematology, dermatology, and obstetrics and gynecology & pediatrics, with a further optimized proportion of senior experts with associate chief physician titles and above. During the period, the platform's user base achieved healthy growth, with total users increasing by more than 10,000. Monthly active users and service satisfaction have remained at a high level in the industry.

In terms of business model, Kindstar You Yi has fully implemented the "Internet Hospital Specimen Referral Model (互聯網醫院送檢範式)". Through compliant, online and transparent process design, it has completely broken the traditional "information black box (信息黑箱)" and formed a full-chain closed-loop from sample collection to report interpretation. Driven mainly by direct testing services in 2025, annual revenue grew by more than 100% year-on-year, and a diversified growth matrix has initially taken shape. In terms of technological empowerment, the Company officially connected with cutting-edge AI platforms such as DeepSeek in 2025, deeply integrating AI capabilities into the full-process service system of the Internet Hospital. Through the intelligent scenario of "medical care + AI", the professional threshold for report interpretation has been significantly lowered, reshaping the patient's medical experience. In addition, through in-depth operation of physician IP and the seamless linkage between public and private domains, Kindstar You Yi is evolving from a single testing service provider to a platform ecosystem driven by both "clinical data + humanistic care".

External Investment and M&A

In 2025, the Group accelerated the integration of upstream and downstream industrial chain resources. Through its Wuhan Rivercity Kindstar Venture Capital (武漢瑞江康聖創業投資基金), the Group successfully completed an angel round investment in Wuhan Tuoruisi Diagnostic Technology Co., Ltd. ("Tuoruijing"), an innovative molecular diagnostics company. Leveraging proprietary technologies originating from Harvard University, Tuoruijing is committed to developing a new generation of ultra-multiplex PCR platforms with high throughput, rapid turnaround time and powerful genotyping capabilities. To date, Tuoruijing has completed the design and prototype testing of a new-generation convection PCR device, reaction cartridges and nucleic acid extraction cartridges. The reaction system for pathogen screening in infectious diseases has completed multi-target feasibility verification, with supporting nucleic acid extraction efficiency and fluidic connection tests delivering excellent performance. During 2025, Tuoruijing successively overcame the development of proof-of-concept and engineering prototypes, successfully developed ultra-multiplex chip technology, and completed full-chain verification from conceptual prototype to engineering transformation.

Business Review and Outlook

The R&D team is now accelerating the integration of automatic signal reading and result generation functions, aiming to deliver an ultimate “sample-in, answer-out” intelligent POCT experience. This investment will further strengthen Kindstar Global’s leading position in cutting-edge molecular diagnostics. Going forward, both parties will deepen collaboration through sample resource sharing and the translation of medical achievements, translating Tuoruijing’ ultra-multiplex technology advantages into more efficient clinical solutions, and continuously expanding the Group’s service scope and depth in precision medicine.

As of December 31, 2025, the Company had sufficient cash reserves with approximately RMB1.88 billion of cash, cash equivalents and time deposits. In 2026, the Group will focus on the development of a multi-omics data integration platform, AI pathology analysis and automated laboratory technologies. Adopting a technology path of “introduction – assimilation – innovation”, the Company will rely on resources from strategic partners to accelerate the local validation and industrialization of cutting-edge testing technologies. By promoting the deep integration of high-quality technologies with clinical scenarios, the Company will further enhance its core technology reserves, strengthen technological barriers, and continuously consolidate the Group’s differentiated competitiveness and service coverage in precision diagnostics.

Digitalization, Informatization and Artificial Intelligence

In 2025, the Group deepened its three-in-one transformation strategy of “digitalization, informatization and artificial intelligence”. Through underlying architecture restructuring and data governance, we drove a comprehensive upgrade in operational quality and efficiency. The Group successfully launched the Qujianyun V2.0 (區檢雲 V2.0) platform, achieving unified governance of laboratory testing services and material management. Supporting multi-system interconnection via standardized interfaces, the platform significantly lowered the technical barrier for grassroots hospitals to access our services. Coupled with the upgrade of the intelligent order system, the Company realized full-process tracking from logistics receipt to pre-processing, effectively reducing the sample submission error rate.

In addition, the Kindstar Big Data (康聖大數據) and Data Governance Platform (數據治理平台) have completed the construction of their core framework. Through standardized data element modeling and master data management, the Group initially established field-level unified standards, laying a solid foundation for the subsequent assetization of data elements and training of large AI models. Supported by continuous upgrades to the LIMS system and full-process digital management, the Group shortened report turnaround time and improved operational efficiency, further strengthening its digital moat covering multi-campus collaboration.

In 2025, the Group demonstrated strong operational resilience by leveraging the synergistic advantages of multiple technology platforms and its specialty service network. Nevertheless, amid a rapidly evolving healthcare landscape, pioneers in the medical testing industry must consolidate their operational foundation while driving the establishment of technological sovereignty and the evolution of business landscape with a forward-looking vision. Looking ahead to 2026, we will firmly implement the dual-wheel drive strategy of “solid foundation and cutting-edge breakthroughs”. While deepening our presence in core specialties and strengthening our profit base, we will continue to lead industrial upgrading through the dual-track synergistic development of “IVD + LDT” and the resource matrix of “Hematology as the Foundation + Oncology as the Navigator (大血液築基+大腫瘤領航)”. We are confident that our “balanced offensive and defensive (攻守兼備)” business matrix will build differentiated competitive barriers amid the industry transformation trends and accumulate strong momentum for the Company’s long-term value realization.

Management Discussion and Analysis

Financial Review

The table below sets forth our consolidated statements of profit or loss for the periods indicated, together with the change (expressed in percentages) from the year ended December 31, 2024 to the corresponding period of 2025:

	For the year ended December 31,		
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Year-on- year change %
REVENUE	933,565	927,568	0.65
Cost of sales	(522,685)	(488,005)	7.11
Gross profit	410,880	439,563	(6.53)
Other income and gains	149,853	120,475	24.39
Selling and marketing expenses	(308,160)	(282,171)	9.21
Administrative expenses	(118,375)	(100,268)	18.06
Research and development costs	(95,864)	(105,799)	(9.39)
Other expenses	(63,812)	(116,902)	(45.41)
Finance costs	(14,907)	(11,088)	34.44
LOSS BEFORE TAX	(40,385)	(56,190)	(28.13)
Income tax expense	(14,764)	(4,491)	228.75
LOSS FOR THE YEAR	(55,149)	(60,681)	(9.12)
Attributable to:			
Owners of the parent	(58,742)	(54,588)	7.61
Non-controlling interests	3,593	(6,093)	158.97

Management Discussion and Analysis

Revenue

We organize our businesses into nine segments, including hematology testing, neurology testing, maternity-related testing, genetic disease and rare disease testing, infectious disease testing, oncology testing, routine testing, scientific research services and CRO and others.

The table below sets forth our segment revenue and segment revenue proportion by operating segment for the periods presented.

	2025		2024		Year-on-year change
	RMB'000	%	RMB'000	%	%
Hematology testing	563,127	60.3	585,108	63.1	(3.8)
Neurology testing	95,052	10.2	95,351	10.3	(0.3)
Maternity-related testing	50,243	5.4	53,881	5.8	(6.8)
Genetic disease and rare disease testing	40,943	4.4	44,747	4.8	(8.5)
Infectious disease testing	35,443	3.8	39,432	4.3	(10.1)
Oncology testing	44,796	4.8	21,722	2.3	106.2
Routine testing	41,276	4.4	42,394	4.6	(2.6)
Scientific research services and CRO	59,570	6.4	44,656	4.8	33.4
Others	3,115	0.3	277	0.0	1,024.6
Total	933,565	100.0	927,568	100.0	0.65

Management Discussion and Analysis

The table below sets forth the average price of testing services and the number of tests of the Company for the periods presented.

	For the year ended December 31,			
	2025		2024	
	Average Price in (RMB)	Testing Volume (in thousands)	Average Price in (RMB)	Testing Volume (in thousands)
Hematology testing	720	782	692	846
Neurology testing	1,226	77	1,340	71
Maternity-related testing	76	657	117	460
Genetic disease and rare disease testing	262	155	235	190
Infectious disease testing	193	184	227	173
Oncology testing	1,612	28	1,009	21
Routine testing	63	653	71	597
Total	354	2,536	382	2,358

Revenue from testing services

For the year ended December 31, 2025, overall revenue from the testing services segment remained stable. While the traditional core businesses were temporarily hit by the macro environment, intensified industry competition and pricing pressure, the emerging growth engines delivered strong performance and effectively hedged against fluctuations in the traditional businesses.

In particular, revenue from hematology testing services, our core foundational business, amounted to RMB563.1 million during the Reporting Period, representing a slight year-on-year decrease of 3.8%. Revenue from neurology testing services amounted to RMB95.1 million during the Reporting Period, remaining broadly flat compared to the same period last year. Meanwhile, for the year ended December 31, 2025, strategic emerging businesses achieved robust growth: revenue from oncology testing services surged 106.2% year-on-year to RMB44.8 million during the Reporting Period, becoming a major growth engine.

Management Discussion and Analysis

Scientific research services and CRO

For the year ended December 31, 2025, our scientific research testing services and CRO generated revenue of RMB59.6 million, representing an increase of 33.4% from RMB44.7 million in the corresponding period last year. With strong R&D innovation capabilities and an extensive scientific research platform network, we have delivered highly professional services that fueled substantial growth in our partner hospitals and client base, leading to steady improvement in revenue.

Cost of Sales

Our cost of sales consists of staff costs related to the personnel who performed our testing services, costs incurred by third-party institutions or laboratories, raw material costs and others. “Others” mainly include third-party logistics, depreciation and amortization and rental expenses. The following table sets forth a breakdown of our cost of sales by nature for the periods indicated, both in actual amounts and as a percentage of cost of sales.

	For the year ended 31 December,				Year-on-year change %
	2025 RMB'000	%	2024 RMB'000	%	
Staff costs	145,517	27.8	133,130	27.3	9.3
Outsourcing costs	92,466	17.7	92,884	19.0	(0.5)
Raw material	161,998	31.0	148,967	30.5	8.7
Others	122,704	23.5	113,024	23.2	8.6
Total	522,685	100.0	488,005	100.0	7.1

During the Reporting Period, our cost of sales increased by 7.1% from RMB488.0 million for the year ended December 31, 2024 to RMB522.7 million, which was due to (i) a slight increase in the Group's overall revenue during the Reporting Period, which drove up the corresponding cost base; (ii) a higher proportion of raw material costs as a result of changes in business mix; and (iii) the consolidation of laboratory operating costs of the acquired subsidiaries following their consolidation into the Group's financial statements. Together with the costs in connection with the optimization of the internal organizational structure, these factors led to an increase in cost of sales.

Gross Profit, Gross Profit Margin and Segment Results

For the year ended December 31, 2025, we recorded a consolidated gross profit of approximately RMB410.9 million, representing a year-on-year decrease of approximately 6.5%. Due to the increased fixed operating costs arising from the addition of new laboratories, our gross profit margin declined by 3.4 percentage points from 47.4% in the corresponding period of 2024 to 44.0%.

Our management monitors the results of our operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment result is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from continuing operations. The adjusted profit/loss before tax from continuing operations, or our segment result, is measured consistently with our profit before tax excluding other income and gains, administrative expenses, research and development expenses, other expenses, finance costs, listing expenses and fair value loss on financial liabilities at FVTPL. The following table sets forth a breakdown of our segment results for the years indicated, both in actual amounts and as a percentage of segment revenue.

	For the year ended December 31,				
	2025		2024		Year-on-year change %
	Segment result RMB'000	% of segment revenue	Segment result RMB'000	% of segment revenue	
Hematology testing	107,179	19.0	122,048	20.9	(12.2)
Neurology testing	15,270	16.1	19,554	20.5	(21.9)
Maternity-related testing	(880)	(1.8)	867	1.6	(201.5)
Genetic disease and rare disease testing	2,593	6.3	4,544	10.2	(42.9)
Infectious disease testing	1,800	5.1	3,786	9.6	(52.5)
Oncology testing	(2,396)	(5.4)	10,767	49.6	(122.3)
Routine testing	(695)	(1.7)	465	1.1	(249.5)
Scientific research services and CRO	(814)	(1.4)	(4,509)	(10.1)	(81.9)
Others	(4,687)	(150.4)	(130)	(46.8)	3,505.6
Total	117,370	11.0	157,392	17.0	(25.4)

Note: results for the oncology testing segment exclude the impact of amortization of intangible asset arising from mergers and acquisitions.

Management Discussion and Analysis

During the Reporting Period, affected by the continuous implementation of industry policies and the downward trend in testing service prices, coupled with a relatively high proportion of fixed costs in laboratory operations and rigid expenditures that could hardly be adjusted in sync with revenue, segment performance was generally under pressure. The Company is actively reducing costs and improving efficiency through refined management, business structure optimization and other measures, so as to consolidate the foundation for high-quality development in the medium and long term.

For the year ended December 31, 2025, the performance of the hematology testing segment decreased by 12.2% to RMB107.2 million from RMB122.0 million in the corresponding period of 2024, and remained a core source of profit. The performance of maternity-related testing turned from a profit of RMB0.9 million to a loss of RMB0.9 million. The performance of the genetic disease and rare disease testing, and infectious disease testing segments decreased by 42.9% and 52.5% to RMB2.6 million and RMB1.8 million, respectively.

In addition, the performance of the oncology testing segment turned from a profit of RMB10.8 million in the same period of 2024 to a loss of RMB2.4 million, due to operating losses arising from the acquisition of AnchorDx. The loss of the scientific research services and CRO segment narrowed by 81.9% year-on-year to RMB0.8 million, reflecting initial improvement in operating performance.

Other Income and Gains

Our other income and gains increased from RMB120.5 million for the year ended December 31, 2024 to RMB149.9 million for the Reporting Period, which was primarily due to gains on financial assets measured at fair value through profit or loss during the Reporting Period.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 9.2% from RMB282.2 million for the year ended December 31, 2024 to RMB308.2 million for the Reporting Period, which was primarily due to changes in the Group's revenue mix.

Administrative Expenses

Our administrative expenses increased by 18.1% from RMB100.3 million for the year ended December 31, 2024 to RMB118.4 million for the Reporting Period, which was primarily due to administrative expenses incurred from the acquisition of AnchorDx, as well as the increase in one-off expenditures resulting from the organizational restructuring within the Group.

Research and Development Costs

Our research and development costs decreased by 9.4% from RMB105.8 million for the year ended December 31, 2024 to RMB95.9 million for the Reporting Period, accounting for 10.3% of revenue, which was due to the Company's focus on the layout of core specialties and new test technology.

Other Expenses

For the year ended December 31, 2025, our other expenses were RMB63.8 million, representing a decrease of 45.4% as compared to RMB116.9 million for the corresponding period in 2024. Other expenses mainly refer to impairment losses on assets of RMB52.1 million recorded during the Reporting Period.

Finance Costs

Our finance costs increased by 34.4% from RMB11.1 million for the year ended December 31, 2024 to RMB14.9 million for the Reporting Period. The increase in finance costs was due to the new bank loans for merger and acquisition.

Income Tax Expense

Our income tax expense increased by 228.8% from RMB4.5 million for the year ended December 31, 2024 to RMB14.8 million for the corresponding period in 2025. The increase was primarily due to changes arising from deferred income taxes.

Loss for the Year

Due to the above reasons, during the Reporting Period, the Group recorded a net loss of RMB55.1 million, representing a narrowing of approximately 9.12% from a net loss of RMB60.7 million in the corresponding period last year.

Liquidity and Capital Resources

We have maintained a comprehensive treasury policy, detailing specific functions and internal control measures for capital use. These functions and measures include but are not limited to procedures of capital management and liquidity management. We manage and maintain our liquidity through the use of internally generated cash flows from operations, bank borrowings and proceeds from the Global Offering and the Listing of the Shares on the Main Board of the Stock Exchange. We regularly review our major funding positions to ensure that we have adequate financial resources in meeting our financial obligations.

Management Discussion and Analysis

For the year ended December 31, 2025, we funded our working capital and other capital expenditure requirements through a combination of income generated from operations, investments received and the proceeds from the Global Offering. The following table sets forth a summary of our cash flows for the periods indicated.

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Net cash flows from/(used in) operating activities	91,174	(44,119)
Net cash flows used in investing activities	(36,850)	(1,210,531)
Net cash flows from/(used in) financing activities	(39,489)	144,626
Net increase/(decrease) in cash and cash equivalents	14,835	(1,110,024)
Cash and cash equivalents at the beginning of the year	381,572	1,472,799
Effect of foreign exchange rate changes, net	(14,219)	18,797
Cash and cash equivalents at the end of the year	382,188	381,572

Cash and cash equivalents

For the year ended December 31, 2025, our net cash from operating activities was RMB91.2 million. This was mainly attributable to the Company's continuous strengthening of account receivables management and proactive follow-up on the collection of long-term outstanding receivables. The gradual recovery of the relevant amounts during the year has effectively improved cash inflows. In addition, during the Reporting Period, we received government grants and policy support funds, which were mainly used to support the Group's business operations and made a positive contribution to operating cash flow.

For the year ended December 31, 2025, our net cash used in investing activities was RMB36.9 million, mainly due to the purchase of bank time deposits.

For the year ended December 31, 2025, our net cash used in financing activities was RMB39.5 million, mainly due to the repayment of bank loans and interest.

As a result of the foregoing, our cash and cash equivalents increased by 0.16% from RMB381.6 million as of December 31, 2024 to RMB382.2 million as of December 31, 2025. Our cash and cash equivalents were primarily held in Renminbi and United States dollars.

Management Discussion and Analysis

During the Reporting Period, we conducted business in China, and most of our transactions were settled in Renminbi. Our presentation and functional currency are Renminbi. We were not exposed to significant foreign exchange risk since we did not have any significant financial assets or liabilities denominated in currencies other than Renminbi, except that cash at banks deposited in the United States dollars or Hong Kong dollars primarily from investors as capital contributions. The foreign exchange risk exposure of the Group mainly comes from the risk of exchange of United States dollars to Renminbi and Hong Kong dollars. We managed our foreign exchange risk by regularly reviewing net foreign exchange exposures, and conducted risk management. The hedging activities period of the Group shall not exceed twelve months. The management of the Group continued to pay attention to the market environment and the Group's own foreign exchange risk profile, and considered to taking appropriate hedging measures when necessary.

Indebtedness

For the year ended December 31, 2025, as we had utilized a credit limit of RMB396 million for bank financing, our unutilized banking facilities were RMB539 million as at December 31, 2025.

Gearing ratio

The Group monitored capital on the basis of the gearing ratio. That ratio is calculated by dividing the total borrowings as shown in the consolidated balance sheet by the share capital and reserves attributable to the equity holder of the Company. As of December 31, 2025, the total borrowings are RMB382.7 million, total share capital and reserves attributable to the equity holder of the Company are RMB2,729.5 million, and the gearing ratio is 14.0%.

Capital Expenditures

Our principal capital expenditures relate primarily to purchases of equipment. The following table sets forth our capital expenditures for the periods indicated.

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Purchases of property, plant and equipment	45,773	132,317
Purchases of other intangible assets	1,797	3,139
Total	47,570	135,456

Contingent Liabilities

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

Management Discussion and Analysis

Significant Investments and Future Plans for Material Investments or Capital Assets

As of December 31, 2025, we did not hold any significant investment. In addition, save for the expansion plans as disclosed in the sections headed “Business” and “Future Plans and Use of Proceeds” in the Prospectus, we have no future plans for material investments or capital assets.

Material Acquisitions and Disposals

References are made to the announcements of the Company dated September 20, 2024 and January 24, 2025, in relation to, among other things, the acquisition of equity interest in the target companies involving issue of consideration Shares under general mandate and the new target contractual arrangements. Unless otherwise stated, capitalized terms used in this paragraph shall have the same meaning as those defined in the announcements. On September 20, 2024, the Company, Kindstar Wuhan WFOE, the Target WFOE, the Target US Company, AnchorDx Cayman, AnchorDx HK, the Target WFOE Domestic Sellers, Wuxi Anchor, OrbiMed, Jian-Bing FAN and the AnchorDx Cayman Preferred Shareholders (except Wuxi Anchor and OrbiMed) entered into the Transaction Agreement, pursuant to which: (i) Kindstar Wuhan WFOE has conditionally agreed to acquire and AnchorDx HK and the Target WFOE Domestic Sellers have conditionally agreed to sell 100% equity interest in aggregate in the Target WFOE; and (ii) the Company has conditionally agreed to acquire and AnchorDx HK has conditionally agreed to sell 49% equity interest in the Target US Company, collectively at the Acquisition Consideration in the total amount of approximately US\$31.30 million. Those acquisitions have been completed on January 24, 2025. For details, please refer to the announcements of the Company dated September 20, 2024 and January 24, 2025.

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

Charges on Group Assets

In January 2024, Wuhan Kindstar entered into a two-year bank borrowing agreement of RMB90,000,000 with Wuhan Branch of Shanghai Pudong Development Bank, which was secured by intellectual property of Wuhan Kindstar. At 31 December 2025, the balance of the Interest bearing bank borrowing-secured is RMB50,000,000.

In February 2024, Kindstar Global (Shanghai) Medical Technology Co., Ltd. (“**Kindstar Shanghai**”), a subsidiary of the Company, entered into a ten-year bank loan agreement of RMB70,000,000 with Nanshi Branch of Shanghai Pudong Development Bank, which was guaranteed by Wuhan Kindstar Medical Laboratory Co., Ltd. and Shanghai SinoPath Medical Laboratory Co., Ltd. and secured by mortgages over the Kindstar Shanghai’s buildings. As at December 31, 2025, the balance of interest-bearing bank borrowings (secured) was RMB68,500,000.

In February 2025, another subsidiary of the Company, Kindstar Global Medical Technology (Wuhan) Co., Ltd. (“**Kindstar Wuhan WFOE**”) entered into a seven-year bank loan agreement with Wuhan Free Trade Zone Branch of CITIC Bank for an amount of RMB132,000,000. As at December 31, 2025, the balance of interest-bearing bank borrowings (secured) was RMB125,400,000, which was guaranteed by Wuhan Kindstar and secured by a pledge of 100% of the equity interest in Guangzhou Kangchengweiyi Biotechnology Co., Ltd.

Save as disclosed above, as of December 31, 2025, we did not have any charged assets.

Employees

As of December 31, 2025, we had 3,100 employees in total and most of them were located in Hubei and Sichuan Provinces, Beijing and Shanghai. We conduct new staff training regularly to guide new employees and help them adapt to the new working environment. In addition, we provide online and in-person formal and comprehensive company-level and department-level training to our employees on a quarterly basis in addition to on-the-job training. We also encourage our employees to attend external seminars and workshops to enrich their technical knowledge and develop competencies and skills, and provide training and development programs to our employees and external training sessions from time to time to improve their technical skills and ensure their awareness and compliance with our various policies and procedures.

The remuneration of our employees is determined with reference to market conditions and individual employees' performance, qualification and experience. In line with the performance of us and individual employees, a competitive remuneration package is offered to retain employees, including salaries, discretionary bonuses and benefit plans.

The Company adopted the pre-IPO stock incentive plans on March 14, 2013, December 20, 2015 and December 1, 2016. As of December 31, 2025, options to subscribe for 2,653,756 Shares, representing approximately 0.25% of the then total share capital in issue of the Company, were outstanding and held by the grantees. On June 22, 2021, the Company also adopted the Post-IPO RSU Scheme and Post-IPO Option Scheme, of which our employees are eligible participants, effective upon the Listing Date. Details of the Post-IPO RSU Scheme and the Post-IPO Option Scheme are set out in the sections headed "Statutory and General Information – E. Post-IPO RSU Scheme" and "Statutory and General Information – F. Post-IPO Option Scheme" in Appendix IV to the Prospectus. As of December 31, 2025, 2,470,000 restricted share units (representing 0.24% of the then total share capital in issue of the Company) had been granted under the Post-IPO RSU Scheme. As of December 31, 2025, no option had been granted or agreed to be granted under the Post-IPO Option Scheme.

Management Discussion and Analysis

Significant Events After the Reporting Period

On 17 March 2026, the Group completed the acquisition of 90% equity interest in Shanghai Pillar Biotech Co., Ltd. at a total amount of approximately RMB 20.5 million. After acquisition, the Group holds control of Pillar Biotech Co., Ltd. This transaction does not constitute a discloseable transaction under chapter 14 of the Listing Rules or a connected transaction under Chapter 14A of the Listing Rules.

On March 27, 2026, Dr. David Guowei Wang has been appointed as a non-executive Director; and Dr. Gang Wang has been appointed as an independent non-executive Director. For details, please refer to the Company's announcement dated March 27, 2026.

On March 27, 2026, the Board has passed a resolution proposing to make certain amendments (the "Proposed Amendments") to the existing Articles of Association in order to, among other things, (i) bring the Articles of Association in line with the latest regulatory requirements, including the relevant requirements of the Listing Rules in relation to the implementation of the treasury share regime and the further expansion of the Paperless Listing Regime; and (ii) incorporating certain housekeeping changes. The Proposed Amendments are subject to the approval of the Shareholders by way of a special resolution at the forthcoming AGM. The Twelfth Amended and Restated Memorandum and Articles of Association shall become effective upon the approval by the Shareholders at the AGM. For details, please refer to the Company's announcement dated March 27, 2026.

Save as disclosed above, there were no significant events subsequent to the Reporting Period.

Use of Proceeds from the Global Offering

The Company was listed on the Stock Exchange on July 16, 2021. The net proceeds from the Global Offering amounted to approximately HKD2,053.6 million. The net proceeds from the Global Offering (adjusted on a pro-rata basis based on the actual net proceeds) have been and will be utilized in accordance with the intended use of the proceeds set out in the Prospectus. The following table sets forth the status of the use of net proceeds from the Global Offering⁽¹⁾:

Management Discussion and Analysis

Intended use of proceeds	Percentage of intended use of proceeds	Intended use of proceeds from the Global Offering	Unutilized net proceeds as of December 31, 2024	Actual amount	Unutilized net proceeds as of December 31, 2025	Timeframe for utilisation of the unused balance
				of use for the year ended December 31, 2025		
	(%)	(In HKD million)	(In HKD million)	(In HKD million)	(In HKD million)	

Sales and marketing of our existing esoteric testing service lines to cover more hospitals, especially Class III hospitals

Sales, marketing and expansion of hematology testing business	15	308.0	165.8	122.9	42.9	By June 30, 2028
Sales, marketing and expansion of genetic diseases and rare diseases and maternity-related testing business	10	205.4	153.6	20.8	132.8	By June 30, 2028
Sales, marketing and expansion of oncology, infectious disease and neurology testing businesses	10	205.4	118.7	62	56.8	By June 30, 2028

Research and development of our existing esoteric testing service lines

Research and development of hematology testing	6.7	136.9	6.8	6.8	0	
Research and development of genetic diseases and rare diseases and maternity-related testing	6.7	136.9	14.3	2.8	11.5	By June 30, 2028
Research and development of neurology, infectious disease, oncology and routine testing	6.7	136.9	55.3	3.4	51.9	By June 30, 2028

Development and commercialization of new lines of esoteric testing services

	15	308.0	151.5	55.7	95.8	By June 30, 2028
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Management Discussion and Analysis

Intended use of proceeds	Percentage of intended use of proceeds	Intended use of proceeds from the Global Offering	Unutilized net proceeds as of December 31, 2024	Actual amount of use for the year ended December 31, 2025	Unutilized net proceeds as of December 31, 2025	Timeframe for utilisation of the unused balance
	(%)	(In HKD million)	(In HKD million)	(In HKD million)	(In HKD million)	
Expansion across the industry value chain by acquiring attractive technology or testing-related companies that are complementary and synergistic to our existing businesses	5	102.7	18.7	0	18.7	By June 30, 2028
Increasing our testing capacity	10	205.4	9.1	9.1	0	
Overseas expansion into markets outside of China	5	102.7	102.7	9.7	93	By June 30, 2028
Working capital and other general corporate purposes	10	205.4	94.9	0	94.9	By June 30, 2028
Total	100.0	2,053.6	891.4	293.1	598.3	

Note:

(1) The figures in the table are approximate figures.

We currently have no intention to change the use of the unutilized net proceeds and have been actively monitoring the market environment for appropriate timing to implement our plans. To the extent that the net proceeds from the Global Offering are not immediately applied for the above purposes and to the extent permitted by the relevant law and regulations, we intend to deposit the net proceeds only into short-term deposits with licensed financial institutions in Hong Kong or the PRC. We will make an appropriate announcement if there is any change to the above proposed use of proceeds or if any amount of the proceeds will be used for general corporate purpose.

Directors and Senior Management

Our Directors

Executive Directors

Dr. Huang Shiang (黃士昂), aged 67, was appointed as our Director on February 22, 2011, and re-designated as our executive Director on February 8, 2021. Dr. Huang was also appointed as the chief medical officer of the Company on September 30, 2020 and as the chairman of the Board (the “**Chairman**”) and the chief executive officer of the Company (the “**Chief Executive Officer**”) on February 8, 2021. Dr. Huang founded our Group in 2003. He is responsible for overall strategic planning and business direction of our Group and management of our Company.

Dr. Huang has over 38 years of experience in medical practice, research, diagnosis and management. Dr. Huang started his career at Union Hospital affiliated to Tongji Medical University (同濟醫科大學附屬協和醫院) (currently known as “Union Hospital affiliated to Tongji Medical College of Huazhong University of Science and Technology (華中科技大學同濟醫學院附屬協和醫院)”, “**Union Hospital**”) in June 1986, where he served as a resident doctor and later served as an attending doctor. From June 1989 to April 1994, Dr. Huang served as a visiting research scientist and later as a research scientist at Becton Dickinson Immunocytometry Systems in the United States. From July 1994 to 1995, Dr. Huang worked as a senior scientist at Applied Imaging Corporation. From 1995 to 1998, Dr. Huang served as an associate project scientist at UCSD Cancer Center. From 2000 to June 2001, Dr. Huang worked as a vice president and chief technology officer at W.B. Technologies, Inc.

Dr. Huang has been working at the Union Hospital since 2001 as a distinguished professor and later as a professor. Dr. Huang received his Bachelor of Sciences in Medicine from Wuhan Medical College (武漢醫學院) (currently known as “Tongji Medical College of Huazhong University of Science and Technology (華中科技大學同濟醫學院)”) and his Master of Medicine from Tongji Medical University (同濟醫科大學) (currently known as “Tongji Medical College of Huazhong University of Science and Technology (華中科技大學同濟醫學院)”) in Wuhan, Hubei Province, the PRC, in August 1983 and July 1986, respectively. He has become a registered practicing physician in Mainland China since May 1999.

Dr. Huang currently holds directorship in the following major subsidiaries and operating entities of our Group: Wuhan Kindstar, Beijing Hightrust, Shanghai SimpleGene, Chengdu Wenjiang Kangshengyou Medical Internet Hospital Co., Ltd. (成都溫江康聖友醫互聯網醫院有限公司) (“**Wenjiang Kangshengyou Medical**”) and Kindstar Biotech.

Dr. Huang is the spouse of Ms. Guo Gui-Rong and father of Mr. Huang Bo, substantial shareholders of the Company, who owned 14.07% and 9.54% of the issued share capital of the Company respectively as of December 31, 2025. Dr. Huang is also the founder of Shiang Huang Family Trust which owned 4.89% of the issued share capital of the Company as of December 31, 2025.

Mr. Tu Zanbing (涂贊兵), aged 54, was appointed as our Director on December 4, 2020, and re-designated as our executive Director on February 8, 2021. Mr. Tu was also appointed as our chief operating officer on February 8, 2021. Mr. Tu joined our Group in August 2003.

Mr. Tu worked as an engineer at the Fourth Railway Design Institute (鐵道第四設計院) from October 2000 to October 2001, and later as a vice director of operating department in the industrial development center from October 2001 to December 2002.

Directors and Senior Management

Mr. Tu has been the general manager of Wuhan Kindstar since August 2003. He has also been the general manager of Huaxi Kindstar since December 2017. From April 2014 to August 2015, Mr. Tu served as the general manager of Shanghai SimpleGene. Mr. Tu currently holds directorship in the following major subsidiaries and operating entities of our Group: Wuhan Kindstar, Xinjiang Kindstar, Shanghai SinoPath Medical Laboratory Co., Ltd. (上海信諾佰世醫學檢驗有限公司), Wuhan HumanCell Biotechnology Co., Ltd (武漢鴻蒙賽爾生物科技有限公司) and Wuhan Kindstar Kindan Medical Laboratory Co., Ltd (武漢康聖金岸醫學檢驗有限公司), and is the general manager of Wenjiang Kangshengyou Medical. He was appointed as a director of Guangzhou Nanyi Kangsheng Biotechnology Co., Ltd. (廣州南醫康聖生物技術有限公司) since March 24, 2023. He was appointed as a director of Changsha Kindstar Medical Laboratory Co., Ltd. (長沙康聖醫學檢驗實驗室有限公司) (formerly known as Hunan Kangshengda Medical Testing Laboratory Co., Ltd. (湖南康聖達醫學檢驗實驗室有限公司)) since May 22, 2023. He was appointed as a director of Kindstar Global (Shanghai) Medical Technology Co., Ltd. (康聖環球(上海)醫學科技有限公司) since July 11, 2023. He was appointed as the general manager of Hubei Kindstar Youan Medical Technology Co., Ltd. (湖北康聖佑安醫療科技有限公司) since August 23, 2024. He was appointed as a manager of Guangzhou AnchorDx since November 25, 2024. He was appointed as a director of Wuhan Baisheng Intelligent Medical Technology Co., Ltd. (武漢百生智能醫療科技有限公司) since July 21, 2025. He was appointed as a director of Wuhan Tuoruisi Diagnostic Technology Co., Ltd. (武漢拓瑞思診斷技術有限公司) since July 30, 2025. He was appointed as a director of Hubei Kangshengda Medical Technology Co., Ltd. (湖北康聖達醫學科技有限公司) since August 22, 2025.

Mr. Tu received his Bachelor's degree in Automation and Master's degree in Business Administration from Huazhong University of Science and Technology (華中科技大學) (formerly known as "Huazhong Institute of Technology (華中理工大學)") in Wuhan, Hubei Province, the PRC, in April 1999 and December 2002, respectively.

Ever Prospect Global Limited is wholly-owned by Mr. Tu. Accordingly, Mr. Tu was deemed to be interested in the 38,624,144 Shares held by Ever Prospect as of December 31, 2025. According to voting proxy arrangements, Ms. Guo Gui-Rong, a substantial shareholder of the Company, has effective control over the voting rights attached to the Shares held by Ever Prospect.

Ms. Chai Haijie (柴海節), aged 47, was appointed as our Director on December 4, 2020, and re-designated as our executive Director on February 8, 2021. Ms. Chai was also appointed as the chief financial officer of the Company (the "**Chief Financial Officer**") and joint company secretary on February 8, 2021. Ms. Chai joined our Group in July 2014.

Ms. Chai has over 21 years of experience in finance and accounting. She began her career at KPMG Shanghai Office from August 2004 to September 2008. From September 2008 to November 2010, Ms. Chai served as a senior accountant in the Ernst & Young Hua Ming Wuhan Branch. From December 2010 to November 2012, Ms. Chai worked as the chief financial officer of Hubei Grand Trio Investment Management Co., Ltd. (湖北鴻鼎投資管理有限公司). She subsequently worked at Wuhan Yuansheng Optoelectronic Communication Industry Investment Co., Ltd. (武漢源生光電通信產業投資有限責任公司) from May 2013 to June 2014.

Ms. Chai currently holds directorship in the following major subsidiary and operating entity of our Group: Wuhan Kindstar, Kindstar Investment and Wuhan Haixi.

Ms. Chai received her Bachelor's degree in Financial Administration and her Master's degree in Business Administration from Huazhong University of Science and Technology (華中科技大學) in Wuhan, Hubei Province, the PRC, in June 2001 and June 2004, respectively. She passed the National Uniform Examination for Certified Public Accountants in March 2006, and obtained the qualification of certified public accountant from Chinese Institute of Certified Public Accountants in January 2011.

Non-executive Directors

Mr. Huang Zuie-Chin (黃瑞璿), aged 60, was appointed as our Director on January 30, 2012 and re-designated as our non-executive Director on February 8, 2021.

Mr. Huang has over 37 years of biological executive and investment experience since graduation from Stanford University. In June 2011, he joined Kleiner Perkins Caufield & Byers China (凱鵬華盈中國基金) as a managing partner and focuses on the firm's life science practice. Mr. Huang is also the founding managing partner of Panacea Venture Healthcare Fund I, L.P., Panacea Venture Healthcare Fund II, L.P. and Panacea Opportunity Fund I, L.P., which are venture capitals focusing on investments in innovative and transformative early and growth stage healthcare and life sciences companies worldwide.

Mr. Huang also concurrently holds the following positions outside our Group:

- a director of CASI Pharmaceuticals, Inc., a company whose shares are listed on NASDAQ Capital Market (ticker symbol: CASI), from April 2013 to March 2023;
- the chairman of the board of Windtree Therapeutics, Inc., a company whose shares are listed on NASDAQ Capital Market (ticker symbol: WINT), from January 2019 to April 2023;
- a director and the chairman of the board of Alaunos Therapeutics, a company whose shares are listed on NASDAQ Capital Market (ticker symbol: TCRT) from July 2020 and January 2021 to September 2023, respectively;
- an executive director of Auto Italia Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 720), from July 2020 to July 2023; and
- a director of Connect Biopharma Holdings Limited, a company whose shares are listed on NASDAQ Global Market (ticker symbol: CNTB) since February 12, 2024.
- a non-executive director of Lee's Pharmaceutical Holdings Limited (李氏大藥廠控股有限公司), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 950) since July 2, 2024.
- a director of Atara Biotherapeutics Inc., a company whose shares are listed on NASDAQ Global Select Market (ticker symbol: ATRA) since May 16, 2025.

Directors and Senior Management

Mr. Huang graduated from University of California, Berkeley in the United States with a bachelor of science degree in chemical engineering in May 1988. He obtained a master of business administration degree from the Stanford Graduate School of Business in the United States in June 1992.

Mr. Peng Wei (彭偉), aged 39, was appointed as our Director on October 27, 2020, and re-designated as our non-executive Director on February 8, 2021.

Mr. Peng joined the Monitor Group (currently known as Monitor Deloitte) in 2008 after graduation and worked as a consultant until July 2011. Mr. Peng has served respectively as an investment manager from July 2013 to December 2015, a vice-president from January 2016 to December 2017 and a principal from January 2018 to December 2018 of Shanghai Panxin Equity Investment Management Co., Ltd. (上海馨信股權投資管理有限公司). Mr. Peng served as a principal of Tianjin Panmao Enterprise Management Partnership (Limited Partnership) (天津馨茂企業管理合夥企業(有限合夥)) from January 2019 to September 2020 and has served as a principal of Beijing Panmao Investment Management Co., Ltd (北京馨茂投資管理有限公司) since October 2020.

Mr. Peng received his Bachelor's degree in Information Engineering from Shanghai Jiao Tong University (上海交通大學) in Shanghai, the PRC, in July 2008, and his Master of Business Administration from Yale University, New Haven, Connecticut, the United States in May 2013.

Ms. Huang Lu (黃璐), aged 52, was appointed as our Director on September 9, 2020 and re-designated as our non-executive Director on February 8, 2021.

Ms. Huang worked as a resident doctor at Shanghai Second Medical University School of Clinical Medicine (上海第二醫科大學市六臨床醫學院) (currently known as "Clinical Medical School of the Sixth People's Hospital affiliated to Shanghai Jiao Tong University (上海交通大學六院臨床醫學院)") after graduation from Shanghai Second Medical University (上海第二醫科大學) (currently known as "Shanghai Jiao Tong University School of Medicine (上海交通大學醫學院)"). Ms. Huang worked as a member of the Marketing Department at Continuum Health Partners. Ms. Huang worked as investment director from October 2003 to July 2016 in Morningside IT Management Services (Shanghai) Co. Ltd. (晨興信息科技諮詢(上海)有限公司), and has been worked as Managing Director since August 2016 in HCA (Shanghai) Consulting Co Ltd (卓聲諮詢(上海)有限公司).

Ms. Huang served as a non-executive director of Stealth BioTherapeutics Corp, a company listed on the NASDAQ (ticker symbol: MITO), from June 2018 to December 2020. Ms. Huang served as a non-executive director of LumiraDx Limited, a company listed on the NASDAQ (ticker symbol: LMDX), from October 2018 to November 2023.

Ms. Huang received her Bachelor's degree in Clinical Medicine from Shanghai Second Medical University (上海第二醫科大學) (currently known as "Shanghai Jiao Tong University School of Medicine (上海交通大學醫學院)") in Shanghai, the PRC, in July 1997, and received her Master of Business Administration from St. John's University, New York, the United States, in September 2002.

Directors and Senior Management

Dr. David Guowei Wang (王國璋博士), aged 64, has over 20 years of experience in the medical industry. Dr. David Guowei Wang is a partner and senior managing director of Asia at OrbiMed Advisors LLC, an investment firm, where he has served in various roles of increasing responsibility since August 2011. From April 2006 to July 2011, he served as managing director at WI Harper Group.

Dr. David Guowei Wang has served as a director of Sichuan Biokin Pharmaceutical Co., Ltd (四川百利天恒藥業股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688506) since September 2017. He has also been a non-executive director of Edding Genor Group Holdings Limited (億騰嘉和醫藥集團有限公司) (a company listed on the Stock Exchange, stock code: 6998) since December 2025; a non-executive director of Laekna, Inc. (來凱醫藥有限公司) (a company listed on the Stock Exchange, stock code: 2105) since May 2022; a non-executive director of Gaushtech Ltd (高視醫療科技有限公司) (a company listed on the Stock Exchange, stock code: 2407) since December 2017; and a non-executive director of AK Medical Holdings Limited (愛康醫療控股有限公司) (a company listed on the Stock Exchange, stock code: 1789) since February 2016.

Prior to the above, Dr. David Guowei Wang was a director of Gracell Biotechnologies Inc. (a company previously listed on the NASDAQ Global Market, ticker symbol before delisting: GRCL) from March 2020 to February 2024 and a director of Sinovac Biotech Ltd. (科興控股生物技術有限公司) (a company listed on the NASDAQ, ticker symbol: SVA) from January 2025 to June 2025.

Dr. David Guowei Wang received his bachelor's degree in basic medical sciences from Beijing Medical University (北京醫科大學) (currently known as Peking University Health Science Center (北京大學醫學部)) in the PRC in July 1986. He received his Doctor of Philosophy degree in developmental biology from California Institute of Technology in the United States in June 1995.

Directors and Senior Management

Independent Non-executive Directors

Dr. Yao Shanglong (姚尚龍), aged 70, was appointed as our independent non-executive Director on June 29, 2021.

Dr. Yao once served as the director of anesthesiology department and later as the deputy dean in Union Hospital. Dr. Yao served as the chairman of the Chinese Society of Anesthesiologists under Chinese Medical Doctor Association (中國醫師協會) from April 2011 to April 2014. He was the associate chairman of Chinese Society of Anesthesiology under Chinese Medical Association (中華醫學會) from August 2012 to November 2018.

Dr. Yao received his Bachelor's degree in medicine from Wannan Medical College (皖南醫學院), in Wuhu, Anhui Province, the PRC in August 1982, and received his Master's degree in medicine and Doctor's degree in medicine from Tongji Medical University (同濟醫科大學) (currently known as "Tongji Medical College of Huazhong University of Science and Technology (華中科技大學同濟醫學院)"), in Wuhan, Hubei Province, the PRC in July 1987 and June 1990, respectively.

Dr. Xia Xinping (夏新平), aged 60, was appointed as our independent non-executive Director on June 29, 2021.

Dr. Xia has solid academic background and extensive experience in finance. Dr. Xia started to work at Huazhong University of Science and Technology (華中科技大學), where, between August 1987 and June 1991, Dr. Xia served as a teaching assistant; between June 1991 and June 1996, he served as a lecturer; between June 1996 and May 2000, he served as an associate professor. He has been serving as a professor under the Department of Finance under the School of Management of Huazhong University of Science and Technology (華中科技大學) (the "School of Management") since May 2000. Between January 2003 and December 2011, he also served as the Vice Dean of the School of Management.

Since May 2019, Dr. Xia has been serving as an independent non-executive director and the chairman of the audit committee of Gemdale Properties and Investment Corporation Limited (金地商置集團有限公司) (stock code: 0535), a company listed on the Stock Exchange. In discharging his duties as the chairman of the audit committee, he has reviewed, monitored, and discussed with the management, among other things, accounting principles and practices, internal control, risk management, adequacy of resources, qualifications and experience of the staff, connected and continuing connected transactions, and financial reporting matters. Dr. Xia has also been responsible in ensuring the full, complete and accurate disclosure in the financial statements pursuant to the accounting standards and other legal requirements relating thereto. Dr. Xia was also an independent director of Gemdale Corporation (金地(集團)股份有限公司) (stock code: 600383), a company listed on the Shanghai Stock Exchange, from May 2009 to April 2017 and was the chairman of the audit committee of that company from 2010 to 2017. In discharging his duties, he reviewed and discussed with the management, among other things, annual audited financial statements of Gemdale Corporation published during his tenure. From April 2017 to June 2023, Dr. Xia served as an independent director of Hubei Fuxing Science and Technology Co., Ltd. (湖北福星科技股份有限公司) (stock code: 000926), a company listed on the Shenzhen Stock Exchange. From May 2014 to June 2020, he was an independent director of Shenzhen New Nanshan Holding (Group) Co., Ltd. (深圳市新南山控股(集團)股份有限公司) (formerly known as "Yahgee Modular House Co., Ltd. (雅緻集成房屋股份有限公司)" and "Yahgee Modular House (Group) Co., Ltd. (雅緻集成房屋(集團)股份有限公司)") (stock code: 002314), a company listed on the Shenzhen Stock Exchange. He was also on the Board of Fiberhome Telecommunication Technologies Co., Ltd. (烽火通信科技股份有限公司) (stock code: 600498), a company listed on the Shanghai Stock Exchange, as an independent director from December 2011 to December 2017. He was appointed as an independent director of Hubei Dinglong Co., Ltd (湖北鼎龍控股股份有限公司)(stock code: 300054), a company listed on the Shenzhen Stock Exchange, since May 12, 2023.

Dr. Xia received his Bachelor's degree in Engineering, Master's degree in Management and Doctor's degree in Management from Huazhong University of Science and Technology (華中科技大學) (formerly known as "Huazhong Institute of Technology (華中工學院)" and "Huazhong University of Science and Technology (華中理工大學)") in Wuhan, Hubei Province, the PRC in July 1985, June 1990 and June 2000, respectively.

Mr. Gu Huaming (顧華明), aged 62, was appointed as our independent non-executive Director on June 29, 2021.

After graduation, and between May 1993 and February 1996, Mr. Gu worked at J.J.B. Hilliard, W.L. Lyons, LLC (acquired by Robert W Baird & Co. incorporated in April 2019). After that, Mr. Gu served as the Strategic Planner at Emerson Electric Co., the Business Development Director at GE Plastics Pacific and the Senior Vice President at EQT Partners Asia Limited. From January 2020 to August 2025, Mr. Gu served as a director of Vega Global Limited. From November 2018 to July 2025, Mr. Gu served as a director of PCA Sign Resources SDN.BHD. Mr. Gu also joined Baird Capital in July 2007 as a partner to source, evaluate, execute and monitor investments in China and Asia Pacific area.

Mr. Gu also served as a founding member of the Finance Advisory Board of the Gatton College of Business and Economics at the University of Kentucky from January 2020 to March 2025.

Mr. Gu received his Bachelor's degree in Philosophy from Renmin University of China (中國人民大學) in Beijing, the PRC, in July 1986. Mr. Gu also obtained a Master's degree in Business Administration from the University of Kentucky, Kentucky, the United States, in May 1993.

Mr. Gu was the director of the following companies which were incorporated in Hong Kong and subsequently dissolved during his tenure:

- On March 10, 2016, Mr. Gu was appointed as a director of DIAMOND PAGODA LIMITED, a private company limited by shares incorporated in Hong Kong engaged in the investment holding, which was dissolved on August 30, 2019 by way of voluntary dissolution.
- On March 10, 2016, Mr. Gu was appointed as a director of RAINBOW ORBIT LIMITED, a private company limited by shares incorporated in Hong Kong engaged in the investment holding, which was dissolved on June 14, 2019 by way of voluntary dissolution.

Mr. Gu further confirmed (i) the above companies were solvent immediately prior to such dissolutions; (ii) there was no wrongful act on his part leading to such dissolutions and was not aware of any actual or potential claim that had been or would be made against him as a result of such dissolutions of the above companies; and (iii) no misconduct or misfeasance on his part had been involved in such dissolutions.

Directors and Senior Management

Dr. Gang Wang (王鋼博士), MD, PhD, aged 67, has over 35 years of experience in biomedical science research and drug development. Dr. Gang Wang is a professor (tenured) and the director of Electrophysiological Core in Weill Cornell Medicine of Cornell University.

Dr. Gang Wang received Bachelor of Medicine in 1982 and PhD in Pharmacology in 1987 from Tongji Medical University. Dr. Gang Wang passed USMLE Board Exams certifying for medical practice in the US in 1996. Dr. Gang Wang also received many international recognitions, honors and awards including First Award for Young Scientists by Chinese Society of Pharmacology in 1986, Top Award of Scientific Research in Hubei Province in 1996, and Mentorship of Siemens Science Foundation in 2010. Dr. Gang Wang was listed in Marquis “Who is Who in the World of Health and Medicine”. Dr. Gang Wang has secured substantial research funding from private and public sources, and published 90 peer-reviewed academic papers over last 35 years.

Senior Management

Our senior management is responsible for the day-to-day management of our business. Dr. Huang Shiang, Mr. Tu Zanbing and Ms. Chai Haijie, executive Directors of our Company, are also members of our senior management team. See their biographies in the paragraph headed “Executive Directors”.

Dr. Jian-Bing FAN (范建兵博士), aged 64, is a specially appointed expert by the Organization Department of the CPC Central Committee; he serves as the Chief Technology Officer of the Company.

Dr. Jian-Bing FAN previously led the development of SNP gene chips at Affymetrix, Inc., and later served as senior director of R&D at Illumina, Inc. He was awarded the Second Prize of the National Science and Technology Progress Award in 2023 and has received the First Prize of the Guangdong Provincial Science and Technology Progress Award twice.

Dr. Jian-Bing FAN currently serves as the legal representative and chairman of Guangzhou AnchorDx, the legal representative and chairman of Guangzhou Kangchengweiye WFOE, the legal representative and chief executive officer of Guangzhou Shengrui Health Technology Co., Ltd. (廣州聖睿健康科技有限責任公司), a partner of Guangzhou Shengrui Enterprise Management Partnership (Limited Partnership) (廣州聖睿企業管理合夥企業(有限合夥)), and an independent director of the board of Daan Gene Co., Ltd. (廣州達安基因股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002030).

Dr. Jian-Bing FAN received his doctoral degree in human genetics from Columbia University in the United States, he had served as a professor at Southern University of Science and Technology.

Company Secretary

Ms. Chai Haijie (柴海節), our executive Director and the Chief Financial Officer, was appointed as our joint company secretary on February 8, 2021, and was appointed as the company secretary on August 29, 2025. Please see her biography in the paragraph headed “Executive Directors”.

Corporate Governance Report

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the year ended December 31, 2025.

Corporate Governance Culture

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high standards of ethics are maintained.

The Board has set out the following values to provide guidance on employees' conduct and behaviours as well as the business activities, and to ensure they are embedded throughout the Company's vision, mission, policies and business strategies:

- (a) Integrity – we strive to do what is right;
- (b) Excellence – we aim to deliver excellence;
- (c) Collaboration – we are always better together;
- (d) Accountability – we are accountable for delivering on our commitments;
- (e) Empathy – we care about our stakeholders – employees, customers, supply chain and the community; and
- (f) Sustainability – we are committed to a sustainable future.

The Group will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

Corporate Governance Report

Corporate Governance Practices

The Board is committed to maintaining high corporate governance standards.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the CG Code as the basis of the Company's corporate governance practices.

The Board is of the view that during the Reporting Period, the Company has complied with the code provisions as set out in the CG Code, except for the deviation from code provision C.2.1 described in the paragraph headed "Chairman and Chief Executive Officer" in this report.

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code during the Reporting Period.

The Company has also established written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company in respect of securities in the Company as referred to the CG Code.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

Board of Directors

The Company is headed by an effective Board which oversees the Group's businesses, strategic decisions and performance, assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors takes decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement. The Board has delegated the day-to-day operation of the Company to the management while matters affecting the Company's overall strategies, policies and financial matters are reserved to the Board.

Board Composition

The Board currently comprises eleven Directors, consisting of three executive Directors, four non-executive Directors, and four independent non-executive Directors.

The composition of the Board is as follows:

Executive Directors

Dr. Huang Shiang (*Chairman and Chief Executive Officer*)
Mr. Tu Zanbing
Ms. Chai Haijie

Non-executive Directors

Mr. Huang Zuie-Chin
Mr. Peng Wei
Ms. Huang Lu
Dr. David Guowei Wang (*appointed with effect from March 27, 2026*)

Independent Non-executive Directors

Dr. Yao Shanglong
Dr. Xia Xinping
Mr. Gu Huaming
Dr. Gang Wang (*appointed with effect from March 27, 2026*)

The biographical information of the Directors and relationships between the Directors and substantial shareholders are set out in the section headed “Directors and Senior Management” on pages 33 to 40 of this report.

Dr. David Guowei Wang, appointed as a non-executive Director on March 27, 2026, and Dr. Gang Wang, appointed as an independent non-executive Director on March 27, 2026, have obtained the legal advice referred to under Rule 3.09D of the Listing Rules on March 25, 2026 regarding the requirements under the Listing Rules that are applicable to them as directors of a listed issuer and the possible consequences of making a false declaration or providing false information to the Stock Exchange, and they have confirmed that they understood their obligations as a director of a listed issuer.

None of the members of the Board is related to one another.

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the roles of chairman of the Board and chief executive should be separate and should not be performed by the same individual. The roles of Chairman and Chief Executive Officer are held by Dr. Huang Shiang. In view of Dr. Huang’s experience, personal profile and his roles in the Group, and the fact that Dr. Huang has been a chief executive of the Group since its incorporation, the Board considers it beneficial to the business prospect and operational efficiency of the Group that Dr. Huang acts as the Chairman and continues to act as the Chief Executive Officer.

Corporate Governance Report

While this will constitute a deviation from code provision C.2.1 of the CG Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by the Board requires approval by at least a majority of the Directors; (ii) Dr. Huang and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both the Board and senior management levels.

The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of Chairman and Chief Executive Officer is necessary.

Independent Non-executive Directors

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least four 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.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his 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 are independent.

Board Independence Evaluation

The Company has established a Board independence evaluation mechanism (the “**Board Independence Evaluation Mechanism**”) during the Reporting Period which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgment to better safeguard Shareholders’ interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence. The Board independence evaluation report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the year ended December 31, 2025, all Directors have completed the independence evaluation in the form of a questionnaire individually. The Board independence evaluation report was presented to the Board and the evaluation results were satisfactory.

During the year ended December 31, 2025, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

Appointment and Re-election of Directors

The non-executive Directors (including independent non-executive Directors) of the Company are appointed for a specific term of three years, subject to renewal after the expiry of the current term.

All the Directors of the Company are subject to retirement by rotation and re-election at the annual general meetings. Under the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Articles of Association also provides that all Directors appointed to fill a casual vacancy shall be subject to election by Shareholders at the first annual general meeting after appointment. The retiring Directors shall be eligible for re-election.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for and has general powers over the management and operation of our business, including determining our business strategies and investment plans, implementing resolutions, and exercising other powers, functions and duties as conferred by the Articles of Association. The Board also assumes the responsibilities for developing and reviewing the policies and practices of the Company on corporate governance, risk management and internal control and compliance with legal and regulatory requirements.

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.

Corporate Governance Report

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, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision 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 co-ordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors arising out of corporate activities.

Continuous Professional Development of Directors

According to code provision C.1.4 of the CG Code, directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive 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.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate.

During the Reporting Period, each of the Directors has complied with the code provision C.1.4 of the CG Code. The Company organized training sessions conducted by the qualified professionals/legal advisers for all Directors. The training sessions covered a wide range of relevant topics including directors' duties and responsibilities, corporate governance and regulatory updates. In addition, relevant reading materials including compliance manual/legal and regulatory updates/seminar handouts have been provided to the Directors for their reference and studying.

The training records of the Directors for the Reporting Period are summarized as follows:

Directors	Type of Training ^{Note 1}
Executive Directors	
Dr. Huang Shiang	✓
Mr. Tu Zanbing	✓
Ms. Chai Haijie	✓
Non-executive Directors	
Mr. Huang Zuie-Chin	✓
Mr. Peng Wei	✓
Ms. Huang Lu	✓
Dr. David Guowei Wang ^{Note 2}	N/A
Independent Non-executive Directors	
Dr. Yao Shanglong	✓
Dr. Xia Xinping	✓
Mr. Gu Huaming	✓
Dr. Gang Wang ^{Note 2}	N/A

Notes:

1. During the Reporting Period, all Directors attended training sessions and received training materials, including from the Company's lawyers.
2. Dr. David Guowei Wang and Dr. Gang Wang were appointed with effect from March 27, 2026.

Board Committees

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

The list of the chairman and members of each Board committee is set out under "Corporate Information" on page 7.

Corporate Governance Report

Audit Committee

Rule 3.21 of the Listing Rules requires the Audit Committee to comprise non-executive directors only, with a minimum of three members with independent non-executive Directors in majority and at least one member with appropriate professional qualifications or accounting or related financial management expertise.

The Audit Committee consists of two independent non-executive Directors, namely Dr. Xia Xinping, Mr. Gu Huaming and one non-executive Director, namely Mr. Huang Zuie-Chin. Dr. Xia Xinping is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Audit Committee include, without limitation, assisting our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group and overseeing the audit process.

During the Reporting Period, the Audit Committee held 2 meetings to review the interim financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, and relevant scope of works and, connected transactions and arrangements for employees to raise concerns about possible improprieties.

Remuneration Committee

Rule 3.25 of the Listing Rules requires an issuer to establish a Remuneration Committee chaired by independent non-executive Director and comprising a majority of independent non-executive Directors.

The Remuneration Committee consists of three members, namely Mr. Gu Huaming, independent non-executive Director, Dr. Xia Xinping, independent non-executive Director and Mr. Tu Zanbing, executive Director. Mr. Gu Huaming is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include determining and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management; establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration; and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

During the Reporting Period, the Remuneration Committee held 2 meetings to review and make recommendation to the Board on the remuneration packages of the Directors and senior management.

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of executive Directors are also determined with reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each executive Director. The remuneration for the Executive Directors comprises basic salary, pensions, performance bonus, benefits and discretionary bonus. The remuneration policy for non-executive Directors and independent non-executive Directors is to ensure that non-executive Directors and independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the non-executive Directors and Independent Non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board. All Directors and senior management have not been involved in deciding their own remuneration.

Nomination Committee

The Nomination Committee consists of five members, namely Dr. Huang Shiang, Chairman and executive Director, Ms. Huang Lu, non-executive Directors, Dr. Yao Shanglong, independent non-executive Directors, Dr. Xia Xinping, independent non-executive Director and Mr. Gu Huaming, independent non-executive Director. Dr. Huang Shiang is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

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 (as disclosed in the section headed "Board Diversity Policy" below). The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy (as set out in section headed "Director Nomination Policy" in this corporate governance report) that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the Reporting Period, the Nomination Committee held 2 meetings to review the structure, size and composition of the Board, and the appointment of the senior management of the Company. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Board Diversity Policy

The Company has adopted a Board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of the Board in order to enhance the effectiveness of our Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

Corporate Governance Report

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Board will consider setting measurable objectives to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. We target to promote gender diversity when recruiting staff at the mid to senior level to develop a pipeline of female senior management and potential successors to the Board.

An analysis of the Board's current composition based on the measurable objectives is set out below:

Gender

Male: 9 Directors
Female: 2 Directors

Age Group

31-40: 1 Director
41-50: 1 Director
51-60: 4 Directors
61-70: 5 Directors

Designation

Executive Directors: 3 Directors
Non-executive Directors: 4 Directors
Independent Non-executive Directors: 4 Directors

Nationality

Chinese: 8 Directors
American: 3 Directors

At present, the Nomination Committee considered that the Board is sufficiently diverse and the Board has not set any measurable objectives.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the Latest Practicable Date:

	Female	Male
Board	18.2% (2)	81.8% (9)
Senior Management	25.0% (1)	75.0% (3)
Other employees	66.7% (2,064)	33.3% (1,032)
Overall workforce	66.6% (2,065)	33.4% (1,035)

Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report on pages 63 to 112 of this report.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director nomination policy (the “**Director Nomination Policy**”) which sets out the selection criteria and nomination process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The nomination process set out in the Director Nomination Policy is as follows:

Corporate Governance Report

Appointment of New Director

- (i) The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.
- (ii) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- (iii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- (iv) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.
- (v) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

Re-election of Director at General Meeting

- (i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.
- (ii) The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.
- (iii) The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

The Director Nomination Policy sets out the criteria for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

During the Reporting Period, there was no change in the composition of the Board.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Functions

During the Reporting Period, the Board (namely Dr. Huang Shiang, Chairman and an executive Director, Mr. Tu Zanbing and Ms. Chai Haijie, each being an executive Director, Mr. Huang Zuie-Chin, Mr. Peng Wei and Ms. Huang Lu, each being a non-executive Director, Dr. Yao Shanglong, Dr. Xia Xinping, and Mr. Gu Huaming, each being an independent non-executive Director) is responsible for performing the functions set out in the CG Code.

During the Reporting Period, the Board had from time to time discussed at the Board meetings and reviewed the Company's corporate governance policies and practices, duties performed by the Board and the Board committees, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Corporate Governance Report

Board Meetings and Attendance Records of Directors

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

The attendance record of each Director at the Board meetings and Board Committee meetings and the general meeting of the Company held during the Reporting Period is set out in the table below:

Name of Director	Attendance/Number of Meetings				Annual General Meeting
	Board	Audit Committee	Remuneration Committee	Nomination Committee	
Executive Directors					
Dr. Huang Shiang	6/6	N/A	N/A	2/2	1/1
Mr. Tu Zanbing	6/6	N/A	2/2	N/A	1/1
Ms. Chai Haijie	6/6	N/A	N/A	N/A	1/1
Non-executive Directors					
Mr. Huang Zuie-Chin	6/6	2/2	N/A	N/A	1/1
Mr. Peng Wei	6/6	N/A	N/A	N/A	1/1
Ms. Huang Lu	6/6	N/A	N/A	N/A	1/1
Dr. David Guowei Wang	N/A	N/A	N/A	N/A	N/A
Independent Non-executive Directors					
Dr. Yao Shanglong	6/6	N/A	N/A	2/2	1/1
Dr. Xia Xinping	6/6	2/2	2/2	2/2	1/1
Mr. Gu Huaming	6/6	2/2	2/2	N/A	1/1
Dr. Gang Wang	N/A	N/A	N/A	N/A	N/A

Apart from regular Board meetings, the Chairman also held 1 meeting with the independent non-executive Directors without the presence of other Directors during the Reporting Period.

Risk Management and Internal Controls

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.

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's risk management and internal control systems have been developed with the following principles, features and processes:

Risk Management

- Senior management oversees and manages the overall risks associated with the Company's business operations, including (i) reviewing and approving our risk management policy to ensure that it is consistent with Company's corporate objectives; (ii) monitoring the most significant risks associated with Company's business operations and our management's handling of such risks; and (iii) ensuring the appropriate application of our risk management framework across the Group.
- Legal and internal control personnel are responsible for developing and implementing risk management policy and carrying out day-to-day risk management practice, such as assessing risks on key business operations, advising risk responses and optimizing risk management policies.

The Company considers that Directors and members of senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Corporate Governance Report

Internal Control

- Directors (who are responsible for monitoring the corporate governance of the Group), with assistance from our legal advisors, will periodically review our compliance status with all relevant laws and regulations upon Listing.
- Audit Committee shall (i) make recommendations to the Directors on the appointment and removal of external auditors; and (ii) review the financial statements and render advice in respect of financial reporting as well as oversee the risk management and internal control procedures of the Group.
- A PRC legal advisor is engaged to advise us on and keep us abreast with PRC laws and regulations upon Listing. The Company will continue to arrange various training to be provided by external legal advisors from time to time when necessary and/or any appropriate accredited institution to update our Directors, members of our senior management and relevant employees on the latest applicable laws and regulations.
- Strict anti-corruption policies are maintained among our sales personnel in our sales and marketing activities.
- A comprehensive treasury policy is maintained, detailing specific functions and internal control measures for capital use. These functions and measures include but are not limited to procedures of capital management and liquidity management.
- Internal protocols governing both the confidentiality and privacy for patient sample and data are adopted.

All divisions/departments conduct 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. Self-evaluation is conducted annually to confirm that control policies are properly complied with by each division/department.

The management, in coordination with division/department heads, assess the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and report to the Audit Committee and the Board on all findings and the effectiveness of the systems. For any material internal control defects, the management will identify the internal control deficiencies, review the control activities and procedures and amend the relevant internal policies and procedures, if necessary. Such defects (if any) will be reported to the Board and the Audit Committee, at least annually.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Reporting Period.

The Internal Audit Department is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, conducted annual review on the risk management and internal control systems for the year ended December 31, 2025, including the financial, operational and compliance controls, at the Board meetings held on March 27, 2026, 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.

Arrangements are in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, 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. With respect to the procedures and internal controls for the handling and dissemination of inside information, the Company is required to disclose inside information as soon as reasonably practicable in accordance with the SFO and the Listing Rules. The Company would conduct its affairs with close regard to the "Guidelines on Disclosure of Inside Information" issued by the SFC. It is strictly prohibited to use inside or confidential information without proper authorization. The Company ensures, through its own internal reporting processes and the consideration of their outcome by senior management, the appropriate handling and dissemination of inside information.

Directors' Responsibility in Respect of the Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Reporting Period.

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 auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 143 to 147.

Corporate Governance Report

Auditors' Remuneration

The remuneration paid to the Auditor in respect of audit services and non-audit services for the year ended December 31, 2025 is set out below:

Service Category	Fees Paid/ Payable RMB
Audit Services	2,510,000
Non-audit Services	1,110,000
Total	3,620,000

The non-auditing services conducted by the Auditor during the Reporting Period are due diligence services.

Company Secretary

Ms. Chai Haijie has been appointed as the Company's company secretary.

For the year ended December 31, 2025, Ms. Chai Haijie has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

Shareholders' Rights

The Company engages with Shareholders through various communication channels.

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening General Meeting

Pursuant to the Article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more Shareholders holding together, as at the date of deposit of the requisition, Shares representing in aggregate not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s). If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Putting Forward Proposals at General Meetings

There are no provisions under the Memorandum and Articles of Association and the Cayman Islands Companies Act regarding procedures for Shareholders to put forward proposals at a general meeting. Shareholders who wish to submit a proposal may request the Company to convene a general meeting in accordance with the procedure set out in the preceding paragraph, to consider the matters specified in the request.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company normally will not deal with verbal or anonymous enquiries.

Corporate Governance Report

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Room 1920, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong
(For the attention of the Board of Directors)

Email: ir@kindstar.com.cn

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law. Shareholders may call the Company at +86 027 85573007 for any assistance.

Communication with Shareholders and Investors

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries. The Company has reviewed the implementation and effectiveness of the shareholders' communication during the Reporting Period and considers it effective.

Policies relating to Shareholders

The Company has in place a Shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

(a) *Corporate Communications*

Corporate Communications have the meaning ascribed thereto in the Listing Rules, which include but are not limited to (i) the directors' report, the annual accounts together with a copy of the auditor's report, (ii) the interim report, (iii) a notice of meeting, (iv) a listing document, (v) a circular, and (vi) a form of proxy. According to Rule 2.07A of the Hong Kong Listing Rules, which came into effect on December 31, 2023, regarding the arrangement for the publication of corporate communications using electronic means, the Company adjusted its policy for publishing corporate communications, which stipulates that the Company shall announce all future corporate communications to its shareholders through electronic communication and send printed copies of corporate communications to shareholders only upon request. For details, please refer to the notification letters of the Company dated April 12, 2024. Shareholders are encouraged to provide, amongst other things, their contact details, in particular, their email address to the Hong Kong share registrar of the Company in order to facilitate timely and effective communications. Having reviewed the content of the Company's corporate communication policy, the Company is of the view that its corporate communication policy was effective during the Reporting Period.

(b) Corporate Website

The Company's website provides the Shareholders with the corporate information, such as principal business activities and latest development of the Group. Also, it provides information on corporate governance of the Group as well as the compositions and functions of the Board and the Board committees. The Company publishes its results announcement on the Stock Exchange's and the Company's websites after the results have been approved by the Board. The results announcement contains the performance and results of the Group, details on the recommended dividend payment (if any) and closure of the register of members and any other information required to be disclosed under the Listing Rules from time to time. Information released by the Company for publication on the website of the Stock Exchange is also posted on the Company's website immediately thereafter. Such information includes but is not limited to interim reports, annual reports and where applicable, quarterly reports, announcements, circulars, notices of general meetings and associated explanatory documents (if any) and any other information required to be published under the Listing Rules from time to time. Press releases and publications issued by the Company from time to time are also available on the Company's website. Information on the Company's website is updated on a regular basis.

(c) Shareholder's Meeting

General meetings provide an opportunity for constructive communication between the Company and the Shareholders. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Appropriate arrangements for the general meetings shall be in place to encourage Shareholders' participation. An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing but if permitted by the Articles of Association and the rules of the Stock Exchange, a general meeting may be called by shorter notice, subject to the law and if it is so agreed. The notice shall specify the time and place of the meeting and particulars of resolutions to be considered at the meeting. The forms of proxy will also be provided to the Shareholders for appointing proxies to attend and vote at the general meeting on their behalf. Board members, in particular, the chairman of the Board committees or their delegates, appropriate senior executives and external auditor will attend the general meetings to answer the Shareholders' questions. Proceedings of the Company's general meetings will be reviewed from time to time to ensure that they are in compliance with the requirements under the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands, and that they follow good corporate governance practices. Separate resolution on each substantially separate issue will be proposed for voting at the general meeting. The chairman of the general meeting will propose to vote the resolutions (except resolutions which relate purely to procedural or administrative matters) by poll in accordance with the Articles of Association. Scrutineer will be appointed for the vote-taking at the general meeting. The voting results will be published on the websites of the Company and of the Stock Exchange subsequent to the close of the general meeting.

Corporate Governance Report

(d) *Dividend Policy*

The Company has adopted a dividend policy on payment of dividends. Any declaration and payment of dividends will be subject to the Memorandum and Articles of Association and the Cayman Islands Companies Law. Dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval, depending on the availability of dividends received from our subsidiaries and a number of factors, including our earnings, capital requirements, overall financial conditions, contractual and applicable legal restrictions and other factors.

Based on such dividend policy and with a view to establishing a long-term shareholder return mechanism, the Board approved a three-year dividend distribution guideline (the “**2025-2027 Final Dividends Distribution Guidelines**”) on March 27, 2026: subject to compliance with applicable laws, the Listing Rules and the Articles of Association and satisfaction of all statutory conditions, the Company intends to distribute cash dividends aggregating not less than HK\$300 million as final dividends for the years 2025 to 2027 (including the proposed final dividend for the year 2025 of approximately HK\$100 million announced by the Company in this annual report, based on 1,034,245,964 issued Shares (excluding treasury shares)).

The Company will, in conjunction with the 2025-2027 Final Dividends Distribution Guidelines and the share repurchase mandate (subject to Shareholders' approval), flexibly adjust the combination of share repurchases and dividend distributions in light of market conditions and liquidity reserves. The Board reserves absolute discretion to review and adjust the above capital allocation plan having regard to the Company's business expansion needs. Any specific dividend distribution and share repurchase proposals will be implemented subject to compliance with all applicable laws, the Listing Rules and the Articles of Association.

The Company has conducted financial assessment and stress testing in relation to the 2025-2027 Final Dividends Distribution Guidelines, and such dividend distribution guidelines satisfy the solvency requirements after dividend distribution. Furthermore, following the Board's prudent assessment with reference to the Company's strategic development plans for the next three to five years, the Board is of the view that the aforesaid guideline will not have a material adverse impact on the long-term operation, development and capital expenditure plans of the Company, and strives to achieve a sound balance between business expansion and shareholder returns.

Environmental, Social and Governance Report

Board of Directors' Statement

The Board of Directors (the “**Board**”) of Kindstar Globalgene Technology, Inc. (the “**Company**”) and its subsidiaries (“**Kindstar Global**”, the “**Group**” or “**we**”) is the highest responsible and decision-making institution for environmental, social and governance (“**ESG**”) matters and has ultimate responsibility for the Group’s ESG strategies and ESG report (“**this Report**”), and monitors ESG related matters that may affect the Group’s business or operation, shareholder and other stakeholders¹. The Environmental, Social and Governance Committee (“**ESG Committee**”) under the Board is responsible for identifying and assessing ESG risks associated with the Group, ensuring that the Group has put in place appropriate and effective ESG risk management and internal control systems, and reporting to and reviewing the progress made in achieving the relevant ESG objectives. For details, please refer to “ESG Strategies and Management”.

The Group values the suggestions and views of various stakeholders and ensures adequate channels for communication with key stakeholders to discuss and identify the Group’s important ESG issues and possible ESG risks, and to continuously improve its ESG-related strategies and policy systems. The Board has considered the major ESG issues of the year and has adopted proposals to adjust the importance of each ESG issue, ensuring the timeliness and reasonableness of the major issues matrix. For details, please refer to “Stakeholder Engagement”.

The Group has put in place a management system of ESG objectives relating to carbon emissions, pollutant emissions, energy consumption, water resources management and other indicators, and the Board reviews the progress of the objectives on an annual basis and reviews any necessary adjustments or improvements to ensure that the Group continues to make progress in achieving its ESG objectives. For details, please refer to “Green Operations Management”.

The Board and all Directors is committed to ensuring that the contents of this Report are free of any misrepresentation, misleading statements or material omissions, and accept responsibility for the truthfulness, accuracy and completeness of the report. This Report provides detailed information on the progress and effectiveness of the Group’s ESG work in 2025 and undertakes to strive to ensure that all data presented in this Report are accurate and reliable and managed through the establishment of internal control and formal review procedures. This Report was confirmed and approved by the Board on March 27, 2026.

¹ Stakeholders, refer to groups and individuals who have a significant impact on or will be affected by an enterprise’s business, including internal Board, management, administrative staff and general employees, as well as external shareholders, business partners, customers, government and regulatory agencies, banks and investors and community groups.

Environmental, Social and Governance Report

1. About this Report

1.1. Introduction of this Report

This Report is the fifth ESG report published by the Group. This Report allows stakeholders to have a better understanding of the Group's work on ESG by summarizing the Group's principle, concept and key performance indicators ("KPI") on environmental and social aspects.

1.2. Scope of this Report

This Report covers the overall sustainable development practiced by Kindstar Global from January 1, 2025 to December 31, 2025 (the "Reporting Period"). The scope of this Report covers the main business of the Group, with social aspects consistent with the Group's annual report and environmental aspect covering the Group's Wuhan headquarter and major subsidiaries in Shanghai, Beijing, Sichuan, Xinjiang and Wuhan with business operations, all operating subsidiaries and branch office with business operation companies in the People's Republic of China (the "PRC" or "China") within the scope of the Group's audited consolidated statements, including:

- Wuhan Kindstar Medical Laboratory Co., Ltd.
- Wuhan Kindstar Zhenyuan Medical Laboratory Co., Ltd.
- Wuhan Kindstar Qiyuan Medical Laboratory Co., Ltd.
- Wuhan Kindstar Zeyuan Medical Laboratory Co., Ltd.
- Beijing Hightrust Medical Laboratory Co., Ltd.
- Tianjin Kindstar Medical Laboratory Co., Ltd.
- Xinjiang Kindstar Medical Laboratory Co., Ltd.
- Wuhan Kindstar Biotechnology Co., Ltd.
- Wuhan HumanCell Biotechnology Co., Ltd.
- Wuhan Xinuo Medical Laboratory Co., Ltd.
- Shanghai SimpleGene Medical Laboratory Co., Ltd.
- Shanghai Xinuo Medical Laboratory Co., Ltd.
- Shanghai SinoPath Medical Laboratory Co., Ltd.
- Shanghai Xinuo Weilai Medical Technology Co., Ltd.
- Guizhou Kindstar Medical Technology Co., Ltd.
- Hubei Kindstar You An Medical Technology Co., Ltd.
- Hubei Enshi Kindstar Medical Testing Co., Ltd.
- Wuhan Yijianyun Information Technology Co., Ltd.
- Chengdu Wenjiang Kangshengyou Medical Internet Hospital Co., Ltd.
- Wuhan Haixi Life Science Technology Co., Ltd.
- Wuhan Haixi Biological Technology Co., Ltd.
- Sichuan Huaxi Kindstar Medical Co., Ltd.
- Chengdu Shengyuan Medical Laboratory Co., Ltd.
- Guangzhou SouthMed Kindstar Biotechnology Co., Ltd.
- Changsha Kindstar Medical Laboratory Co., Ltd.

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- Kindstar Global (Wuhan) Medical Esoteric Technology Co., Ltd.
- Wuhan Kindstar Kindan Medical Laboratory Co., Ltd.
- Wuhan Kindstar Qinghe Medical Laboratory Co., Ltd.
- Kindstar Sequenon Biotechnology (Wuhan) Co., Ltd.

1.3. Reporting Standards

This Report is prepared in accordance with the mandatory disclosure requirements and “Comply or Explain” provisions of the Appendix C2 – “Environmental, Social and Governance Reporting Code” (“**the Code**”) of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited. This Report is prepared based on the following four reporting principles:

Materiality: This Report has identified material ESG topics and disclosed the process to identify and the criteria for the selection of material ESG topics and the process and results of stakeholder engagement.

Consistency: The statistical methodologies used for information disclosure in this Report are consistent with last year’s ESG report. Any changes will be clearly stated in this Report.

Quantitative: The statistical standards, methodologies, assumptions, calculation tools and source of conversion factors used, for the reporting of KPI and related data, are stated in this Report.

Balance: This Report provides an unbiased picture of the Group’s performance and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

1.4. Reporting Language

This Report is published in both Traditional Chinese and English. In case of any discrepancy, the Traditional Chinese version shall prevail.

Environmental, Social and Governance Report

2. About Kindstar Global

Kindstar Global is a large-scale group providing high-end medical specialty esoteric testing services in China, providing systematic, comprehensive and advanced specialty testing services, our service network has covered 31 provinces/municipalities directly under the central government and more than 600 cities in China. We have cooperated with more than 3,000 hospitals, including more than thousands tertiary hospitals providing more than 3,800 advanced and accurate diagnostic tests in such fields as blood, tumor, genetics, cardiovascular and cerebrovascular diseases, infectious diseases, and autoimmune diseases, as well as in internal medicine, surgery, gynecology, pediatrics and other specialties.

The Group adheres to the principle of “patient interests first, doctor needs first” (病人利益至上、醫生需求第一). We are committed to becoming a leader in China’s specialty diagnosis and treatment and personalized medical diagnostics, introducing and developing the world’s advanced technologies and specialty esoteric testing methods, and strictly complying with international norms, standards and industry guidelines. We always practice the core values of “quality is life, technology is motivation, employees are wealth, and speed is the key”.

Kindstar Global has built internationally advanced laboratory facilities of 40,000 square meters for clinical testing, scientific research cooperation and applied R&D in Beijing, Shanghai, Wuhan, Xinjiang, Chengdu and Guangzhou. We boast a dozen of specialized laboratories, including a high-resolution flow cytometry (FCM) testing platform, a PCR (real-time Polymerase chain reaction) platform, a gene chip platform (Affymetrix), a liquid chip platform (Luminex), a mass spectrometry platform (Sequenom), a digital gene platform (NanoString), a sequencing platform, a cytogenetic platform (chromosome karyotype analysis, FISH, etc.), a mass spectrometry platform, a clinical pathology platform, a clinical immune platform, and a clinical chemistry platform. Through cooperating with the world’s top medical technology institutions and large pharmaceutical companies, we provide medical research, drug testing and translational medicine research services for clinicians all over China.

Environmental, Social and Governance Report

2.1. Honors of the Group

Company Name	Title	Issuance Date	Issuing Authority
Wuhan Kindstar Medical Laboratory Co., Ltd.	High-tech Enterprise	2025-12-19	Leading Group Office for the National Administration of High-tech Enterprise Recognition
Wuhan Kindstar Medical Laboratory Co., Ltd.	DCMM Standard Implementation Grade	2025-12-24	China Information Electronics Industry Federation
Wuhan Kindstar Medical Laboratory Co., Ltd.	The 7th Batch of Hubei Provincial Specialized, Refined, Differential & Innovative SMEs	2025-05-08	Wuhan Municipal Bureau of Economy and Information Technology
Wuhan Kindstar Medical Laboratory Co., Ltd.	2025 High-tech Enterprise “Starry Sky” Program – Kunlun Star Enterprise	2025-01-01	Wuhan High-tech Industry Association
Wuhan Kindstar Medical Laboratory Co., Ltd.	2025 Top 100 Leading Enterprises in Digital Services & Service Outsourcing	2025-07-01	China Council for International Investment Promotion
Wuhan Haixi Biological Technology Co., Ltd.	2025 High-tech Enterprise “Starry Sky” Program – Future Star Enterprise	2025-01-01	Wuhan High-tech Industry Association
Wuhan Haixi Biological Technology Co., Ltd.	2025 Optics Valley Gazelle Enterprise	2025-10-03	Bureau of Science, Technology Innovation and New Economy Development
Wuhan Haixi Biological Technology Co., Ltd.	Digital Transformation – Level 2	2025-12-01	Wuhan Municipal Bureau of Economy and Information Technology
Wuhan Kindstar Biotechnology Co., Ltd.	2025 High-tech Enterprise “Starry Sky” Program – Future Star Enterprise	2025-01-01	Wuhan High-tech Industry Association
Wuhan Kindstar Biotechnology Co., Ltd.	The 2nd Batch of Wuhan Start-up Tech Enterprise Incubation Program	2025-05-01	Wuhan Municipal Bureau of Science and Technology Innovation
Wuhan Kindstar Biotechnology Co., Ltd.	R&D Enterprise Inventory Registration	2025-08-02	Wuhan Municipal Bureau of Science and Technology Innovation
Wuhan Kindstar Biotechnology Co., Ltd.	2025 Technology-based Small and Medium-sized Enterprise	2025-09-01	Hubei Provincial Department of Science and Technology
Wuhan Kindstar Biotechnology Co., Ltd.	2025 Seed Unicorn Enterprise	2025-10-02	Wuhan Municipal Bureau of Economy and Information Technology
Wuhan Kindstar Biotechnology Co., Ltd.	2025 Optics Valley Gazelle Enterprise	2025-10-03	Bureau of Science, Technology Innovation and New Economy Development

Environmental, Social and Governance Report

2.2. ESG Rating

During the Reporting Period, the Group's ESG performance and initiatives have been recognized and commended by a number of local ESG rating agencies, which further reinforces the Group's confidence and commitment to advancing high-quality sustainable development.



2.3. ESG Strategies and Management

Kindstar Global has been continuously working on sustainable development. The Group established a three-tier ESG governance structure led by the Board, overseen by the ESG Committee, and executed by the Environmental, Social and Governance Working Group (“**ESG Working Group**”). The responsibilities of each level are clearly listed.

The Board

The Board is the highest authority in the decision-making of the Group's ESG governance. The Board masters the Group's ESG information through the ESG Committee and the ESG Working Group, the Board is responsible for developing management approach and strategies for ESG issues, including materiality assessment, prioritizing and managing important ESG issues and reviewing the progress of ESG-related targets, etc.

ESG Committee

Under the leadership of the Group's Chief Financial Officer, the ESG Committee comprises the heads of the Administration Department, Finance Department, Legal Department, Human Resources Department and Investor Relations Department. The ESG Committee is responsible for formulating and reviewing ESG strategies and management methods, monitoring ESG issues and risks; communicating with other committees and the ESG Working Group, coordinating the development of ESG work and regularly approving and reviewing the objectives and key measures.

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ESG Working Group

The ESG Working Group is composed of all subsidiaries and divisions of the Group. The ESG Working Group is responsible for formulating and implementing ESG-related policies and procedures, monitoring and tracking the progress of ESG objectives and providing feedback to the ESG Committee.

2.4. Stakeholder Engagement

The Group attaches high importance to communication and exchange with stakeholders. To facilitate effective and long-term communication with stakeholders, we identify stakeholders and establish different communication channels to fully understand their expectations and requirements. The Group will actively respond to the views of stakeholders to advance the effective execution of the Group's sustainable development strategy.

Major Stakeholders	Expectations and Requirements	Main Communication Channels
Shareholders and Investors	Operational compliance Return on investment Protection of shareholders' rights and interests Accuracy and timeliness of information disclosure	The general meetings of the management teams; Corporate communications, such as shareholder letters/circulars and meeting notices; Annual general meeting and general meetings of the shareholders
Regulatory Authorities	Operational compliance Ensure product quality and safety Promote economic development Promote healthcare development	Daily management; Work meetings; Compliance reports; Regular monitoring and checking
Customers	Ensure product quality and safety Ensure high quality and efficient services Protection of customers' privacy Provision of professional esoteric testing services	Customer satisfaction surveys and opinion forms; Comprehensive customer complaint handling mechanism; Online service platform; Hotlines; Website and emails of the Group; Customer service centers

Environmental, Social and Governance Report

Major Stakeholders	Expectations and Requirements	Main Communication Channels
Employees	Remuneration and benefits Career development Safe working environment Vocational training Humanistic care	Employee opinion survey; Internal communication channels; Job performance and assessment; Conference interviews; Trainings; Employee activities; Seminars/Workshops/Talks
Business Partners/Suppliers	Integrity and mutual benefit Supply chain management	Meetings; Supplier evaluation systems; On-site inspections; Visiting; Strategic partnership program
Higher Education Institutions and Research Institutions	Innovative scientific research Promote healthcare development through cooperation Nurturing industry talents	Scientific research base meetings; Exchange activities; Participation in summits; Industry seminars
Community/Environment/ Non-governmental Organizations	Employment opportunities Effective use of resources Support community development Reduce pollutant emissions	Conducting charity activities; Donations; Volunteer activities/Environmental activities; Seminars/Workshops/Talks
Media	Accurate, transparent and efficient	Press conferences; Visits of senior management; Performance Reports

2.5. Materiality Assessment

The Group discloses the process and guidelines for identifying material ESG issues of Kindstar Global in accordance with the materiality reporting principles. During the Reporting Period, there were no significant changes in the business operations of Kindstar Global, and the impact of the Group on stakeholders and vice versa. Therefore, in the Reporting Period, based on the results of the materiality assessment in 2021, the management team reviewed and summarized the results of the materiality assessment for the Reporting Period, the results were confirmed by the Board. The results of the materiality assessment of the Reporting Period are as follows:

High Importance	Medium Importance	Low Importance
<ul style="list-style-type: none"> - Product quality and safety - Safe disposal of medical waste 	<ul style="list-style-type: none"> - Compliance operation - Water resources use - Employee welfare and rights - High quality development - Customer service and privacy protection - Anti-money laundering and anti-corruption - Complaint handling 	<ul style="list-style-type: none"> - Employee career development - Workplace safety and health - Corporate culture - Intellectual property right - Greenhouse gas emission - Energy use - Responsible supply chain - Community participation - Social welfare activities

3. Promoting Scientific Research Development

In the Reporting Period, the Group's fruitful scientific research achievements are attributed to years of innovation and R&D, cooperation and promotion. "Technology is the core competitiveness of an enterprise, and technological progress leads to technological development which drives an enterprise forward" (技術是企業的核心競爭力, 科技進步引領技術發展, 技術發展帶動企業前進) is the corporate culture of Kindstar Global, and it is also our original intention to promote scientific research and development all the way through. In the Reporting Period, we have obtained success in several areas of testing technology, and have taken a step forward to promote systematic, comprehensive and advanced testing technology.

During the Reporting Period, the Group had 131 new R&D detection projects in total, including 48 projects related to molecular biology detection technology, 21 projects related to flow cytometry detection technology, 11 projects related to cytogenetic detection technology, 6 projects related to hematopathology testing technology, and 45 projects related to clinical laboratory and pathology testing. In 2025, we continued to develop a variety of key projects, including the development of MRD monitoring for acute myeloid leukemia based on the NGS technology platform, detection of 144 gene mutations in multiple myeloma, development of whole-genome ROH and triploidy prediction software using NGS, establishment of a CNV and CN-LOH interpretation database for hematologic malignancies, establishment of a fusion rearrangement interpretation database for hematologic malignancies, and nearly 30 different types of FISH assays, among other sophisticated testing programs. We have also made remarkable progress in multiple areas of CAR-T clinical monitoring and efficacy evaluation. Our R&D projects cover core indicators such as the in vivo expansion quantity of CAR-T cells, transgene copy number, and patients' immune functional status. Meanwhile, based on cutting-edge target research, the Company has successfully developed a number of esoteric testing items targeting multiple myeloma (MM) and T-cell targets, representing a major breakthrough in technological application.

Patent Management System

The Group strictly adheres to the requirements of the Patent Law of the People's Republic of China 《中華人民共和國專利法》, the Implementation Regulations for the Patent Law of the People's Republic of China 《中華人民共和國專利法實施細則》, the Trademark Law of the People's Republic of China 《中華人民共和國商標法》, etc., and have established intellectual property management system including the Intellectual Property Application Procedures 《知識產權申請流程》, the Incentives for Researchers' R&D Achievements, Patent Applications and Publication of Professional Literature 《研究人員研發成果、專利申請及專業文獻發表的獎勵辦法》, etc. To protect the rights and interests of the Group, we register intellectual property rights for all patents and trademarks and provide three methods to facilitate employees to apply for them, including online application, self-application and entrusted application. We have also arranged specific people to be responsible for assisting employees of different departments in applying for intellectual property rights. To encourage and stimulate the creativity of our staff, R&D staff are entitled to bonus payment, job promotion, salary adjustment, and other incentives.

In 2025, the scientific research department of the Group published 13 articles, applied for 56 patents, of which 25 were granted, including 6 invention patents, and obtained 54 copyrights.

4. Quality of Service and Testing

Kindstar Global upholds the principle of “Quality is Life” (質量是生命), which is the way we take care of the needs of our clients, patients and hospitals to provide the highest quality testing and specialty esoteric testing services. We carry out quality management throughout our entire business processes, from procurement of materials to testing services, from customer medical consultation to the issuance of test reports, every step is carried out with professionalism and compliance to serve customers. This reflects our dedication to high quality and drive the steady advancement of Kindstar Global.

4.1. Strict Control on the Quality of Test

Kindstar Global is committed to providing the best testing quality and focusing on the development of testing quality. We have obtained several testing certificates for our testing work, such as the ISO 15189 Medical Laboratories – Requirements for Quality and Competence, Certificate of Technical Acceptance of Clinical Gene Amplification Test Laboratory, and Medical Device Business License. We have developed various sample management, testing management and review documents, such as the Quality Manual (《質量手冊》), Pre-examination Procedure (《檢驗前程序》), Logistics Manual (《物流手冊》), Specimen Management Procedure (《標本管理程序》), Results Reporting Management Procedure (《結果報告程序》), Test Quality Assurance Procedures (《檢驗工作質量保證程序》), Procedure for the Evaluation of Test Procedure (《檢驗程序的評審程序》), Comparison Management Procedure (《比對管理程序》), Internal Audit Procedure (《內部審核程序》), Management Review Management Procedure (《管理評審管理程序》), Preventive Action Control Procedure (《預防措施控制程序》), Corrective Action Control Procedure (《糾正措施控制程序》) and Equipment Management Procedure (《設施管理程序》), etc. The Group strictly complies with the Law of the People’s Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) and the Law of the People’s Republic of China on the Quality of Products (《中華人民共和國產品質量法》). Our quality management covered every area of our business operations and service provision, from material procurement, customer testing requirements, equipment management, pre-examination preparation, issuance of test reports, etc. We carry out every step of quality work precisely to provide the best quality service. The main business of the Group does not involve product or service recall.

In terms of procurement, for any new purchasing of materials, such as laboratory supplies, instruments and equipment, a preliminary review of the goods is a compulsory step to be carried out by the warehouse manager, and inspection of the quality of goods will then be conducted by the end-user department. If the goods do not meet the quality requirements, we will notify the purchasing specialist to apply for the return, exchange or compensation.

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To provide appropriate and accurate testing services, we provide our clients with pre-examination medical consultation. The consultation will be provided by clinicians to advise clients on the appropriate medical tests. We have prepared the Guide to General Practice Test Items (《全科檢驗項目指南》) for our clients to thoroughly understand the preparation, procedures and storage requirements for samples before and after sampling.

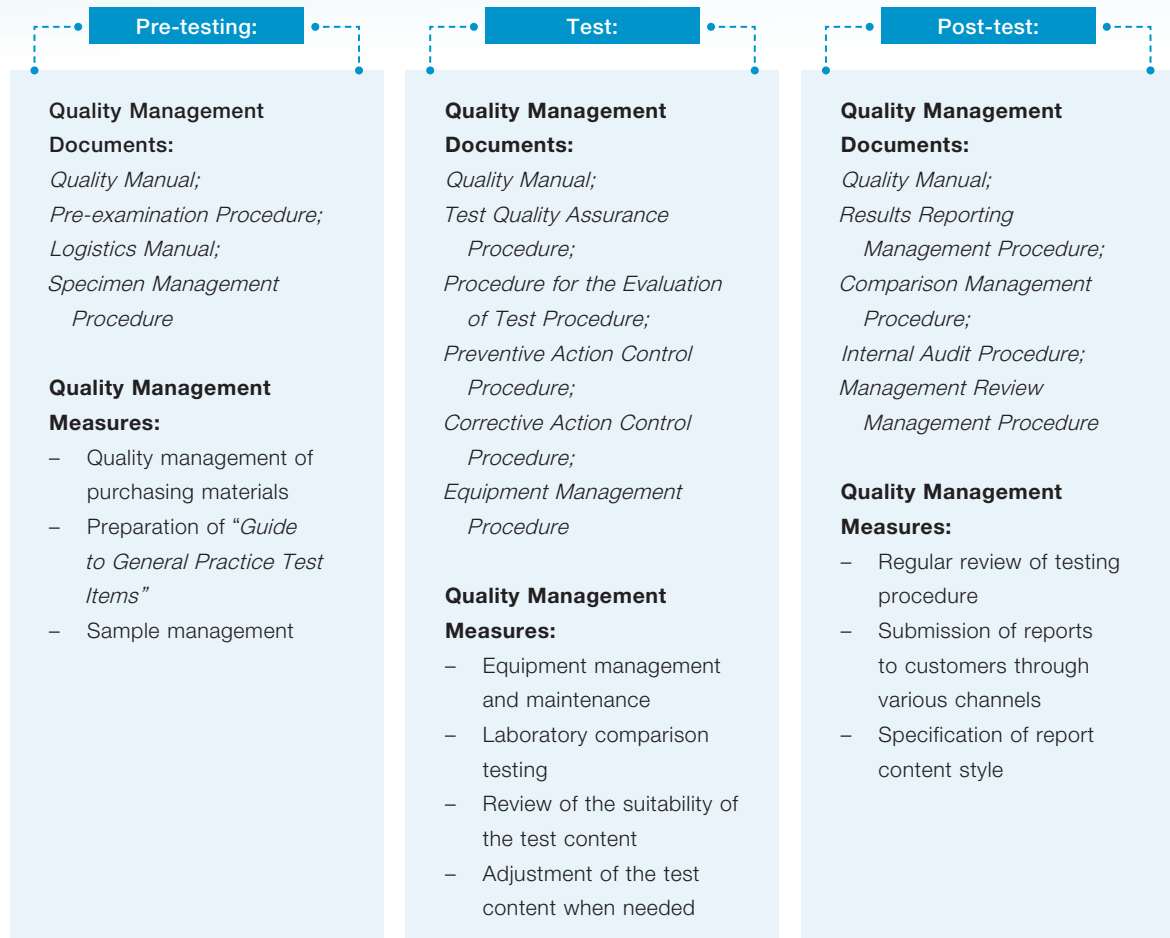
To ensure the quality of service for customers and to reduce errors, we have established a series of sampling and management procedures. We sort and label sample tubes according to the requirements for each test and verify client and test information. After sampling, the tubes are stored and registered. Each sample tube is accompanied by a unique barcode label to distinguish the sample data. The sample tubes are properly stored in appropriate bags and boxes and refrigerated as required and shipped to the receiving units.

Quality control of test work is one of our top priorities. We carefully monitor the quality of every test and review the suitability of the testing items, and determine whether adjustments to the content have to be made. Staff with the authorization to use the testing machinery have received appropriate training, we will also carry out regular maintenance and repair of equipment to ensure testing machines are in the best condition for operation. To enhance the credibility of test results, we have established inter-laboratory comparison mechanism, where two or more laboratories perform the same test on sample and the results are reviewed to conduct comparability studies.

In keeping with advancement in testing technologies, we closely monitor advancements and updates in testing technologies. We also regularly evaluate the testing methods currently in use and, where appropriate, incorporates frontier technologies into testing services to ensure that they meet the quality requirements and prevent any occurrence of non-compliance. Moreover, other than taking into account the recommendations of our clients, healthcare providers and the latest academic advances, we also review the equipment and reagents used for sampling, sample storage, transportation, testing, etc. We analyze and correct any non-compliant issues, as well as review if there is a need for updates and changes.

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We will report the test results to our clients in written reports, electronic reports or via phone calls. The contents will be verified, approved and released by an auditor with appropriate professional qualifications. The content of the report will contain the test label, the company logo, sampling information, etc.



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The Group has been accredited several testing quality certifications and was recognized by various authorities.

- Wuhan Kindstar Medical Laboratory Co., Ltd passed the evaluation of “Report on the Results of the Preliminary Research Activities for High-throughput Sequencing of National Lower Respiratory Tract Infection Metagenome (DNA and RNA)” and “GB/T 9001-2016/ISO 9001:2015 Quality Management System Certification”;
- Wuhan Kindstar Medical Laboratory Co., Ltd, Shanghai SimpleGene Medical Laboratory Co., Ltd, Sichuan Huaxi Kindstar Medical Laboratory Co., Ltd and Beijing Hightrust Medical Laboratory Co., Ltd passed the ISO 15189 Medical Laboratory Quality and Competence Accreditation Guidelines;
- The monkeypox virus nucleic acid test kit and nine hematological tumor diagnostic kits developed by Wuhan Haixi Biological Technology Co., Ltd include: lymphoma gene mutation test, myeloid hematological disease gene mutation test, human whole exon test, immune repertoire TCR gene rearrangement test, immune repertoire IG gene rearrangement test, BCR-ABL1 fusion gene qualitative test, PML-RARA fusion gene qualitative test, and RUNX1-RUNX1TA fusion gene qualitative assay and human JAK2 gene V617F mutation assay obtained EU CE certification.



Wuhan Kindstar Medical Laboratory Co., Ltd obtained 《GB/T 19001-2016/ISO 9001:2015 Quality Management System Certificate》



ISO 15189:2012 “Medical Laboratories – Requirements for Quality and Competence” (CNAS-CL02 “Accreditation Criteria for the Quality and Competence of Medical Laboratories”)

4.2. High Quality Customer Service

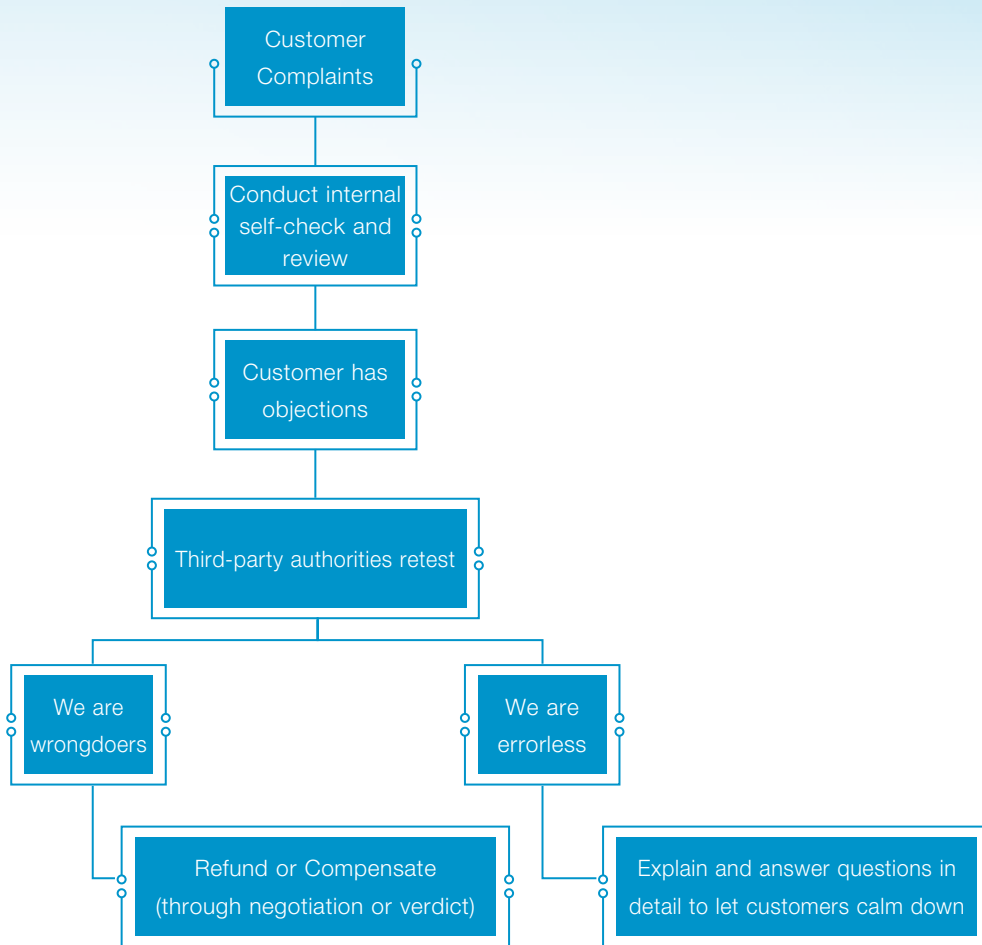
Kindstar Global understands that customer feedback can further push our business and quality development, therefore we have established several procedures and channels to receive feedbacks and provide an improved customer experience. Complaint Handling Management Procedure (《投訴處理程序》), Procedure for Satisfaction Monitoring and Abnormal Feedback Handling (《客戶滿意度監測處理程序》), Medical Consulting Control Procedure (《醫療諮詢控制程序》), and Management Procedure for Revocation, Addition, Trial and Change Test Programs (《撤銷、增加、試做、更改檢驗項目管理程序》) have been established to better regulate our customer services and handle feedbacks.

To provide the most suitable medical consulting services to our clients, and to provide the most appropriate selection of tests, interpretation of results and consulting services for further testing, we have formed a medical consulting team to understand the needs of our clients and provide the most appropriate services. Clients also have the right to revoke, add, try, change and suspend their tests. The consulting team is responsible for explaining the content of the results to clients and to follow up with further issues.

Every year, we develop the Annual Customer Satisfaction Survey (《年度客戶滿意度調查計劃》) to collect customers' opinions. The survey is composed of sample collection, consultation and reporting, etc. After we summarize all the data, we will produce the Customer Complaint Analysis Report (《客戶投訴分析報告》) to analyze and summarize the customer complaints of the Reporting Period, compare with the complaint figures of previous years and propose improvements. We established multiple customer communication channels, including an online customer service hotline, official WeChat, Weibo, etc., allowing customers to submit feedback and suggestions at any time.

We have established a customer complaint procedure to ensure customer complaints can be properly resolved. If we receive a complaint from any customers, the quality department of the Group (the “**Quality Department**”) will review the complaint information for preliminary investigation and take corresponding response measures to the complaint content. The Quality Department will communicate with relevant departments to find out the cause of the problem and reply to the customer according to the company's procedure document. In general, after the relevant departments receive an inquiry from the Quality Department, they have to verbally reply to the Quality Department within 3 hours, followed by sending the investigation result to the Quality Department within 2 working days, and finally, the Quality Department will reply to the customer. After the complaint is handled, the Quality Department will also contact the complainant to collect the complainant's opinion and prepare an Abnormal Feedback Processing Record Form (《異常反饋處理記錄表》) to record the investigation results and corrective measures. The Group also conducts regular online meetings and provides professional training to relevant personnel to reflect on and improve problem-handling methods. During the Reporting Period, we received a total of 8 complaints and all of them have been handled properly.

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Customer complaint handling process

The Quality Department will perform professionally in handling and improving complaints, communicating with customers, building trust, trying to avoid misunderstandings with customers, and reducing the number of complaints. We will also analyze the core problems according to the content of the complaint information and regularly review and improve the procedures. Throughout the communication process with customers, we remain honest and sincere and will not perform any act of deception and fraud.

4.3. Safeguarding Information Security

The Group strictly complies with the Law of the People's Republic of China on Guarding State Secrets (《中華人民共和國保密法》), Implement Measures for Law of the People's Republic of China Law on Guarding Secrets (《中華人民共和國保密法實施辦法》) and other regulations. We have formulated an Information Management System and Specification (《信息管理制度與規範》), Access Control Management Procedures (《訪問控制管理程序》), Information Exchange Management Procedures (《信息交流管理程序》), etc. to manage matters related to network, terminal, user and device and information security.

We regularly perform security level protection and risk assessment work for our information security, install antivirus programs, patch upgrade and other systems to computers, networks and terminals and other devices and update them regularly. To protect our data and systems, we will develop data backup plans and adopt appropriate methods to restore different types of data.

To ensure that the information released by the Group is authoritative, timely and accurate, we require all information to be reviewed in advance before being released to the public. The review process is first conducted internally and then followed by the review of the management team. Any information publisher is required to fill in the Information Release Approval Form (《信息發佈審批表》) and Information Release Confidentiality Review Registration Form (《信息發佈保密審查登記表》) to record information-related data. We will also arrange for professionals to regularly review the information system and correct any problematic information.

The Group has established policies to protect personal data. Employees are required to comply with the Kindstar Global's Customer Information Management Policies (《康聖環球客戶信息管理制度》) in handling customers' data, and strictly manage the processing of each personal data. Personal information should be processed at specific modules, and the processing unit and information department should verify the security of the data processing process. Sales personnel have to regularly update the information of the customers, if the customer has ended cooperation with the Group, the customer's information will be deleted.

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During the Reporting Period, Kindstar Global did not violate any laws and regulations on consumer protection and privacy, nor violate any laws and regulations related to advertising and labelling.

The information security management activities of medical testing services, diagnostic pathology services and clinical trial services testing of Wuhan Kindstar Medical Laboratory Co., Ltd has obtained the 《GB/T 22080-2016/ISO/IEC 27001:2013 Information Security Management System Certification》. In addition, its production network has also obtained the 《National Information System Security Level Protection Level 2 Record》 issued by the Ministry of Public Security of the PRC, affirming the reliability and security of our system in terms of physical security, network security, data security, management system, personnel management, and system operation and maintenance management.



Wuhan Kindstar Medical Laboratory Co., Ltd obtained
《GB/T 22080-2016/ISO/IEC
27001:2013 Information Security Management
Systems Certification》

During the Reporting Period, the Group continued to adopt and to implement the “Information Security Strategy”, which covers 45 aspects such as information confidentiality, access, exchange, development, backup, control and prevention. These strategies involve the information security of physical assets and intangible assets, involving the Group and many stakeholders such as employees, customers, suppliers and the public. They provide internal policy guidelines for the business continuity of the Group and promote the upgrading of the Group’s information security system.

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Information Resource Confidentiality Policy:

- Electronic files stored and controlled internally should be made public and accessible to information service staff.
- Establish an information technology team to manage the information system by recording, reviewing, using any information stored and transmitted in its information resource system, capturing any user activity, such as dialing numbers and websites accessed, and strengthening security safeguards.
- The information technology team shall make its best efforts to protect the confidentiality and security of information entrusted to the Group by third parties for internal custody. Among them, consumer account data should be kept confidential and access to such data should be strictly limited according to business needs.
- If any information security weaknesses, possible misuse, or violations of the corresponding authorization agreement are discovered, they shall be reported to the administrator.
- Employees are prohibited from attempting to access any data or programs contained in internal systems without authorization or affirmative consent.

Penalty for violation of rules:

- Failure to comply with the above policies may result in the dismissal of employees and temporary workers, the termination of the employment relationship of contractors or consultants, the loss of continued work opportunities for interns and volunteers, and the expulsion of students. In addition, these personnel may also suffer loss of access to information resources and citizenship rights, or even legal prosecution.

In order to ensure the internal communication and operational efficiency of the Group, the Group conducts business activities through the internal office information system, completes the optimal management of comprehensive resources such as people, money, property, information, time and space. All employees carry out daily work through the internal office information system, and submit daily approval, reimbursement and other processes. During the Reporting Period, the Group continued to adopt the one-stop staff service platform for all employees of the Group. The Group provides employees with professional email communication services through 263 enterprise mailbox, which supports efficient mail transmission, schedule management, address book synchronization and other functions. The detailed user guide has been distributed to employees.

Environmental, Social and Governance Report

4.4. Standardize Procurement Management

The Group pays attention to the sustainable development of the supply chain. To manage the development of the supply chain more effectively, Kindstar Global has formulated the Procurement Management System 《採購管理制度》. The purchasing department of the Group (the “**Purchasing Department**”) is responsible for purchasing. Each department is required to submit a purchasing list at the beginning of each month for review by the department head and then submit it to the Purchasing Department. Based on the price ranges of the purchasing items, the approval of the purchasing request will be approved by different levels of authority to ensure the right choice can be made. Suppliers are selected from the Qualified Suppliers List 《合格供應商名錄》 and at least three suppliers are selected for price comparison. The Purchasing Department will regularly identify new suppliers and conduct basic background checking, collect information such as business licenses, tax certificates, reagents or medical device registration certificates, or request samples for trial testing or on-site examination, and then compile them into the Qualified Supplier List 《合格供應商名錄》.

The Group evaluates our suppliers at least once a year, and we perform evaluations according to the type of supplier and on different items such as qualification, quality assurance capability, service and reputation, and technical support capability. We will also consider whether the supplier has relevant quality qualifications, i.e. ISO9000 quality or CNAS laboratory accreditation, and will also evaluate the supplier’s ability to meet our requirements.

The Group supports sustainable supply chain development and we will give priority to environmental friendly products. Kindstar Global highly values both integrity and honesty, we monitor every detail of the supply chain. We request our suppliers to sign the Letter of Honesty and Integrity Commitment by Suppliers 《供應服務商廉潔誠信承諾書》 to ensure integrity and legal compliance throughout the entire procurement process. Suppliers are expected to comply with environment, labor, health and safety-related regulatory requirements. If the behavior of the supplier violates Group’s policy, we will suspend the cooperation with the supplier until the situation has improved.

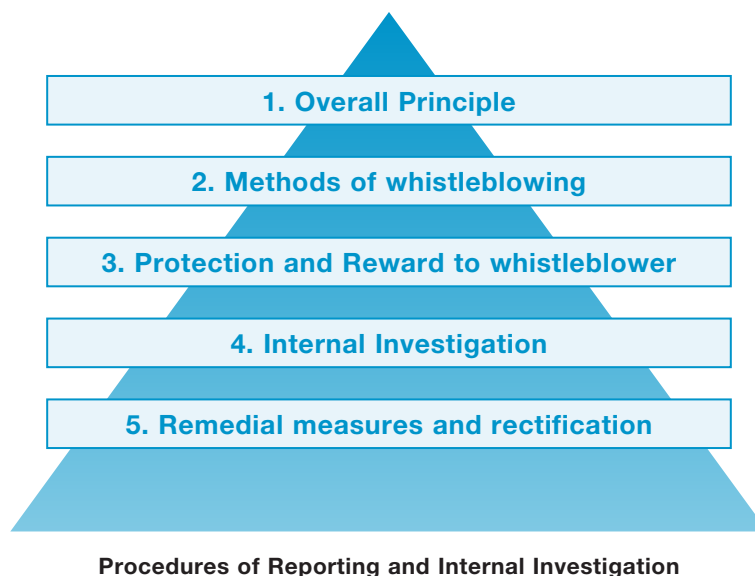
During the Reporting Period, we had more than 500 suppliers providing reagents, consumables, equipment, calibration and maintenance services, including more than 500 of them are located on the Chinese mainland and 3 are located overseas.

5. Anti-Corruption and Building Integrity

Kindstar Global has strictly complied with the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), the Company Law of the People's Republic of China (《中華人民共和國公司法》) and other relevant regulations, and has formulated the Anti-Bribery Compliance Manual (《反賄賂合規手冊》). Our employees are not allowed to engage in any bribery activities in business activities. We require our employees to sign the Certificate of Compliance with Anti-Bribery Policy (《反賄賂政策合規證明》) to ensure that they thoroughly understand the Group's requirements for anti-bribery compliance operations. The Group's compliance officer strictly approves and monitors the reasonableness and compliance of all employees and business partners in their operations.

We believe that quality is the foundation of our business and the rationale why our business partners, including our customers and suppliers, prefer to want to work with us. We strive to earn partnership opportunities through quality and will never use illegal means to obtain cooperation with other units. All of our agents, distributors and sales representatives have signed cooperation contracts and are required to operate according to the contracts. We strictly prohibit any non-compliant commission payments. To ensure that the Group complies with the regulations, we invited independent auditors to conduct independent audits. We also conduct regular internal audits to ensure that all ledgers and financial records are complete and correct, to investigate the movement of large sums of money, to ensure that the operations with agents, distributors and sales representatives comply with the contractual requirements, and to ensure that the original contracts have not been amended unlawfully.

We have established a whistleblower system to encourage employees to report any violation of the Anti-Bribery Compliance Manual (《反賄賂合規手冊》). We provide hotline and email address in our Anti-Bribery Compliance Manual (《反賄賂合規手冊》) and Employee Handbook (《員工手冊》), and employees could also report to their supervisors, directors or compliance officers. We ensure no employee suffers negative consequences as a result of a whistleblowing action. Once an incident is confirmed, we will take serious action if any violation occurs, and disciplinary action will be taken according to the seriousness of the incident. If the incident is serious and violates criminal or civil laws, we will not tolerate and will report it to law enforcement agencies.



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During the Reporting Period, there is no corruption case filed against us or our employees.

Establishing disciplinary codes

The Group has formulated the corresponding disciplinary code, which is available for reference in the corresponding situations:

- It is strictly prohibited to illegally accept or offer benefits, and avoid accepting or offering overly extravagant entertainment;
- Remind employees to pay attention to conflicts of interest and prevent the abuse of proprietary information and financial information of the Company;
- Any employee who wants to work part-time must apply to the Company in advance;
- Correctly use the consultation and communication system, and specify the channels for inquiries or complaints.

Strengthening regulatory system

The Group formulated ten regulatory principles for internal supervision to standardize employee behavior and strengthen internal supervision:

- Clear and specific company policies;
 - Clear working procedures;
 - Clearly-defined scope of responsibilities;
 - Proper division of functions and responsibilities;
 - Properly preserve sensitive information;
 - Effectively implement regulatory measures;
 - Conduct independent audit on a regular basis;
 - Provide channels for complaints and advice;
 - Continuously review the supervisory system;
 - Do not tolerate any illegal behavior.
-

6. Human Resources Management

Employees are one of the key factors leading to the success of Kindstar Global. We focus on the Group's human resources and put forward the idea of being "People-Oriented" in our corporate development, providing our employees with compensation, vacation benefits, career development, employee activities, etc., to increase their sense of belonging to the Group and to retain important talents. As of December 31, 2025, the total number of employees in the Group was 3,100.

6.1. Employee Recruitment System

The Group strictly complies with the requirements of the Labor Law of the People's Republic of China 《中華人民共和國勞動法》, the Labor Contract Law 《勞動合同法》, the Labor Dispute Mediation and Arbitration Law of the People's Republic of China 《中華人民共和國勞動爭議調解仲裁法》, the Labor and Employment Promotion Law of the People's Republic of China 《中華人民共和國勞動就業促進法》, Employment Services and Employment Management Regulations 《就業服務和就業管理規定》, and the Prohibition of Child Labor 《禁止使用童工》 and other regulations. We have formulated the Employee Handbook 《員工手冊》 and the Kindstar Global Human Resources Management System 《康聖環球人才資源管理制度》, which include recruitment and hiring, labor services, attendance management, personnel changes, training and development, compensation and benefits, and performance appraisal. The Group prohibits any kind of discrimination and establishes an equal and harmonious working environment for our employees.

We publish recruitment postings on different platforms according to job requirements. After screening of the candidates' resumes, we conduct assessments, written tests and interviews for the right candidates. During recruitment, the Human Resources Department requires candidates to provide personal information such as age, education and professional qualifications for review and verification. The Group strictly prohibits any cases of child labor. We will carefully check the personal information of the person to ensure that he/she has reached legal working age before hiring. If child labor has been found, we will terminate the employment contract with the person immediately.

When signing an employment contract with a new employee, we will specify the contract period, probationary period and other relevant information. Employees have the right to resign and we have defined the procedures for employees to leave the Company. Employees are required to notify the Human Resources Department in advance before they leave the Group. Within the specified notice period, employees hand over the work and we calculate the wages of the departing employees and release the final payment of wages.

The Company's Employee Handbook 《員工手冊》 specified the working hours of employees, they are required to attend work according to the regulations to prevent any forced labor. The Group does not encourage overtime work. For overtime work, employees have to apply and seek approval from the Human Resources Department in advance, and the amount of overtime work is limited and must not be excessive. We prohibit any kinds of forced labor, and in the event of any non-compliance, we will take appropriate actions to rectify it.

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During the Reporting Period, to achieve sustainable and balanced development, the Group is of the view that enhancing board diversity is a crucial element in supporting the Group to attain its strategic objectives and achieve sustainable development. The Board Diversity Policy has been promulgated accordingly. In planning the composition of the Board, consideration has been given to board diversity from multiple aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge, ethnicity and length of service. All appointments to the Board are made on the principle of merit-based selection, with candidates selected under objective criteria, while fully taking into account the benefits brought about by board diversity.

During the Reporting Period, the Group did not violate any regulation on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare, as well as child labor or forced labor.

6.2. Protection of Employee Benefits

To cater to the needs of our employees, we do not only provide the mandatory “five social insurances and one housing fund (i.e. pension insurance, work injury insurance, medical insurance, unemployment insurance, maternity insurance and housing fund)” to our employees, but also provide various leave benefits and allowances for our employees. The Group actively listens to the views and opinions of our employees and holds staff communication activities from time to time through different internal communication channels, such as corporate WeChat, company emails, staff services, opinion surveys, meetings, etc., to encourage staff to share their views and enhance communication among them.

We have established a compensation and benefits system for our employees. Employees are entitled to a legal basic salary and other allowances such as performance-based wages, overtime wages, business commission, year-end bonus, etc. We review our compensation system every year to provide our employees with a competitive compensation package. In the welfare system, we provide transportation subsidies, training fee reimbursement, annual employee rewards, etc.

In terms of the holiday policy, in addition to the entitlement of statutory holidays, we also provide employees with various holiday benefits, such as marriage leave, maternity leave, personal leave, annual leave, etc. In order to strengthen the enthusiasm of employees for the business, we have established a business commission and bonus system for employees to promote the business development of the enterprise.

In order to immerse our employees into the corporate culture of Kindstar Global, we held many activities for employees to enhance the cohesion and unity of the Group. We celebrate specific holidays such as the Dragon Boat Festival, Christmas, Mid-Autumn Festival and employees’ birthdays, etc. We prepared corresponding holiday gifts for employees and send them blessings.

During the Reporting Period, to care for the physical and mental health of female employees, promote the traditional Chinese health-preserving culture, enhance the well-being of female staff and strengthen team cohesion, we jointly organized the activity **“Precision Care, Vitality Endurance – Health Workshop for Female Employees”** with the Women’s Federation of Wuhan Optics Valley BioCity. The workshop focused on Baduanjin, a traditional Chinese health-improving exercise. More than 40 female employees participated in the activity to refresh their body and mind.

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During the Reporting Period, we organized a variety of group activities such as outdoor team-building events at Tiantai Mountain, Liangzi Lake and other locations, as well as staff sports meetings. These activities are designed to enrich employees' leisure life, alleviate work pressure, enhance communication and trust among colleagues, strengthen team cohesion and sense of belonging, and foster a positive, united and collaborative corporate culture. They further stimulate employees' enthusiasm and the Group's vitality, promoting the common growth and development of employees and the Group.



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6.3. Career Skills Development

The Group focuses on the career development of the employees. We provide development opportunities for our employees by providing them with various trainings, including skills and industry-related training, to enhance the competitiveness of Kindstar Global in the market. We have maintained the Staff Position/Rank Promotion Management System 《員工崗位／職級晉級管理制度》, which clearly lists the promotion requirements for employees. Employees are required to reach the qualified promotion score in the previous year's performance appraisal and fulfill the points target set by the department before participating in employee promotion appraisal. According to the grade requirements, the supervisor, department head or career development committee will conduct the evaluation, and the qualified candidates for promotion will be subject to a probationary period, employee can become permanent after passing the assessment during the probationary period.

We provide on-the-job training for our employees every year to drive their career development and keep them abreast of the latest technological developments. We have established learning courses such as “Kindstar College (Classroom)”, “Kindstar Library (Knowledge Base)” and “Kindstar Zhihu (Question – and-Answer)”. The training courses provide different training contents for specified employees, such as new employees training about the company's corporate culture and business processes, facilitating employees to understand and integrate into their work. We also develop a series of online and offline training courses for the development of employees' generic skills and management leadership. These courses help employees master various professional competencies and help to raise their awareness in transforming their roles so that they can be more competent for their positions. Training participation is an important basis for the evaluation of salary adjustment, career promotion and year-end merit. The Group actively promotes experienced and talented employees to become instructors in our training programs, providing a stage for the development of the employees. We also encourage our employees to participate in external-training activities and programs. Employees can be reimbursed for related training expenses.

6.4. Occupational Health and Safety

Kindstar Global complies with the Law of the People's Republic of China on Prevention and Control of Occupational Diseases 《中華人民共和國職業病防治法》, the Labor Protection Regulations for Female Employees 《女職工勞動保護規定》, and the Regulations on Supervision and Administration of Workplace Occupational Health 《工作場所職業衛生監督管規定》. We have developed a Safety Manual 《安全手冊》 to provide norms and guidelines for occupational safety management, detailing safety-related management policies and procedures for handling emergency and hazardous situations.

For laboratory safety management, we have established a safety management team for the assessment and management of the environmental and testing safety of the laboratory. Laboratory staff is required to properly store hazardous chemicals and medical waste as required. Other staff are required to ensure that the working environment of the laboratory is clean and disinfected regularly. To ensure the biosafety management of the laboratory, we have established the biosafety management regulation, listing the details in the transportation, storage, and safekeeping of biological samples such as microorganisms and keeping records. These records must be kept by professional staff to prevent leakage. Daily management of the laboratory must be carried out according to the safety system established, and regular inspection, maintenance and updating of laboratory equipment, facilities and materials must be carried out to comply with national standards to ensure the health and safety of laboratory use.

Apart from the working environment, Kindstar Global is also concerned about the health condition of our employees, encouraging them to pay more attention to their health condition. In the Reporting Period, we organized regular health checks or immunity screening tests for our employees. Including the Reporting Period and the past three years, the Group did not have any work-related fatalities records and the number of working days lost due to work-related injuries was 80. During the Reporting Period, the Group did not violate any laws and regulations relating to occupational health and safety.

Wuhan Kindstar Medical Laboratory Co., Ltd has successfully obtained 《GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management System Certification》, which is a recognition of our occupational safety management.



Wuhan Kindstar Medical Laboratory Co., Ltd obtained 《GB/T 45001 – 2020/ISO 45001:2018 Occupational Health and Safety Management System Certification》

Environmental, Social and Governance Report

7. Promoting Environmental Protection

Kindstar Global is highly concerned about its environmental impacts and strives to reduce the impact on the environment while driving our business development. We strictly comply with environmental laws and regulations, including the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste 《中華人民共和國固體廢物污染環境防治法》, the Biosecurity Law of the People's Republic of China 《中華人民共和國生物安全法》, the Measures for Medical Wastes Management of Medical and Health Institutions 《醫療衛生機構廢物管理辦法》, the Regulations on the Administration of Medical Wastes 《醫療廢物管理條例》, and the Regulation on the Bio-safety Management of Pathogenic Microbe Labs 《病原微生物實驗室生物安全管理條例》.

The Group has set out initial directional environmental targets to progressively reduce or maintain greenhouse gas emissions and waste generation intensity and reduce energy consumption and water consumption intensity while maintaining operational levels.

One of our testing laboratory, Wuhan Kindstar Medical Laboratory Co., Ltd has successfully obtained the 《GB/T 24001-2016/ISO 14001:2015 Environmental Management System Certification》, which affirms our work on environmental management.



Wuhan Kindstar Medical Laboratory Co., Ltd obtained 《GB/T 24001-2016/ISO 14001:2015 Environmental Management System Certification》

7.1. Combating Climate Change

Climate change is closely linked to the sustainable development of the Group. The Group attaches great importance to the national goals of carbon peaking by 2030 and carbon neutrality by 2060 (“3060 Targets”). With reference to Part D “Climate-related Disclosures” of the HKEX ESG Reporting Code, the IFRS Sustainability Disclosure Standards No. 2 – Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (“ISSB”), and the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) framework, the Group continuously identifies and analyses climate change factors that may have an impact on its operations. Based on its actual circumstances, the Group has formulated a series of strategies and measures to address climate-related risks and opportunities, and proactively responds to climate change.

Governance

The Group has consistently integrated the concept of sustainable development into its corporate strategy and earnestly fulfilled its emission reduction commitments. We attach great importance to climate change governance and continuously optimize our internal climate change management mechanisms.

The members of the Board and the ESG Committee of the Group possess professional backgrounds in healthcare, law, accounting, etc. They can comprehensively identify, assess and manage climate-related risks and opportunities from multiple perspectives, including public health risks, legal and regulatory compliance, financial risk management and information disclosure, so as to strengthen the Group’s climate-related governance effectiveness and ensure the effective implementation of the sustainable development strategy.

The Board is the highest decision-making body of the Group on climate change matters, and bears ultimate responsibility for the Group’s climate-related strategies and reporting. The Board has delegated to the ESG Committee the oversight of and advice on the identification, assessment and management of climate-related risks, as well as the setting of and progress against climate-related targets. The Board regularly reviews the ESG report on an annual basis and is kept informed of climate-related risks and opportunities to ensure that climate considerations are integrated into the Group’s strategic planning. In overseeing the Group’s strategies, approving major transactions and managing risks, the Board and the ESG Committee take into account climate-related risks and opportunities, including the assessment of relevant trade-offs such as transition costs versus long-term sustainable benefits.

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The ESG Committee assists the Board in making comprehensive decisions on climate matters, guides and oversees the implementation of climate-related actions by relevant departments, and reports annually to the Board on its work.

The ESG Working Group is responsible for the implementation of climate-related strategies, and regularly reports to the management and the ESG Committee on the action plans and progress of climate-related matters. For details of the governance structure, please refer to the section “ESG Strategies and Management” above.

During the Reporting Period, we engaged external third parties to deliver climate-related training and sharing sessions for the Board and senior management. These sessions enhanced their understanding of the latest updates to climate-related guidance and corresponding response measures, thereby strengthening their climate-related professional knowledge and competence. The Group has not yet integrated climate-related considerations into its remuneration policy.

Strategy

The Group regularly assesses the impact of climate-related risks and opportunities on its operations and value chain. During the Reporting Period, drawing on its business operations, reference was made to internationally recognized projections on climate change trends and advice from external experts. We have further identified and analyzed the potential short-term, medium-term and long-term impacts of climate-related risks and opportunities on the Group’s operations and financial position.

In light of the Stock Exchange’s relief provisions (including reasonable grounds relief, capability relief and financial impact relief), this Report does not disclose details in respect of financial impacts and climate-related scenario analysis, but focuses primarily on qualitative descriptions. Furthermore, we have not yet implemented climate-related transition plans. The Group is committed to continuously enhancing relevant capabilities and will gradually improve disclosures in future reports.

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Climate-related risks

Risk Categories	Affected Time Period	Impact on the Group	Financial Impact	Measures
Physical Risk				
Acute risk	Short term	Natural disasters/extreme weather (heat waves, floods, hot weather, cold weather) may cause related emergencies (sample storage environment affected, transport chain interrupted, employee safety and work environment safety threatened).	Operating costs increased Operating revenue decreased	The Group continues to pay attention to the relevant weather warnings issued by the Meteorological Bureau, and activates the emergency plan management system when natural disasters break out and extreme weather occurs, and requires employees to take shelter in time. During the hot summer months, the Group educates employees on heat prevention and provides high-temperature subsidies. The Group integrates climate-related factors into supplier evaluations to strengthen supply chain risk response capabilities and enhance supply chain stability and supply efficiency.
Chronic risks	Mid to long term	Global warming leads to glacier melting, sea level rise and other chronic changes impacting future production of products, product storage and transportation.	Operating costs increased Operating revenue decreased	Continue to pay attention to the situation of global warming, improve the laboratory operating environment, sample transportation environment and staff working environment.
Transition Risk				
Policy and regulatory risk	Mid to long term	Policy updates in the medical testing industry, introduction of policies on energy conservation and emission reduction, stricter emission reporting obligations and compliance requirements.	Operating costs increased	Strengthening communication with regulatory bodies to understand and strictly comply with changes in relevant laws and regulations, ensuing product and service compliance. Continue to monitor regulatory trends to ensure that the Group's emissions comply with the latest legal requirements. Continued to implement energy-saving measures to reduce greenhouse gas emissions.

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Risk Categories	Affected Time Period	Impact on the Group	Financial Impact	Measures
Technical risks	Mid term	The medical market expects products to be cleaner and more environmentally friendly, or the Group's products to be completely replaced by new technology products.	Operating costs increased	Continue to encourage research and development and innovation, pay attention to new market trends, pay attention to the emergence of new technology products, and widely attract talents. The concept of energy conservation and emission reduction has been integrated into our testing services. We have established a full-process temperature and humidity monitoring and early-warning system for sample collection, transportation and storage, optimized testing procedures and technical backup measures, promoted digitalization and cloud-based data management, and strengthened data backup and disaster recovery mechanisms.
Market risks	Short term	The medical device market is paying more attention to green products, and the emergence of greener similar products has reduced the market competitiveness of the Group's products.	Operating costs increased Operating revenue decreased	Flexibly adjust the portfolio of testing services and business layout, strengthen customer demand analysis and service flexibility, and expand into emerging business areas such as climate-related health monitoring and environmental testing.
Reputational risk	Long term	Customers or communities have a poor impression and evaluation of high-carbon emission enterprises, so they do not invest in or buy their products, which affects their profitability and market share.	Operating revenue decreased	Actively fulfill corporate social responsibilities and further enhance the corporate brand image; continue to implement measures to reduce carbon emissions, disclose and promote the company's ESG contribution to the community, and call for carbon reduction actions.

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Climate-related opportunities

Opportunities Categories	Affected Time Period	Impact on the Group	Measures
Resource Efficiency (Application of Clean Technologies/Energy)	Short term Mid term Long term	New technologies provide enterprises with more low-cost options such as adopting renewable energy, energy conservation and emission reduction, helping them reduce operating costs while further lowering carbon emissions.	In the course of operations, the Group adopts green energy procurement to enhance the share of clean energy in its overall energy consumption.
Products and Services (Provision of Green and Low-carbon Services)	Mid term Long term	Provide customers with products and services that align with their green and low-carbon preferences, assist customers in achieving carbon neutrality across their value chains, and thereby enhancing market share.	By optimizing resource allocation to develop low-carbon products and services, and strengthening green and low-carbon services to meet demand, the Group may further improve its revenue.
Market (Sustainable Finance)	Short term Mid term Long term	With the continuous improvement of policies related to sustainable financing, the Group's achievements in the low-carbon and energy-saving sector will provide it with more diversified financing channels.	Identify and respond to government support policies and green projects.

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Risk Management

The Group is integrating climate-related risks into its enterprise risk management process. By combining its business operations, industry analysis and advice from external experts, the Group identifies the potential risks and development opportunities arising from various climate-related risks. Based on feedback from various departments, the Group comprehensively considers the likelihood of occurrence and the potential impact of such risks and opportunities on the Company, prioritizes them, and develops targeted response measures. The Company regularly monitors climate-related risks, gradually enhancing its resilience to climate change.

- Risk Identification

Regular risk identification exercises are conducted. Together with external consultants, the Group analyses external policies and industry trends to identify climate-related risks and opportunities relevant to the Group. Through internal meetings, a list of climate-related risks and opportunities is established.

- Risk Assessment

The likelihood and severity of risks are assessed. A risk matrix is used to determine the overall risk level, thereby setting priorities for climate-related risks and identifying material risks.

- Risk Response

For identified material risks, the Group develops and implements climate risk response measures to avoid, mitigate or transfer such risks.

- Risk Monitoring

The Group continuously monitors climate-related risks and opportunities, updates the list of climate-related risks and opportunities on a regular basis, and ensures that the management receives regular reports on climate-related risks and opportunities.

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Metrics and Targets

During the Reporting Period, the Group had no capital expenditure, financing or investment amounts related to climate-related risks and opportunities, and no internal carbon price was set. For other cross-industry indicators, we have decided to apply a reasonable data exemption and will not disclose the amount and percentage of assets or business activities that are vulnerable to climate-related risks and opportunities for the time being.

During the Reporting Period, the Group has established quantitative environmental targets, which are specified as follows: Taking 2024 as the base year, it is committed to reducing the employee-based greenhouse gas emission intensity by 5% by 2030.

In addition, regarding long-term targets, we actively align with the country's "3060" carbon peaking and carbon neutrality goals, strive to achieve carbon neutrality by 2060, and align with China's national commitment to carbon neutrality by 2060. We will review the targets and performance of Scope 1 and Scope 2 greenhouse gas emissions annually and assess whether any revisions are required.

7.2. Green Operations Management

7.2.1. Waste Management

As a clinical testing service provider, the treatment of medical waste is a vital part of the Group's environmental management system. Kindstar Global fulfills the compliance requirements for the disposal of medical waste and strictly controls the amount of waste generated. We have established the Medical Waste Temporary Storage Room Management System (《醫療廢物暫存間管理制》), which classifies medical waste into infectious, sharps, pathological, pharmaceutical and chemical waste. Each type of waste must be properly sealed, sorted, labeled and registered, and stored in an appropriate place before being collected and disposed of by third parties. Each waste disposal is required to be registered and recorded and kept for at least three years, registration information includes the type of waste, quantity, weight, date of handover, and the person in charge. If there is a large amount of expired pharmaceutical waste, we will return it to the manufacturer for disposal. Staff handling medical waste are required to take proper personal protection measures and disinfect the storage site after each disposal of medical waste to avoid waste residue causing secondary infection or contamination. We provide relevant safety and handling training for staff handling medical waste and monitor the entire medical waste handling process to comply with the requirements of the Group's measures.

During the Reporting Period, the packaging materials used by the Group are paper, plastic and packaging bags. The main business of the Group does not involve the use of packaging materials. We will check the usage and reduce the waste of packaging materials in our products. For general household waste, we will sort the waste and recycle and treat various recyclable items. We also promote and encourage the reuse of resources, reduce the use of disposable items and avoid unnecessary waste.

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During the Reporting Period, the Group produced 65.20 tonnes (2024: 178.44 tonnes) and 35.71 tonnes (2024: 118.51 tonnes) of medical waste and non-hazardous waste, with an average medical waste and non-hazardous waste generation per employee of 0.02 tonnes (2024: 0.06 tonnes) and 0.01 tonnes (2024: 0.04 tonnes). The medical waste produced by the Group decreased compared to last year, mainly due to the decrease in the number of testing businesses of the Group during the Reporting Period, and the corresponding decrease in medical waste such as testing consumables and samples subject to inspection.

7.2.2. Water Resources Management

We cherish water resources and always remind our staff to use water efficiently to avoid wastage. The Group uses water supplied by the municipal government and has no problem in water sourcing. We affix water-saving labels next to each water-using equipment, use water-efficient equipment, and conduct inspections regularly on water-using equipment and water pipes to see if there are any leakages. During the Reporting Period, the Group's water consumption was 28,283.31 tonnes (2024: 91,337.86 tonnes) and the average water consumption per employee was 9.29 tonnes (2024: 30.33 tonnes). The water consumption of the Group decreased significantly compared to last year, mainly due to the decrease in the number of testing businesses of the Group this year, and the corresponding decrease in water consumption involved in testing business.

The Group strictly controls the wastewater discharge. Our laboratories have obtained sewage discharge permit. All sewage discharged must first be treated by the Group's wastewater treatment facilities and have to comply with the discharge standard of Discharge Standard of Water Pollutants For Medical Organization (《醫療機構水污染物排放標準》) before discharging. We hire third-party environmental testing laboratories to test our effluent discharge every year to ensure that the concentration of pollutants complies with the standard. In the Reporting Period, the Group's wastewater discharge did not fail to meet the standard. In addition, office and daily sewage will be discharged to the municipal sewerage network after pre-treatment, and the treated effluent after pre-treatment meet the tertiary discharge standard of the Integrated Sewage Discharge Standard (《污水綜合排放標準》) and be treated by the local sewage treatment facilities centrally.

7.2.3. Energy Use Management

We adhere to the code of energy saving to avoid unnecessary energy waste. For lighting and air conditioning systems, we use energy-efficient lighting fixtures and regularly clean the air conditioning filters to ensure that the systems are operating at their best condition. We have separated the operating area into different zones, each zone contains independent switch control; the air conditioning is managed by a central system to control the time and temperature of each zone to reduce energy waste. We will prioritize the use of electric vehicles or hybrid vehicles and regularly conduct maintenance of the vehicles. We conduct monthly statistics on the Group's electricity consumption and look for high consumption or any abnormalities in electricity consumption, improvements will be made if required. During the Reporting Period, the Group's electricity consumption was 8,727.68 MWh (2024: 7,114.01 MWh) and the average electricity consumption per employee was 2.87 MWh (2024: 2.36 MWh). The Group's electricity consumption increased significantly compared to last year, mainly due to the increase of operating sites.

7.2.4. Greenhouse Gas ("GHG") Emissions Management

During the Reporting Period, the Group's GHG emissions were 4,855.77 tonnes CO₂e (2024: 4,048.72 tonnes CO₂e) and its average GHG emissions per employee were 1.60 tonnes CO₂e (2024: 1.34 tonnes CO₂e). The Group recognizes the impact of GHG and corresponding national carbon neutrality targets. We encourage the use of video conferencing instead of business travel, public transportation instead of private vehicles, and encourage employees to actively participate in low carbon-related activities. We have promoted and educated our employees about environmental protection measures through various platforms, and encourage them to integrate environmental protection concepts into daily lives.

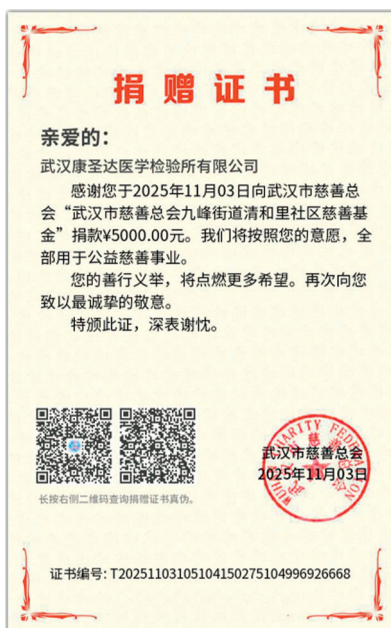
7.2.5. Air Pollutants Emission Management

During the Reporting Period, the Group's emissions of NO_x, SO_x and particulate matter from company vehicles were 348.02 kg, 0.74 kg and 33.14 kg (2024: 180.66 kg, 0.68 kg and 17.09 kg). The significant increase in the Group's air emissions compared to last year was mainly due to the use of diesel vehicles.

To reduce emissions of NO_x, SO_x and particulate matter, we have adopted electric or hybrid vehicles, which are regularly maintained to ensure that they can operate with high efficiency and low emissions. The Group regularly monitors the air quality of the laboratories and has commissioned a third-party laboratories to test the VOCs emissions of the laboratories to comply with the regulatory emission standards. During the Reporting Period, the Group's laboratory air quality has complied with the standards.

8. Public Welfare and Harmonious Community

Kindstar Global has always been caring for the community and lends a helping hand to the public when needed. During the Reporting Period, the Group donated RMB5,000 to Wuhan Charity Federation, and donated heatstroke prevention and cooling beverages such as drinking water and herbal tea to Tiandingyuan Property Management Centre.



Appendix 1: Sustainable Development Information Summary

Environmental Category	Unit	2025	2024
Air pollutant emissions			
Nitric Oxides (NOx)	kg	348.02	180.66
Sulfur Oxides (SOx)	kg	0.74	0.68
Particulate Matter (PM)	kg	33.14	17.09
Greenhouse gas emissions (GHG)			
Direct GHG emissions (Scope 1)	carbon dioxide equivalent (tonnes)	133.95	123.05
Indirect GHG emissions (Scope 2)	carbon dioxide equivalent (tonnes)	4,721.82	3,925.67
Total GHG emissions	carbon dioxide equivalent (tonnes)	4,855.77	4,048.72
Intensity of GHG emissions (per square meter)	carbon dioxide equivalent (tonnes)/m ²	0.08	0.07
GHG emissions (per employee)	carbon dioxide equivalent (tonnes)/employee	1.60	1.34
Energy consumption			
Total electricity consumption	MWh	8,727.68	7,114.01
Intensity of electricity consumption (per square meter)	MWh/m ²	0.14	0.12
Intensity of electricity consumption (per employee)	MWh/employee	2.87	2.36
Gasoline consumption	liter	46,241.94	46,111.91
Diesel consumption	liter	4,000.00	0.00
Water consumption			
Total water consumption	cubic meter	28,283.31	91,337.86
Water consumption intensity (per square meter)	cubic meter/m ²	0.47	1.52
Water consumption (per employee)	cubic meter/employee	9.29	30.33
Packaging materials consumption			
Total packaging materials consumption	kg	413.10	317.65
Packaging materials consumption (per employee)	kg/employee	0.14	0.11
Waste production			
Medical waste produced	tonnes	65.20	178.44
Medical waste produced (per employee)	tonnes/employee	0.02	0.06
Non-hazardous waste produced	tonnes	35.71	118.51
Non-hazardous waste produced (per employee)	tonnes/employee	0.01	0.04

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Social Category	Unit	2025	2024
Total employees	people	3,100	3,011
Female employees	people	2,065	2,006
Male employees	people	1,035	1,005
Non-management employees	people	1,940	1,948
Intermediate management employees	people	483	457
Senior management employees	people	64	63
Short-term/part-time employees	people	613	543
Employees aged below 30	people	750	839
Employees aged 30-50	people	2,061	1,898
Employees aged 50 or above	people	289	274
Employees from China	people	3,096	3,009
Employees from foreign	people	4	2
Employees turnover rate			
Total Employee turnover rate	%	21.45	21.92
Female employee	%	21.26	21.19
Male employee	%	21.84	23.38
Employees aged below 30	%	32.53	39.09
Employees aged 30-50	%	18.34	14.81
Employees aged 50 or above	%	14.88	18.61
Employees from China	%	21.48	21.93
Employees from overseas	%	0.00	0.00
Occupational health and safety			
Work-related fatalities for the last three years (including the reporting year)	people	0	0
Rate of work-related fatalities for the last three years (including the reporting year)	%	0.00	0.00
Lost days due to work injury	days	80.00	23.00

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Social Category	Unit	2025	2024
Employee training			
Percentage of employees trained by gender			
Female employees	%	61.00	72.07
Male employees	%	30.00	73.84
Percentage of employees trained by employee category			
Non-management employees	%	95.88	81.88
Intermediate management employees	%	67.25	63.25
Senior management employees	%	58.26	67.26
Short-term/part-time employees	%	34.00	42.80
Average training hours completed per employee by gender			
Female employees	hours	44.81	14.06
Male employees	hours	41.06	22.07
Average training hours completed per employee by employee category			
Non-management employees	hours	19.65	19.65
Intermediate management employees	hours	65.81	31.78
Senior management employees	hours	46.08	44.54
Short-term/part-time employees	hours	2.59	2.59

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Content Index

The “comply or explain” provisions of the Environmental, Social and Governance Reporting Guide.

Subject Areas	Content	Chapter Index
A. Environmental		
Aspect A1: Emissions		
General Disclosure	A1 Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non – hazardous waste.	Green Operations Management
KPIs	A1.1 The types of emissions and respective emissions data.	Green Operations Management
	A1.2 Total hazardous waste produced and intensity.	Waste Management
	A1.3 Total non-hazardous waste produced and intensity.	Waste Management
	A1.4 Description of emissions target(s) set and steps taken to achieve them.	Green Operations Management
	A1.5 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Operations Management
Aspect A2: Use of Resources		
General Disclosure	A2 Policies on the efficient use of resources, including energy, water and other raw materials.	Green Operations Management
KPIs	A2.1 Direct and/or indirect energy consumption by type in total and intensity.	Energy Use Management
	A2.2 Water consumption in total and intensity.	Water Resources Management
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Water Resources Management
	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Resources Management
	A2.5 Total packaging material used for finished products and with reference to per unit produced.	Waste Management

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Subject Areas	Content	Chapter Index
Aspect A3: The Environmental and Natural Resources		
General Disclosure	A3 Policies on minimizing the significant impacts on the environment and natural resources.	The business of the Group does not cause any significant impacts on the environment and natural resources.
KPIs	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
Aspect A4: Climate Change		
General Disclosure	A4 Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact.	Combating Climate Change
KPIs	A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	The business of the Group does not cause any significant impacts on the climate change
B. Social		
Aspect B1: Employment		
General Disclosure	B1 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.	Human Resources Management

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Subject Areas	Content	Chapter Index	
KPIs	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Human Resources Management
	B1.2	Employee turnover rate by gender, age group and geographical region.	Human Resources Management
Aspect B2: Health and Safety			
General Disclosure	B2	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.	Occupational Health and Safety
KPIs	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety
	B2.2	Lost days due to work injury.	Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
Aspect B3: Development and Training			
General Disclosure	B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Career Skills Development
KPIs	B3.1	The percentage of employees trained by gender and employee category.	Career Skills Development
	B3.2	The average training hours completed per employee by gender and employee category.	Career Skills Development

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Subject Areas	Content	Chapter Index
Aspect B4: Labour Standards		
General Disclosure	B4 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.	Human Resources Management
KPIs	B4.1 Description of measures to review employment practices to avoid child and forced labor. B4.2 Description of steps taken to eliminate such practices when discovered.	Human Resources Management Human Resources Management
Aspect B5: Supply Chain Management		
General Disclosure	B5 Policies on managing environmental and social risks of the supply chain.	Standardize Procurement Management
KPIs	B5.1 Number of suppliers by geographical region. B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Standardize Procurement Management Standardize Procurement Management Standardize Procurement Management Standardize Procurement Management
Aspect B6: Product Responsibility		
General Disclosure	B6 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.	Strict Control on the Quality of Test

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Subject Areas	Content	Chapter Index	
KPIs	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Strict Control on the Quality of Test
	B6.2	Number of products and service related complaints received and how they are dealt with.	High Quality Customer Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Promoting Scientific Research Development
	B6.4	Description of quality assurance process and recall procedures.	Quality of Service and Testing
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Safeguarding Information Security
Aspect B7: Anti-corruption			
General Disclosure	B7	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.	Anti-Corruption and Building Integrity
KPIs	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.	Anti-Corruption and Building Integrity
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption and Building Integrity
	B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption and Building Integrity
Aspect B8: Community Investment			
General Disclosure	B8	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.	Public Welfare and Harmonious Community
KPIs	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Public Welfare and Harmonious Community
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Public Welfare

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Index of Indicators (Climate-related Disclosures)

Category	Subcategory	Description	Chapter
Governance		Governance body responsible for overseeing climate-related risks and opportunities.	Combating Climate Change - Governance
Governance		Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	Combating Climate Change - Governance
Strategy	Climate-related risks and opportunities	<p>Description of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, access to financing or cost of capital in the short, medium or long term.</p> <p>For each identified climate-related risk, explanation of whether the issuer considers it a climate-related physical risk or a climate-related transition risk.</p> <p>For each identified climate-related risk and opportunity, specification of the time horizon (short, medium or long term) during which it could reasonably be expected to affect the issuer.</p> <p>Explanation of how the issuer defines short, medium and long term, and how such definitions align with the planning horizon of its strategic decisions.</p>	Combating Climate Change - Strategy
Strategy	Business model and value chain	<p>Description of current and anticipated impacts of climate-related risks and opportunities on the issuer's business model and value chain.</p> <p>Description of where climate-related risks and opportunities are concentrated in the issuer's business model and value chain (e.g., geographic regions, facilities and asset types).</p>	Combating Climate Change - Strategy

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Category	Subcategory	Description	Chapter
Strategy	Strategy and decision-making	<p>Information on how the issuer has integrated and plans to integrate the response to material climate-related risks and opportunities into its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any legally or regulatory required targets.</p> <p>Information on how the issuer currently allocates and plans to allocate resources to actions to address material climate-related risks and opportunities integrated into its strategy and decision-making.</p>	<p>Combating Climate Change - Strategy</p> <p>During the year, we have not fully implemented climate-related transition plans, and such work is in progress.</p>
Strategy	Financial position, financial performance and cash flows – current financial impacts	<p>How climate-related risks and opportunities have affected the issuer’s financial position, financial performance and cash flows during the reporting period.</p> <p>Where material risks exist that could lead to material adjustments to the carrying values of assets and liabilities in the relevant financial statements in the next reporting year, information on how identified climate-related risks and opportunities have affected the issuer’s financial position, financial performance and cash flows.</p>	<p>Combating Climate Change - Strategy</p> <p>Financial Effects Relief Adopted</p> <p>Capabilities Relief Adopted</p>
Strategy	Financial position, financial performance and cash flows – anticipated financial impacts	<p>How the issuer anticipates its financial performance will change over the short, medium and long term, taking into account its strategy for managing climate-related risks and opportunities.</p> <p>How the issuer’s financial performance and cash flows are expected to change over the short, medium and long term based on its strategy for managing climate-related risks and opportunities.</p>	<p>Financial Effects Relief Adopted</p> <p>Capabilities Relief Adopted</p>
Strategy	Climate resilience	<p>The issuer’s assessment of its climate resilience as at the reporting date.</p> <p>How and when climate-related scenario analysis is conducted.</p>	<p>Reasonable Information Relief Adopted</p> <p>Capabilities Relief Adopted</p>

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Category	Subcategory	Description	Chapter
Risk Management		Processes and related policies used by the issuer to identify, assess, prioritise and monitor climate-related risks and opportunities.	Combating Climate Change - Risk Management
Risk Management		Processes used by the issuer to identify, assess, prioritise and monitor climate-related risks and opportunities (including information on whether and how the issuer uses climate-related scenario analysis to identify climate-related opportunities).	Combating Climate Change - Risk Management
Risk Management		How and to what extent processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into the issuer's overall risk management processes.	Combating Climate Change - Risk Management
Metrics and Targets	Greenhouse gas emissions	The issuer shall disclose total absolute greenhouse gas emissions during the reporting period, expressed in tonnes of carbon dioxide equivalent, and broken down between Scope 1 GHG emissions, Scope 2 GHG emissions and Scope 3 GHG emissions.	Summary of Key Performance Indicators Reasonable Information Relief Adopted
Metrics and Targets	Climate-related transition risks	The issuer shall disclose the amount and percentage of assets or business activities exposed to climate-related transition risks.	Reasonable Information Relief Adopted
Metrics and Targets	Climate-related physical risks	The issuer shall disclose the amount and percentage of assets or business activities exposed to climate-related physical risks.	Reasonable Information Relief Adopted
Metrics and Targets	Climate-related opportunities	The issuer shall disclose the amount and percentage of assets or business activities associated with climate-related opportunities.	Reasonable Information Relief Adopted
Metrics and Targets	Capital deployment	The issuer shall disclose the amount of capital expenditure, financing or investment used for climate-related risks and opportunities.	During the year, we had no expenditure, financing or investment used for climate-related risks and opportunities.

Environmental, Social and Governance Report

Category	Subcategory	Description	Chapter
Metrics and Targets	Internal carbon pricing	<p>Whether and how the issuer applies carbon pricing in its decision-making (e.g., investment decisions, transfer pricing and scenario analysis).</p> <p>The price per tonne of greenhouse gas emissions used by the issuer to assess the cost of its GHG emissions; or an appropriate negative statement confirming that the issuer does not apply carbon pricing in its decision-making.</p>	<p>During the year, we have not applied an internal carbon pricing mechanism in internal decision-making.</p>
Metrics and Targets	Remuneration	<p>The issuer shall disclose whether and how climate-related considerations are integrated into remuneration policies, or provide an appropriate negative statement.</p>	<p>The Group has not yet incorporated ESG contributions into the remuneration considerations for directors and senior management.</p>
Metrics and Targets	Industry metrics	<p>The Exchange encourages issuers to disclose industry metrics related to one or more specific business models and activities, or metrics related to characteristics common to participation in the relevant industry.</p>	<p>During the year, we have not disclosed industry metrics by reference to other industry disclosure guidelines, and relevant work is still in progress.</p>
Metrics and Targets	Climate-related targets	<p>The issuer shall disclose qualitative and quantitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any legally or regulatory required targets, including any greenhouse gas emission targets.</p>	<p>Combating Climate Change - Metrics and Targets</p>

Directors' Report

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended December 31, 2025. Other sections, reports or notes of this annual report that are referred to in this Directors' Report all form part of this Directors' Report.

General Information

The Company was incorporated in the Cayman Islands on August 24, 2007 as an exempted company with limited liability under the Companies Act. The Shares were listed on the Main Board of the Stock Exchange on July 16, 2021.

Principal Activities

The Company is an investment holding company. The Group is principally engaged in the provision of clinical testing services in the PRC. Details of the principal activities of the principal subsidiaries are set out in note 1 to the consolidated financial statements.

Business Review

The business review and performance analysis of the Group for the year ended December 31, 2025 as required by Schedule 5 to the Companies Ordinance is set out in the chapter headed "Business Review and Outlook" from page 12 to page 18 and "Management Discussion and Analysis" from pages 19 to 32 of this annual report which constitute part of this Directors' Report.

Key Relationships

Relationship with Suppliers

We have maintained stable and long-term relationships with our major suppliers and procured a wide variety of raw materials, mainly consumables and equipment, used for our testing services. We considered several factors in the evaluation and selection of suppliers, including but not limited to the supplier's background, reputation, and industry experience, and most importantly the quality and price of their supplies. All new suppliers must go through our internal supplier admission process before entering into supply agreements with us.

For the year ended December 31, 2025, the total purchases from our five largest suppliers in aggregate accounted for 24.45%, and our purchases from our largest supplier accounted for 8.56%, of our total purchases.

None of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of the share capital of our Company (excluding treasury Shares)) had any interest in any of our top five largest suppliers that is required to be disclosed under the Listing Rules for the year ended December 31, 2025.

As of the Latest Practicable Date, we had not received any material complaint from our suppliers.

Directors' Report

Relationship with Customers

The vast majority of our revenues are generated by providing clinical testing services to hospitals and their patients.

We benefit from a high level of customer loyalty and have developed solid working relationships with many customers. Our five largest customers together generated RMB88.71 million of revenue, accounting for 9.50% of our total revenue, and our largest customer generated RMB22.72 million of revenue, accounting for 2.43% of our total revenue.

None of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of the share capital of our Company (excluding treasury Shares)) had any interest in any of our top five largest customers that is required to be disclosed under the Listing Rules for the year ended December 31, 2025.

As of the Latest Practicable Date, we had not received any material complaint from our customers.

Relationship with Employees

Our success, to a considerable extent, depends upon our ability to attract, motivate and retain a sufficient number of qualified employees. The remuneration package for our employees generally includes salary and bonuses. We determined employee remuneration based on factors such as qualifications and years of experience. Employees also received welfare benefits, including medical care, retirement benefits, occupational injury insurance and other miscellaneous items. We made contributions to mandatory social security funds for our employees to provide for retirement, medical, work-related injury, maternity and unemployment benefits. We also granted restricted stock units as share incentives to qualified directors and employees, details of which are set out in the section headed "Post-IPO RSU Scheme" in this Directors' Report. In order to incentivize Directors, senior management and employees for their contribution to our Company and to attract, motivate and retain skilled and experienced personnel, we have adopted the Post-IPO Option Scheme, details of which are set out in the section headed "Post-IPO Option Scheme" in this Directors' Report.

Environmental Policies and Performance

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. Details of such are set out in the Environmental, Social and Governance Report in this annual report.

Licenses, Regulatory Approvals and Compliance with Laws and Regulations

During the year ended December 31, 2025, there were no material breaches or violations of relevant laws and regulations in China, where the Group has business entities and operations, and the Group obtained all requisite licenses, approvals and permits from relevant authorities that are material to the Group's operations in China. Details of our compliance with relevant laws and regulations will be set out in the Environmental, Social and Governance Report in this annual report.

Principal Risks and Uncertainties

A number of factors may affect the results and business operation of the Group. The principal risks and uncertainties that the Group faces and key mitigations that the Group adopts are summarized as follows:

Principal Risks and Uncertainties	Description	Key Mitigations
<p>Failure in service quality control may adversely affect our operating results, reputation and business.</p>	<p>Our service and testing processes are required to meet certain quality standards, including the standards imposed by relevant PRC laws and regulations as well as industry standards, including the Administrative Measures on Clinical Laboratories of Medical Institutions 《(醫療機構臨床實驗室管理辦法)》, the Interim Administrative Measures on Clinical Laboratories 《(醫學檢驗實驗室管理暫行辦法)》, as well as the ISO 15189 Quality Management Standard for three of our laboratories.</p>	<p>We have established a quality control and assurance system and adopted standardized operating procedures in order to prevent quality issues with respect to our services and operation processes. For further details of our quality control and assurance system, see “Business – Quality Control” in the Prospectus. As the market leader, we also adopt the industry leading standard in the performance of our testing services. For example, our laboratories located in Wuhan, Beijing and Shanghai are equipped with up-to-date high-quality testing equipment and devices, and Xinjiang laboratory has been accredited with ISO 15189 certification.</p>

Directors' Report

Principal Risks and Uncertainties	Description	Key Mitigations
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Our success depends on the market's confidence in us that we can provide reliable and high-quality esoteric testing services that will provide patients or physicians with valuable clinical or diagnostic information. However, there is no assurance that our testing services will perform as expected at all times. Our tests may fail to accurately, or even incompletely or incorrectly identify the relevant diseases, or contain other errors or mistakes due to a variety of reasons (such as malfunction of our laboratory equipment and degraded samples provided by our delivery service providers), which may result in negative perception of our tests. In addition, failure to detect quality defects in our services or to prevent such defective services from being delivered to our customers could result in injury or death, license revocation, regulatory fines, professional liabilities or other problems that could seriously harm our reputation and business, expose us to liability, and materially and adversely affect our revenue and profitability. For example, we could face medical liability claims if someone alleges that our services identified inaccurate or incomplete information regarding their targeted testing item, or otherwise failed to perform as designed. A claimant could allege that our test results caused unnecessary treatment or other costs or resulted in the patient missing the best opportunity or timing for treatment. A patient could also allege other mental or physical injury or that our tests provided inaccurate or misleading information concerning the diagnosis, prognosis or recurrence of, or available therapies for, his or her disease. We may also be subject to medical liability for errors in, a misunderstanding of or inappropriate reliance upon the diagnostic information our tests provided. The tense physician-patient relationship in China could also expose us to an increased risk of potential medical liability claims.

Subsequent Event

Particulars of important events affecting the Group that have occurred since the year ended December 31, 2025 are stated in the section headed “Management Discussion and Analysis – Significant Events After the Reporting Period” and note 42 to the consolidated financial statements in this annual report.

Financial Statements

The results of the Group for the year ended December 31, 2025 and the status of the Group's financial position as at that date are set out in the consolidated financial statements from pages 148 to 155 of this annual report.

Financial Summary

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out on page 9 of this annual report. This summary does not form part of the audited consolidated financial statements.

Final Dividend

The Board recommends the payment of a final dividend of HK\$0.095 per Share for the year ended December 31, 2025 (For the year ended December 31, 2024: HK\$0.0238 per Share). The actual total amount of final dividend to be distributed will be determined based on the total issued share capital of the Company as at the Record Date for determining the eligibility of Shareholders to receive the final dividend. The recommendation of payment of the final dividend is subject to the Shareholders' approval at the forthcoming AGM of the Company. Upon approval, the proposed final dividend will be payable to the Shareholders on or before August 27, 2026, whose names appear on the register of members of the Company on June 15, 2026 (the “**Record Date**”).

No Shareholders waived or agreed to waive any dividends.

Distributable Reserves

The Company may pay dividends out of its share premium account and retained earnings.

As at December 31, 2025, the Company had distributable reserves for share premium of RMB3,096,446,000.

Reserves

Changes to the reserves of the Group during the year ended December 31, 2025 are set out in the consolidated statement of changes in equity in this annual report.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the year ended December 31, 2025 are set out in note 15 to the consolidated financial statements in this annual report.

Share Capital

Details of movements in the share capital of the Company during the year ended December 31, 2025 are set out in note 32 to the consolidated financial statements in this annual report.

Directors' Report

Bank Borrowings and other Loans

Details of bank borrowings and other loans of the Company as at December 31, 2025 are set out in note 28 to the consolidated financial statements of this annual report.

Charge on Assets

There was no charge on the Group's assets as at December 31, 2025.

Donation

Donations made by the Company during the year ended December 31, 2025 was HK\$10,000.

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

For the year ended December 31, 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company listed securities. As at December 31, 2025, the Company held 7,064,000 treasury Shares which are intended to be used for purposes such as employee incentives, sale or transfer to obtain liquid funds, etc. subject to the actual decision(s) making by the Board.

Appointment of Chief Technology Officer

On June 5, 2025, following a resolution by the Board, Dr. Jian-Bing FAN ("**Dr. Fan**"), the Company's Chief Scientific Officer, will assume the role of Chief Technology Officer instead, effective as of June 6, 2025. As the Company's Chief Technology Officer, in addition to overseeing research and development innovation and application commercialization in specific technical fields, Dr. Fan will also provide decision-making support and advisory services for the Company's scientific research strategic planning and the implementation of clinical testing projects.

Pre-IPO Stock Incentive Plans

The Pre-IPO Stock Incentive Plans were adopted pursuant to the Board resolutions passed on March 14, 2013, December 20, 2015 and December 1, 2016. The purposes of the Pre-IPO Stock Incentive Plans are to attract and retain the best available personnel, to provide additional incentives to the Group's employees, the Directors and persons (other than an employee or a Director) who are engaged by the Company or any related party to render consulting or advisory services ("**Consultants**"), and to promote the success of the Group's business.

The administrator is authorized under the Pre-IPO Stock Incentive Plans to award any type of arrangement to an employee, Director or Consultant that is not inconsistent with the provisions of the Pre-IPO Stock Incentive Plans and that by its terms involves or might involve the issuance of (i) Shares, (ii) cash or (iii) an option or similar right with a fixed or variable price related to the fair market value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions (the "**Pre-IPO Award(s)**").

Any Pre-IPO Award granted under the Pre-IPO Stock Incentive Plans shall be exercisable at such times and under such conditions as determined by the administrator under the terms of the Pre-IPO Stock Incentive Plans and specified in the Pre-IPO Award agreement. The consideration to be paid for the Shares to be issued upon exercise of a Pre-IPO Award, including the method of payment, shall also be determined by the administrator accordingly. A Pre-IPO Award shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Pre-IPO Award by the person entitled to exercise the Pre-IPO Award and full payment for the Shares with respect to which the Pre-IPO Award is exercised.

The Pre-IPO Stock Incentive Plans do not stipulate: (i) the maximum entitlement of each participant under the scheme; (ii) the amount (if any) on application or acceptance of the Pre-IPO Awards and the period within which payments or calls must or may be made or loans for such purposes must be repaid; and (iii) the vesting period of the Pre-IPO Awards granted under the scheme. The administrator would consider, resolve for and approve the aforesaid particulars in accordance with the terms of the Pre-IPO Stock Incentive Plans.

Subject to the termination provisions under the Pre-IPO Stock Incentive Plans, each of the Pre-IPO Stock Incentive Plans shall be valid and effective for the period of ten years commencing on their respective adoption date. No Pre-IPO Award may be granted after the termination of the relevant Pre-IPO Stock Incentive Plan.

As disclosed in the Prospectus, the Company did not and will not grant further options under the Pre-IPO Stock Incentive Plans after the Global Offering.

The principal terms of the Pre-IPO Stock Incentive Plans are summarized in the section headed "Statutory and General Information – D. Pre-IPO Stock Incentive Plans" in Appendix IV to the Prospectus.

Directors' Report

As of the date of this report, the total number of Shares which may be issued pursuant to all outstanding Pre-IPO Awards (i.e. outstanding Options held by grantees) is 2,643,332 Shares, representing approximately 0.26% of the total issued share capital of the Company (excluding treasury Shares) as of the date of this report. Details of such outstanding Options are set out below:

Name or category of grantee	Grant date	Vesting and exercise period	Exercise price (US\$/Share before the Share Subdivision)	Number of Shares underlying the Option as of January 1, 2025	Number of Options granted during the Reporting Period	Number of Options exercised during the Reporting Period	Number of Options cancelled during the Reporting Period	Number of Options lapsed during the Reporting Period	Number of Shares underlying the Options as of December 31, 2025	Weighted average closing price of the Shares immediately before the dates on which the Options were exercised
Other employees of the Group										
(Note 2)										
In aggregate										
	December 31, 2015	(Note 1)	0.06	463,368	-	280,588	0	182,780	0	See note 3
	December 31, 2016	(Note 1)	0.09	2,928,568	-	295,656	0	0	2,632,912	See note 3
Sub-total				3,391,936	-	576,244	0	182,780	2,632,912	
Consultants										
In aggregate										
	December 31, 2015	(Note 1)	0.06-0.09	19,156	-	0	0	19,156	0	See note 4
	December 31, 2016	(Note 1)	0.09	20,844	-	0	0	0	20,844	See note 4
Sub-total				40,000	-	0	0	19,156	20,844	
Total				3,431,936	-	576,244	0	201,936	2,653,756	

Notes:

- (1) 100% of the total number of the Options granted shall vest and become exercisable immediately after the grant date.
- (2) This includes former employees who were our employees on the date of grant, each of whom is an independent third party of the Company.
- (3) In 2025, a total of 576,244 Options were exercised by the other employees of the Group. The weighted average closing price of these Shares before the relevant dates on which the Options were exercised in 2025 is HK\$1.30.
- (4) In 2025, No Options were exercised by the Consultants.

Post-IPO RSU Scheme

The Post-IPO RSU Scheme was adopted pursuant to the Shareholders' resolutions passed on June 22, 2021. The Company may appoint a trustee (the "**RSU Trustee**") to administer the Post-IPO RSU Scheme with respect to the grant of any RSU Award (as defined below), by way of restricted share unit(s) ("**RSU(s)**"), which may vest in the form of Shares (the "**Award Shares**") or the actual selling price of the Award Shares in cash in accordance with the Post-IPO RSU Scheme. The purpose of the Post-IPO RSU Scheme is to align the interests of Eligible Persons (as defined below) with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain such Eligible Persons to make contributions to the long-term growth and profits of the Group.

Any individual, being an employee, Director (including executive Directors, non-executive Directors and independent non-executive Directors) or officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate ("**Eligible Person(s)**") who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an award granted by the Board (an "**Award**"), by way of RSUs, which may vest in the form of Award Shares or the actual selling price of the Award Shares of RSUs in cash in accordance with the Post-IPO RSU Scheme. However, no individual who is resident in a place where the grant, acceptance or vesting of an RSU Award pursuant to the Post-IPO RSU Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Post-IPO RSU Scheme.

An RSU Award gives a selected participant a conditional right, when the RSU vests, to obtain the Award Share or, if in the absolute discretion of the Board or its delegate(s), it is not practicable for the selected participant to receive the RSU Award in Shares, the cash equivalent from the sale of the Award Shares. An RSU Award includes all cash income from dividends in respect of those Shares from the date on which the RSU Award is granted (the "**Grant Date**") to the date on which the RSU Award vests. For the avoidance of doubt, the Board at its discretion may from time to time determine that any dividends declared and paid by our Company in relation to the Award Shares be paid to the selected participant even though the Award Shares have not yet vested.

Directors' Report

The aggregate number of Shares underlying all grants made pursuant to the Post-IPO RSU Scheme (excluding RSU Awards which have been forfeited in accordance with the Post-IPO RSU Scheme) will not exceed 8% of the issued share capital of the Company as of the date of approval of the Post-IPO RSU Scheme, being 54,337,129 Shares, without Shareholders' approval (the "**Post-IPO RSU Scheme Limit**"), representing approximately 5.25% of the total issued share capital of the Company (excluding treasury Shares) as of the date of this report.

Save as restricted by the Post-IPO RSU Scheme Limit or as otherwise restricted by the Listing Rules, for any 12-month period, the aggregate number of Shares granted to any participant shall not exceed 1% of the total number of the issued Shares at the relevant time, without Shareholders' approval.

The Board or the committee of the Board or person(s) to which the Board delegated its authority may from time to time while the Post-IPO RSU Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the RSU Award to be vested under the Post-IPO RSU Scheme. No payment is required for the acceptance of an RSU Award.

For the purposes of satisfying the grant of an RSU Award, the Company shall transfer to the RSU Trustee the necessary funds and instruct the RSU Trustee to acquire Shares through on-market transactions at the prevailing market price (i.e. the Company will not issue and allot Shares to the RSU Trustee for the aforesaid purpose) (please refer to the announcement of the Company dated March 27, 2024 for details). Where the RSU Trustee has received instructions from the Company to acquire shares through on-market transactions, the RSU Trustee shall acquire such number of Shares as instructed by the Company on-market at the prevailing market price as soon as reasonably practicable after receiving the necessary funds from the Company.

As at December 31, 2025, the remaining life of the Post-IPO RSU Scheme is approximately five years and seven months.

The principal terms of the Post-IPO RSU Scheme are summarized in the section headed "Statutory and General Information – E. Post-IPO RSU Scheme" in Appendix IV to the Prospectus.

For the year ended December 31, 2025, 2,470,000 RSUs (representing 0.24% of the then total share capital in issue of the Company) have been granted under the Post-IPO RSU Scheme. As at December 31, 2025, there were 51,867,129 RSUs which remained unvested under the RSU Scheme of the Company.

Post-IPO Option Scheme

The Post-IPO Option Scheme was adopted pursuant to the Shareholders' resolutions passed on June 22, 2021 in compliance with Chapter 17 of the Listing Rules. The purpose of the Post-IPO Option Scheme is to reward employees for their past contribution to the success of the Company, and to provide incentives to them to further contribute to the Company.

Any individual, being an employee, director or officer of any member of our Group who the Board may in its absolute discretion select may be granted an Option to subscribe for such number of Shares as the Board may determine at the Subscription Price (as defined below).

The maximum number of Shares in respect of which Options may be granted under the Post-IPO Option Scheme when aggregated with the maximum number of Shares in respect of which Options may be granted under any other option scheme over Shares shall not exceed 10% of the issued share capital of the Company as of the date of approval of the Post-IPO Option Scheme (or of the refreshing of the 10% limit) by the Shareholders, being 16,980,353 Shares (to be adjusted to 67,921,412 Shares upon the Share Subdivision), which represents approximately 6.57% of the total number of Shares in issue (excluding treasury Shares) as at the date of this annual report. Options lapsed in accordance with the terms of the Post-IPO Option Scheme shall not be counted for the purpose of calculating the 10% limit. Within the aforesaid 10% limit (or alternatively subject to the approval of Shareholders in a general meeting), the maximum number of Shares to be issued upon exercise of all outstanding Options under this Post-IPO Option Scheme may be increased by increments as determined by the Board, provided that the total number of Shares to be issued upon exercise of all outstanding Options under the Post-IPO Option Scheme and all other schemes of the Company granted and yet to be exercised does not exceed 30% of all the Shares in issue from time to time. No Option may be granted under the Post-IPO Option Scheme if this will result in the limit being exceeded.

Except with the approval of Shareholders in a general meeting with the prospective grantee and his associates abstaining from voting, no Option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of Options and any other Option over the Shares (including exercised, cancelled and outstanding Options) granted and to be granted to such person in any 12-month period up to the date of the latest grant exceeds 1% of the Shares in issue from time to time.

An offer of the grant of an Option made to any grantee must be accepted within 28 days from the date of the offer made (provided such offer shall be open for acceptance after the effective period of the Post-IPO Option Scheme) and further requiring the employee to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Post-IPO Option Scheme.

Subject as provided in the Post-IPO Option Scheme and any conditions specified by the Board, an Option may, subject to the terms and conditions (including the specified period within which the Options must be exercised) upon which such Option is granted, be exercised in whole or in part by the grantee giving notice in writing to our Company in such form as the Board may from time to time determine stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised.

Directors' Report

Subject to such terms and conditions as our Board may determine, there is no minimum period for which an Option must be held before it can be exercised (i.e. there is no requirements of vesting period) and no performance target needs to be achieved by the grantee before the Options can be exercised.

An Option shall be deemed to have been granted and accepted and to have taken effect when the duplicate letter comprising acceptance of the offer of the grant of the Option duly signed by the grantee together with a payment to the Company and/or any of its subsidiaries of HK\$1 (or the equivalent of HK\$1 in the local currency of any jurisdiction where the Company and/or its subsidiaries operate, as the Board may in its absolute discretion determine) by way of consideration for the grant thereof is received by the Company within the time period specified in the offer of the grant of the Option. Such remittance shall not be refundable.

The amount payable for each Share to be subscribed for under an Option ("**Subscription Price**") in the event of the Option being exercised shall be determined by the Board at its absolute discretion, but shall be not less than the greater of: (i) the closing price of a Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of the offer made; (ii) the average closing price of our Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant.

The Post-IPO Option Scheme shall be valid and effective for a period of 10 years commencing on the date when the Post-IPO Option Scheme becomes unconditional, after which period no further Options will be granted pursuant to the provisions of the Post-IPO Option Scheme, but the provisions of this Post-IPO Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Post-IPO Option Scheme. As at December 31, 2025, the remaining life of the Post-IPO Option Scheme is approximately five years and six months.

Further details of the principal terms of the Post-IPO Option Scheme are summarized in the section headed "Statutory and General Information – F. Post-IPO Option Scheme" in Appendix IV to the Prospectus.

As of December 31, 2025, no Option had been granted or agreed to be granted under the Post-IPO Option Scheme. As such, the number of Options available for grant under the Post-IPO Option scheme at the beginning and the end of the year ended December 31, 2025 was the same as the maximum number of Shares in respect of which Options may be granted under the Post-IPO Option Scheme as described above.

The total number of Shares that may be issued in respect of Options granted under all schemes of the Company during the year ended December 31, 2025 (i.e. nil) divided by the weighted average number of Shares in issue for the year ended December 31, 2025 was zero.

Directors

The Directors during the year ended December 31, 2025 and up to the date of this annual report were:

Name	Position/Title
Dr. Huang Shiang	Executive Director, Chief Executive Officer, Chief Medical Officer and Chairman
Mr. Tu Zanbing	Executive Director and Chief Operating Officer
Ms. Chai Haijie	Executive Director and Chief Financial Officer
Mr. Huang Zuie-Chin	Non-executive Director
Mr. Peng Wei	Non-executive Director
Ms. Huang Lu	Non-executive Director
Dr. David Guowei Wang <i>(appointed with effect from March 27, 2026)</i>	Non-executive Director
Dr. Yao Shanglong	Independent non-executive Director
Dr. Xia Xinping	Independent non-executive Director
Mr. Gu Huaming	Independent non-executive Director
Dr. Gang Wang <i>(appointed with effect from March 27, 2026)</i>	Independent non-executive Director

In accordance with the Articles of Association, Mr. Tu Zanbing, Mr. Huang Zuie-Chin and Ms. Huang Lu will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming AGM.

In accordance with the Articles of Association, Dr. David Guowei Wang and Dr. Gang Wang will retire from the office of Director and shall, being eligible and offer themselves, for re-election at the forthcoming AGM.

The biographical details of the Directors and senior management of the Company as at the Latest Practicable Date are set out in the chapter headed "Directors and Senior Management" in this annual report.

Save as disclosed in the chapter headed "Directors and Senior Management" in this annual report, there is no change in the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Directors' Service Contracts and Letters of Appointment

Each of our executive Directors and non-executive director has entered into a service contract with our Company. The initial term of their respective service contract shall commence from the date of their appointment until terminated in accordance with the terms and conditions of the service agreement or by either party giving to the other not less than three months' prior notice.

Each of the independent non-executive Directors has entered into an appointment letter with our Company. The initial term for their appointment letters shall commence from the date of their appointment for a period of three years, whichever is earlier (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing.

The service contracts may be renewed in accordance with our Articles of Association and the applicable Listing Rules. None of our Directors has an unexpired service contract with members of our Group that is determinable by our Group within one year without payment of compensation, other than statutory compensation.

Directors' Report

Confirmation of Independence of Independent Non-executive Directors

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors (being Dr. Yao Shanglong, Dr. Xia Xinping and Mr. Gu Huaming), and the Company considers such Directors to be independent for the year ended December 31, 2025.

Directors' and Controlling Shareholders' Interests in Transactions, Arrangements or Contracts of Significance

Save as the related party transactions as disclosed in note 38 to the consolidated financial statements and the continuing connected transactions as disclosed in the section headed "Non-Exempt Continuing Connected Transactions" in this Directors' Report, there were no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director and/or any of his/her connected entity had a material interest, whether directly or indirectly, and there was no transaction, arrangement or contract of significance between the Company or any of its subsidiaries and the Company's controlling shareholders or any of its subsidiaries, subsisted at the end of, or at any time during the year ended December 31, 2025.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Associated Corporations

As of December 31, 2025, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or are deemed to have taken under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Interests in the Company

Name of Director or chief executive	Capacity/Nature of interest	Number of Shares interested	Approximate % of shareholding
Dr. Huang Shiang ⁽¹⁾⁽²⁾ ("Dr. Huang")	Settlor of a trust and interest of spouse Beneficial interest	145,363,368(L) 1,062,500(L)	13.96 0.10
Mr. Tu Zanbing ⁽³⁾ ("Mr. Tu")	Interest in controlled corporation Beneficial interest	38,624,144(L) 25,737,720(L)	3.71 2.47
Ms. Chai Haijie ("Ms. Chai")	Beneficial interest	10,166,456(L)	0.98
Mr. Huang Zuie-Chin ⁽⁴⁾ ("Mr. Huang")	Interest in controlled corporation Beneficial interest	72,539,632(L) 580,000(L)	6.97 0.06

Notes:

- (1) Perfect Tactic Group Limited ("**Perfect Tactic**") is a company incorporated in the BVI held as to 99.8% and 0.2% by Infinite Prosperity Holdings LLC ("**Infinite Prosperity**") and Kindstar Rui An Medical Technology Company Limited (康聖瑞安醫學技術有限公司) ("**Kindstar Rui An**"), respectively. Infinite Prosperity is wholly owned by Jackson Hole Trust Company ("**Jackson Hole**"), the trustee to the Shiang Huang Family Trust which was established by Dr. Huang as settlor. Kindstar Rui An is indirectly wholly owned by Dr. Huang. Accordingly, Dr. Huang is deemed to be interested in the total number of Shares held by Perfect Tactic. Dr. Huang, being the spouse of Ms. Guo Gui-Rong, is deemed to be interested in the total number of Shares Ms. Guo Gui-Rong holds or is interested in.
- (2) According to the voting proxy arrangements dated April 28, 2021, January 1, 2017 and November 2, 2020, Ms. Guo Gui-Rong has effective control over the voting rights attached the Shares held by each of Perfect Tactic, Mr. Chen Zhong ("**Mr. Chen**") and Ever Prospect Global Limited ("**Ever Prospect**"), which is wholly owned by Mr. Tu Zanbing. Accordingly, Ms. Guo Gui-Rong is deemed to be interested in (i) the 48,361,508 Shares held by Perfect Tactic, (ii) 3,468,800 Shares held by Mr. Chen, and (iii) 38,624,144 Shares held by Ever Prospect. Dr. Huang, being the spouse of Ms. Guo Gui-Rong, is deemed to be interested in the total number of Shares Ms. Guo Gui-Rong holds or is interested in.
- (3) Ever Prospect is wholly owned by Mr. Tu. Accordingly, Mr. Tu is deemed to be interested in the 38,624,144 Shares held by Ever Prospect. According to the voting proxy arrangement dated November 2, 2020, Ms. Guo Gui-Rong has effective control over the voting rights attached the Shares held by Ever Prospect.
- (4) The general partner of Ningbo Meishan Bonded Port Zone Xinyue Kangsheng Equity Investment Limited Liability Partnership (寧波梅山保稅港區新岳康聖股權投資合夥企業(有限合夥)) ("**Ningbo Xinyue**") is Ningbo Meishan Bonded Port Zone Ruixi Equity Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區瑞義股權投資管理合夥企業(有限合夥)) ("**Ningbo Ruixi**"), while the general partner of Wuhan Ruifu Medical Health Equity Investment Limited Liability Partnership (武漢瑞伏醫療健康股權投資合夥企業(有限合夥)) ("**Wuhan Ruifu**") is Ningbo Meishan Bonded Port Zone Ruifu Bojian Investment Management Co., Ltd. (寧波梅山保稅港區瑞伏博健投資管理有限公司) ("**Ningbo Ruifu**"). The general partner of Ningbo Ruixi is Ningbo Ruifu. Accordingly, Ningbo Ruifu is deemed to be interested in the 41,829,140 Shares held by Wuhan Ruifu and the 30,710,492 Shares held by Ningbo Xinyue. Ningbo Ruifu is ultimately controlled by Mr. Huang Zuie-Chin. Accordingly, Mr. Huang Zuie-Chin is deemed to be interested in (i) the 41,829,140 Shares held by Wuhan Ruifu, and (ii) the 30,710,492 Shares held by Ningbo Xinyue.
- (5) The percentage of interest has been computed based on the total number of Shares of the Company in issue of 1,041,299,540 as at December 31, 2025 (including 7,064,000 treasury Shares). The letter "L" denotes the person's long position in such shares or underlying shares.

(ii) Interests in associated corporations

Name of Director or chief executive	Name of associate corporation	Amount of registered capital held (RMB)	Approximate % of interest
Dr. Huang Shiang	Wuhan Kindstar	9,629,000	96.29
	Kindstar Global Wuhan	10,000,000	99.01
	Wuhan Haixi	99,000	9.90
Mr. Tu Zanbing	Wuhan Kindstar	371,000	3.71
	Kindstar Global Wuhan	100,000	0.99
	Shanghai XINUO	475,000	9.50
	Kindstar Zhenyuan	500,000	5.00

Directors' Report

Save as disclosed above, as of December 31, 2025, no Directors or chief executives of the Company had or was deemed to have an interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or are deemed to have taken under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares of the Company

As of December 31, 2025, to the best knowledge of the Directors, the following persons, other than Directors and chief executives of the Company, had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein:

Name of substantial shareholder	Capacity/Nature of interest	Number of Shares interested	Approximate % of shareholding
Ms. Guo Gui-Rong	Beneficial interest	3,971,020(L)	0.38
	Interest held through voting powers entrusted by other persons ⁽¹⁾	90,454,452(L)	8.69
	Settlor of a trust ⁽²⁾ and interest of spouse	52,000,396(L)	4.99
Mr. Huang Bo ⁽²⁾⁽³⁾	Interest in controlled corporation	99,299,404(L)	9.54
Perfect Tactic ⁽¹⁾⁽³⁾	Beneficial interest	48,361,508(L)	4.64
Jackson Hole ⁽²⁾⁽³⁾	Beneficial interest	50,937,896(L)	4.89
	Interest in controlled corporation	48,361,508(L)	4.64
Infinite Prosperity ⁽³⁾	Interest in controlled corporation	48,361,508(L)	4.64
Mr. Huang Zuie-Chin ⁽⁵⁾	Interest in controlled corporation	72,539,632(L)	6.97
	Beneficial interest	580,000(L)	0.06
Ningbo Ruifu ⁽⁵⁾	Interest in controlled corporation	72,539,632(L)	6.97

Name of substantial shareholder	Capacity/Nature of interest	Number of Shares interested	Approximate % of shareholding
Madam Chan Tan Ching Fen ⁽⁶⁾	Founder of a discretionary trust who influence how the trustee exercises his discretion	91,068,160(L)	8.75
Ghalibo (PTC) Limited ("Ghalibo") ⁽⁶⁾	Trustee	91,068,160(L)	8.75
Morningside Holdings (Asia) Limited ("Morningside Holdings") ⁽⁶⁾	Interest in controlled corporation	91,068,160(L)	8.75
Healthcare Asia (Holdings) Inc. ("HCA Holdings") ⁽⁶⁾	Interest in controlled corporation	91,068,160(L)	8.75
Healthcare Asia (China) Inc. ("HCA China") ⁽⁶⁾	Interest in controlled corporation	91,068,160(L)	8.75
Healthcare Asia Laboratories Inc. ("HCA Laboratories") ⁽⁶⁾	Interest in controlled corporation	91,068,160(L)	8.75
HCA Health Investments Inc. ("HCA Investments") ⁽⁶⁾	Beneficial interest	91,068,160(L)	8.75
CPE Holdings International Limited ("CPE International") ⁽⁷⁾	Interest in controlled corporation	80,367,640(L)	7.72
CPE Holdings Limited ("CPE Holdings") ⁽⁷⁾	Interest in controlled corporation	80,367,640(L)	7.72
CPE Funds III Limited ("CPE Funds III") ⁽⁷⁾	Interest in controlled corporation	80,367,640(L)	7.72
CPEChina Fund III, L.P. ("CPEChina") ⁽⁷⁾	Interest in controlled corporation	80,367,640(L)	7.72
CK Lab Tech Investment Limited ("CK Lab Tech") ⁽⁷⁾	Beneficial interest	80,367,640(L)	7.72

Directors' Report

Name of substantial shareholder	Capacity/Nature of interest	Number of Shares interested	Approximate % of shareholding
Mr. Tu Zanbing	Interest in controlled corporation ⁽¹⁾⁽⁸⁾	38,624,144(L)	3.71
	Beneficial interest	25,737,720(L)	2.47
Mialkos Tomasz Jakub	Beneficial interest	72,912,000(L)	7.00
OrbiMed Asia Partners IV, L.P. ("OrbiMed") ⁽⁹⁾	Beneficial interest	70,444,835(L)	6.77
OrbiMed Asia GP VI, L.P. ("OAP IV GP") ⁽⁹⁾	Interest in controlled corporation	70,444,835(L)	6.77
OrbiMed Advisors IV Limited ("OAP IV") ⁽⁹⁾	Interest in controlled corporation	70,444,835(L)	6.77

Notes:

- (1) According to voting proxy arrangements dated April 28, 2021, January 1, 2017 and November 2, 2020, Ms. Guo has effective control over the voting rights attached to the Shares held by each of Perfect Tactic, Mr. Chen and Ever Prospect. Accordingly, Ms. Guo Gui-Rong is deemed to be interested in (i) the 48,361,508 Shares held by Perfect Tactic, (ii) the 3,468,800 Shares held by Mr. Chen and (iii) the 38,624,144 Shares held by Ever Prospect.
- (2) Jackson Hole is the trustee of Gui-Rong Guo Trust, a family trust established by Ms. Guo (as the settlor) with her and her family members being the beneficiaries. Under the trust deed of the Gui-Rong Guo Trust, for so long as the Jackson Hole holds or controls any Shares, all voting rights attaching to such Shares shall be in effect exercised by Mr. Huang Bo, Dr. Huang Shiang and Ms. Guo Gui-Rong's son, as investment advisor to the Gui-Rong Guo Trust. Accordingly, each of Ms. Guo Gui-Rong and Mr. Huang Bo is deemed to be interested in the total number of Shares held by Jackson Hole.
- (3) Perfect Tactic is a company incorporated in the BVI held as to 99.8% and 0.2% by Infinite Prosperity and Kindstar Rui An, respectively. Infinite Prosperity is wholly owned by Jackson Hole. Jackson Hole is the trustee to the Shiang Huang Family Trust which was established by Dr. Huang as settlor. The Shiang Huang Family Trust is a discretionary trust and the beneficiaries of which includes Dr. Huang and his family members who are this associates, and their lineal descendants. Under the trust deed of the Shiang Huang Family Trust, for so long as the Jackson Hole Trust Company holds or controls any shares in Perfect Tactic, all voting rights with respect to investment decisions attaching thereto will be exercised by Mr. Huang Bo as investment advisor to the Shiang Huang Family Trust. Accordingly, each of Infinite Prosperity, Jackson Hole, Mr. Huang Bo and Dr. Huang is deemed to be interested in the total number of Shares held by Perfect Tactic.

- (4) *Dr. Huang, being the spouse of Ms. Guo Gui-Rong, is also deemed to be interested in the total number of the Shares Ms. Guo Gui-Rong holds or is interested in.*
- (5) *The general partner of Ningbo Xinyue is Ningbo Ruixi, while the general partner of Wuhan Ruifu is Ningbo Ruifu. The general partner of Ningbo Ruixi is Ningbo Ruifu. Accordingly, Ningbo Ruifu is deemed to be interested in the 41,829,140 Shares held by Wuhan Ruifu and the 30,710,492 Shares held by Ningbo Xinyue. Ningbo Ruifu is ultimately controlled by Mr. Huang. Accordingly, Mr. Huang Zuie-Chin is deemed to be interested in (i) the 41,829,140 Shares held by Wuhan Ruifu and (ii) the 30,710,492 Shares held by Ningbo Xinyue.*
- (6) *HCA Investments is a limited liability company incorporated in the BVI and wholly owned by HCA Laboratories, which is wholly owned by HCA China. HCA China is wholly owned by HCA Holdings, which is wholly owned by Morningside Holdings. Morningside is wholly owned by Ghalibo, the trustee of a family trust established by Madam Chan Tan Ching Fen. Accordingly, each of HCA Investments, HCA Laboratories, HCA China, HCA Holdings, Morningside Holdings, Ghalibo and Madam Chan Tan Ching Fen is deemed to be interested in the total number of Shares held by HCA Investments.*
- (7) *CK Lab Tech is a company incorporated in the BVI held as to approximately 85.1% by CPEChina Fund III, L.P. ("CPE Fund III") and 14.9% by CPE Global Opportunities Fund, L.P. The general partner of CPE Fund III is CPE Funds III Limited, an exempted company incorporated in the Cayman Islands with limited liability, which is wholly owned by CPE Holdings Limited. CPE Holdings Limited is wholly owned by CPE Holdings International Limited. CPE Holdings International Limited is owned by a number of shareholders that are natural persons none of whom controls CPE Holdings International Limited.*
- (8) *Ever Prospect is wholly owned by Mr. Tu. Accordingly, Mr. Tu is deemed to be interested in the 38,624,144 Shares held by Ever Prospect.*
- (9) *OrbiMed is an exempt limited partnership established under the laws of the Cayman Islands. The general partner of OrbiMed is OAP IV GP, and the general partner of OAP IV GP is OAP IV. Accordingly, both OAP IV GP and OAP IV are deemed to be interested in the total number of Shares held by OrbiMed.*
- (10) *The percentage of interest has been computed based on the total number of Shares of the Company in issue of 1,041,299,540 as at December 31, 2025 (including 7,064,000 treasury Shares). The letter "L" denotes the person's long position in such shares or underlying shares.*

Save as disclosed above, as of December 31, 2025, to the best knowledge of the Directors, no other persons (not being Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

Directors' Report

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year ended December 31, 2025.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Articles of Association, although there are no restrictions against such rights under the laws in the Cayman Islands which 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 securities.

Emolument Policy

Our Directors believe that the ability to attract, motivate and retain a sufficient number of qualified employees is of significant importance to the long-term successful development of our Group. The remuneration package for our employees generally includes basic wages, variable wages, bonuses and other staff benefits. We made contributions to mandatory employee benefit plans (including pension, work-related injury benefits, maternity insurance, medical and unemployment benefit plans and housing fund). We also granted restricted stock units as share incentives to qualified directors and employees and adopted the share option scheme, details of both schemes are set out under the sections headed "Post-IPO RSU Scheme" and "Post-IPO Option Scheme" in this Directors' Report, to motivate our employees. Our Group has established the Remuneration Committee to review the policy and structure of the remuneration for our Directors and senior management and make recommendations on the remuneration packages of individual executive Directors and senior management. In general, our Group determines the emolument payable to our Directors based on each Director's time commitment and responsibilities, salaries paid by comparable companies as well as the employment conditions elsewhere in our Group.

Employee Benefits

Particulars of the employee benefits of the Group are set out in note 11 to the consolidated financial statements.

Pursuant to code provision E.1.5 of the CG Code, the annual remuneration of the senior management by band for the year ended December 31, 2025 is set out below:

Remuneration	Number of senior management
Nil to RMB1,000,000	4
RMB1,000,001 to RMB1,500,000	0
RMB1,500,001 to RMB2,000,000	0

Public Float

As at the Latest Practicable Date and based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained minimum public float of 25% as required under the Listing Rules.

Rights to Acquire the Company's Securities and Equity-Linked Agreements

Save as disclosed in the sections headed "Pre-IPO Stock Incentive Plans", "Post-IPO RSU Scheme" and "Post-IPO Option Scheme" in this Directors' Report, at no time during the year ended December 31, 2025 was the Company, or any of its subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, nor did the Company enter into any equity-linked agreement.

Directors' and Controlling Shareholders' Interests in Competing Business

Save for their respective interests in the Group, none of the Directors and the controlling shareholders of the Company was interested in any business which competes or is likely to compete with the businesses of the Group for the year ended December 31, 2025. From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare industries. However, as these non-executive Directors are neither our controlling shareholders nor members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which they may hold directorships from time to time.

Permitted Indemnity Provision

Pursuant to the Articles of Association, the Directors, auditors and other officers of the Company shall be entitled to be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices. Such provisions were in force throughout the year ended December 31, 2025 and are currently in force.

The Company has arranged for appropriate insurance cover for Directors' liabilities in respect of legal actions that may be brought against the Directors during the year ended December 31, 2025.

Use of Proceeds from the Global Offering

Our Shares were listed on the Main Board of the Stock Exchange on July 16, 2021. A total of 226,405,000 new Shares were issued at HK\$9.78 each for a total of approximately HK\$2,214.0 million. The net proceeds (after deduction of underwriting commissions and other expenses paid and payable by the Company in connection with the Global Offering) raised during our Global Offering amounted to approximately HK\$2,053.6 million. Details of the Group's use of proceeds from the Global Offering as at December 31, 2025 are set out in the section headed "Management Discussion and Analysis – Use of Proceeds from the Global Offering" in this annual report.

Non-Exempt Continuing Connected Transactions

Contractual Arrangements

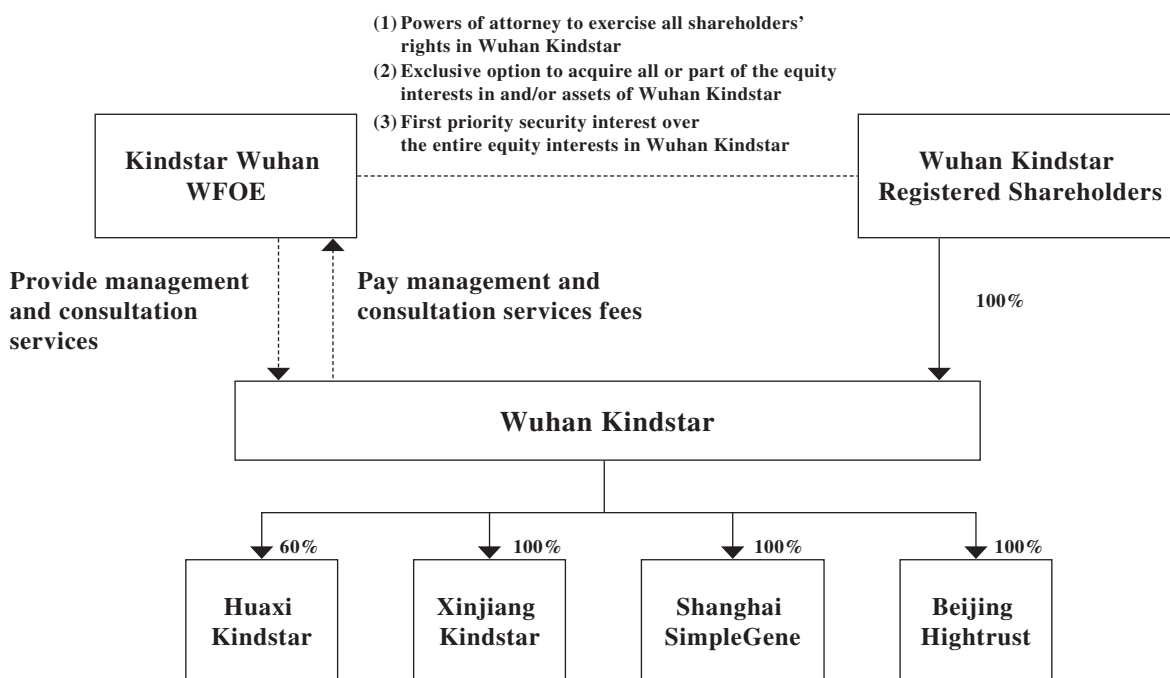
Background for the Contractual Arrangements

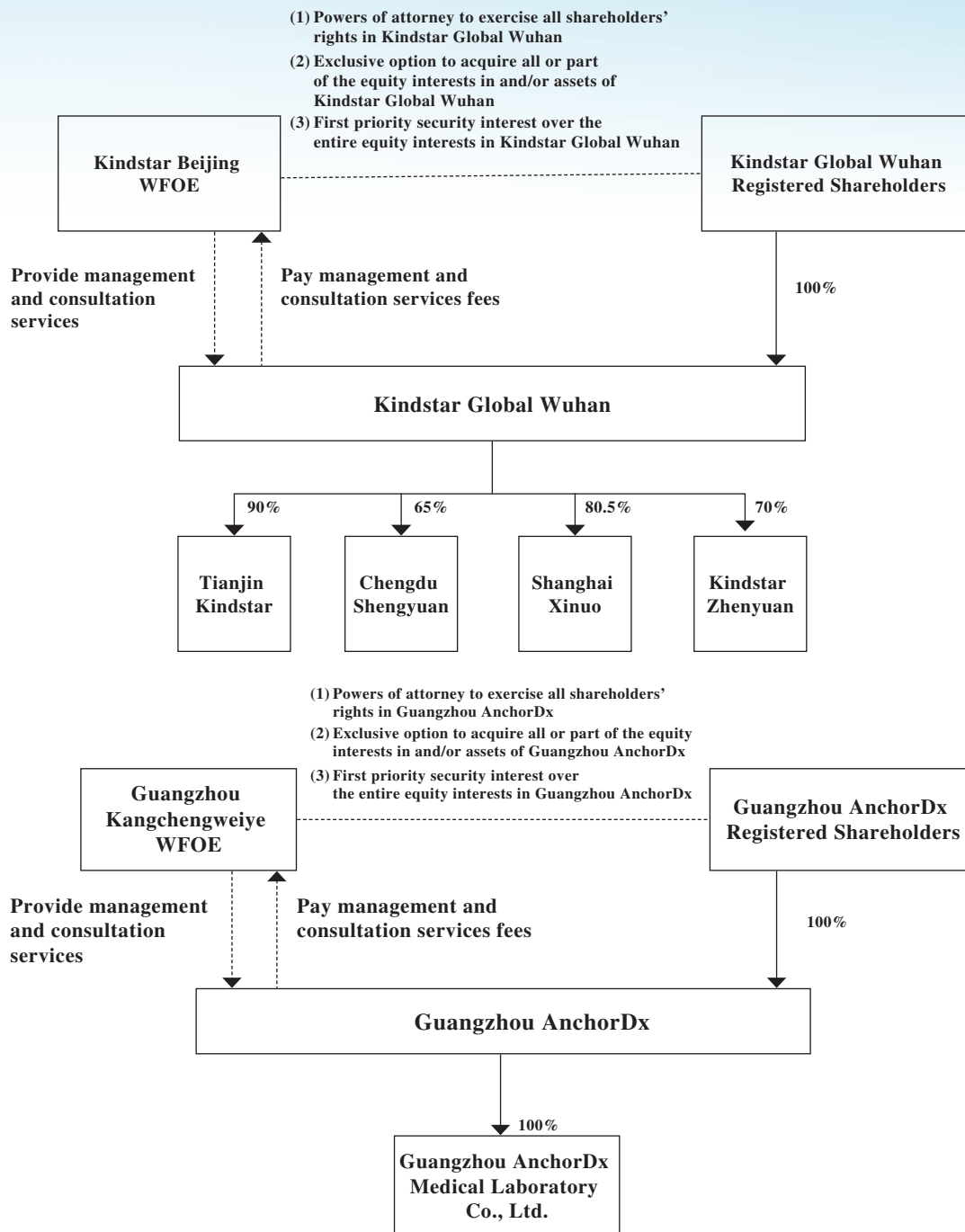
As disclosed in the section headed "Contractual Arrangements" in the Prospectus and the announcement of the Company dated September 20, 2024, due to regulatory restrictions or prohibitions on foreign ownership in the PRC, we are restricted of or prohibited from directly owning equity interest in Wuhan Kindstar, Kindstar Global Wuhan and Guangzhou AnchorDx. Therefore, in order for our Group to effectively control and enjoy the entire economic benefit of Wuhan Kindstar, Kindstar Global Wuhan and Guangzhou AnchorDx, three sets of contractual arrangements ("**Contractual Arrangements**") have been entered into as at the date of this annual report among (i) Kindstar Wuhan WFOE, Wuhan Kindstar, Dr. Huang and Mr. Tu; (ii) Kindstar Beijing WFOE, Kindstar Global Wuhan, Dr. Huang and Mr. Tu; and (iii) Guangzhou Kangchengweiye WFOE, Guangzhou AnchorDx, Dr. Huang and Mr. Tu. The Contractual Arrangements enable us to (i) receive substantially all of the economic benefits from Wuhan Kindstar, Kindstar Global Wuhan and Guangzhou AnchorDx in consideration for the services provided by Kindstar Wuhan WFOE, Kindstar Beijing WFOE and Guangzhou Kangchengweiye WFOE to Wuhan Kindstar, Kindstar Global Wuhan and Guangzhou AnchorDx, respectively; (ii) exercise effective control over Wuhan Kindstar, Kindstar Global Wuhan and Guangzhou AnchorDx; and (iii) hold an exclusive option to purchase all or part of the equity interests in Wuhan Kindstar, Kindstar Global Wuhan and Guangzhou AnchorDx with the lowest extent of purchase prices permitted by PRC law.

Principal terms

Each set of the Contractual Arrangements consists of six types of agreements: (i) the Exclusive Business Cooperation Agreement; (ii) the Exclusive Option Agreement; (iii) the Equity Pledge Agreement; (iv) the Powers of Attorney; (v) the Confirmation and Undertakings from the Registered Shareholders; and (vi) the Spouse Undertakings. See the section headed "Contractual Arrangements" in the Prospectus and the announcement of the Company dated September 20, 2024 for detailed terms of the Contractual Arrangements.

The following simplified diagrams illustrate the flow of economic benefits from the PRC Consolidated Entities to our Group stipulated under the Contractual Arrangements as at the date of this annual report, details of the Contractual Arrangements are disclosed in the Prospectus and the announcement of the Company dated September 20, 2024:





Note: (1) "—" denotes direct legal and beneficial ownership in the equity interests and "—>" denotes contractual relationship.

Directors' Report

As of December 31, 2025, the registered shareholders of Wuhan Kindstar were the following persons who together held 100% of the equity interest of Wuhan Kindstar:

Shareholders	Registered Capital (RMB)	Approximate percentage of shareholding
Dr. Huang Shiang	9,629,000	96.29%
Mr. Tu Zanbing	371,000	3.71%
Total	10,000,000	100%

As of December 31, 2025, the registered shareholders of Kindstar Global Wuhan were the following persons who together held 100% of the equity interest of Kindstar Global Wuhan:

Shareholders	Registered Capital (RMB)	Approximate percentage of shareholding
Dr. Huang Shiang	10,000,000	99.01%
Mr. Tu Zanbing	100,000	0.99%
Total	10,100,000	100%

As of December 31, 2025, the registered shareholders of Guangzhou AnchorDx were the following persons who together held 100% of the equity interest of Guangzhou AnchorDx:

Shareholders	Registered Capital (RMB)	Approximate percentage of shareholding
Dr. Huang Shiang	10,431,417	96.29%
Mr. Tu Zanbing	401,917	3.71%
Total	10,833,334	100%

Directors' Report

In relation to the Contractual Arrangements, we have applied to the Stock Exchange for, and the Stock Exchange has granted, waivers from strict compliance with (i) the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules; (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules. For details of the aforesaid waivers, please refer to the section headed "CONTINUING CONNECTED TRANSACTIONS — WAIVERS GRANTED BY THE STOCK EXCHANGE — Contractual Arrangements" in the Prospectus and the announcement of the Company dated October 8, 2024.

Save as disclosed above, there are no other new contractual arrangements entered into, renewed and/or reproduced between the Group and the PRC Consolidated Entities during the year ended December 31, 2025. Save as disclosed above, there was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted for the year ended December 31, 2025.

For the year ended December 31, 2025, none of the Contractual Arrangements has been unwound as none of the restrictions that led to the adoption of structured contracts under the Contractual Arrangements has been removed.

As at December 31, 2025, the Group had not encountered interference or encumbrance from any PRC governing bodies in operating its businesses through the PRC Consolidated Entities under the Contractual Arrangements.

We have been advised by our PRC legal advisors that the Contractual Arrangements do not violate the relevant PRC regulations.

The PRC Consolidated Entities are principally engaged in investment holding. For the year ended December 31, 2025, all of our revenue was derived from the PRC Consolidated Entities .

The revenue and assets in respect of the PRC Consolidated Entities (which have been consolidated into the financial statements of the Group in accordance with contractual arrangements) for the year ended December 31, 2025 are set out below:

	Revenue (RMB'000) (% of the Group's revenue) For the year ended December 31, 2025	Assets (RMB'000) (% of the Group's assets) For the year ended December 31, 2025
Wuhan Kindstar	422,112 (45.22%)	727,400 (19.37%)
Kindstar Global Wuhan	4,123 (0.44%)	1,027,738 (27.37%)
Guangzhou AnchorDx	5,483 (0.59%)	23,160 (0.62%)

Our Directors believe that the Contractual Arrangements during the Reporting Period are fair and reasonable because: (i) the Contractual Arrangements were freely negotiated and entered into among the parties thereto; (ii) by entering into the Exclusive Business Cooperation Agreements with each of Kindstar Wuhan WFOE and Kindstar Beijing WFOE, our PRC Consolidated Entities will enjoy better economic and technological support from us, as well as a better market reputation after the Listing; and (iii) a number of other companies use similar arrangements to accomplish the same purpose.

Risks relating to the Contractual Arrangements

We believe the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 93 to 97 of the Prospectus and the announcement of the Company dated September 20, 2024.

- If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe consequences, including the nullification of contractual arrangements and the relinquishment of our interest in PRC Consolidated Entities.
- Our contractual arrangements may not be as effective in providing operational control as direct ownership. PRC Consolidated Entities or its registered shareholders may fail to perform their obligations under our contractual arrangements.
- We may lose the ability to use licenses, approvals and assets held by PRC Consolidated Entities that are material to our business operations if PRC Consolidated Entities declare bankruptcy or become subject to a dissolution or liquidation proceeding.
- The registered shareholders of PRC Consolidated Entities may have conflicts of interest with us, which may materially and adversely affect our business.
- If we exercise the option to acquire equity ownership and assets of PRC Consolidated Entities, the ownership or asset transfer may subject us to certain limitations and substantial costs.

Directors' Report

- Substantial uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance, and business operations.
- Our contractual arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could substantially reduce our consolidated net income and the value of your investment.

Mitigation actions taken by us

Our management works closely with our executive Directors and our external legal counsels and advisors to monitor the regulatory environment and developments in PRC laws and regulations to mitigate the risks associated with the Contractual Arrangements.

Besides, our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

- (a) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;
- (b) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (c) our Company will disclose the overall performance of and compliance with the Contractual Arrangements in its annual reports; and
- (d) our Company will engage external legal advisers or other professional advisers, if necessary, to assist our Board with reviewing the implementation of the Contractual Arrangements, and review the legal compliance of the WFOEs and the PRC Consolidated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

The extent to which the Contractual Arrangements relate to requirements other than the foreign ownership restriction

All of the Contractual Arrangements are subject to the restrictions as set out on pages 327 to 331 of the Prospectus and the announcement of the Company dated September 20, 2024.

Confirmation from the independent non-executive Directors

The independent non-executive Directors have confirmed that the above continuing connected transactions during the Reporting Period have been entered into: (i) in the ordinary and usual course of the Group's business; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreement governing them and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Confirmations from the Auditor

The Auditor of the Group was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Auditor has issued a letter to the Board containing the findings and conclusions in respect of the continuing connected transactions during the Reporting Period as set out above in accordance with Rule 14A.56 of the Listing Rules which stated that:

- a) nothing has come to the attention of the Auditor that causes the Auditor to believe that the above continuing connected transactions have not been approved by the Board;
- b) for transactions involving the provision of goods or services by the Group, nothing has come to the attention of the Auditor that causes the Auditor to believe that the above continuing connected transactions were not entered into, in all material respects, in accordance with the pricing policies of the Group;
- c) nothing has come to the attention of the Auditor that causes the Auditor to believe that the above continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- d) with respect to the disclosed continuing connected transactions with Kindstar Wuhan WFOE and Kindstar Beijing WFOE under the contractual arrangements, nothing has come to the Auditors' attention that causes the Auditor to believe that dividends or other distributions have been made by Kindstar Wuhan WFOE and Kindstar Beijing WFOE to the holders of the equity interests of Kindstar Wuhan WFOE and Kindstar Beijing WFOE which are not otherwise subsequently assigned or transferred to the Group.

During the Reporting Period, save as disclosed above, no related party transactions disclosed in note 38 to the consolidated financial statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules. The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the Reporting Period.

Annual General Meeting

The AGM will be held on June 5, 2026. A notice convening the AGM will be published in due course.

Closure of Register of Members

For the purpose of ascertaining the Shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, June 2, 2026 to Friday, June 5, 2026, both dates inclusive, during which period no transfer of Share will be registered. In order to be eligible as Shareholders to attend and vote at the AGM, unregistered holders of Shares shall ensure that all transfer of Shares documents accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, June 1, 2026.

Directors' Report

For the purpose of ascertaining the Shareholders' entitlement to the proposed final dividend for the year ended December 31, 2025 (subject to the approval by Shareholders at the AGM), the register of members of the Company will be closed from Thursday, June 11, 2026 to Monday, June 15, 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all transfers of Shares documents accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, June 10, 2026.

Corporate Governance

The Company's corporate governance principles and practices are set out in the Corporate Governance Report from pages 41 to 62 of this annual report.

Audit Committee

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and discussed the Group's risk management, internal controls and financial reporting matters with the management. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended December 31, 2025.

Auditor

The financial statements for the year ended December 31, 2025 have been audited by Ernst & Young who shall retire at the forthcoming AGM and, being eligible, will offer themselves for re-appointment. A resolution will be proposed at the forthcoming AGM to reappoint Ernst & Young as the auditor of the Company. There is no change of the auditor of the Company in the past three years.

Directors' and Five Highest Paid Individuals' Emoluments

Details of the emoluments of the Directors and five highest paid individuals during the Reporting Period are set out in note 10 and 11 to the consolidated financial statements. As at the Latest Practicable Date, none of the Directors had waived or agreed to waive any arrangement for emoluments.

Continuing Disclosure Obligations Pursuant to the Listing Rules

As at December 31, 2025, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

Save as otherwise stated, all references above to other sections, reports or notes in this annual report form part of this Directors' Report.

On behalf of the Board

Huang Shiang

Chairman

March 27, 2026

Independent Auditor's Report



To the shareholders of Kindstar Globalgene Technology, Inc.

(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of KINDSTAR GLOBALGENE TECHNOLOGY, INC. (the "Company") and its subsidiaries (together, the "Group") set out on pages 148 to 155, which comprise the consolidated statement of financial position as at 31 December 2025, and 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 to the consolidated financial statements, including material accounting policy 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 Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the 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 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.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matter
<p>Expected credit losses</p> <p>As described in note 21 to the consolidated financial statements, the Group's trade receivables were RMB 384,344,210 representing 10.24% of the total assets of the Group, on which, amount of RMB155,321,718 was provided for expected credit losses ("ECL") as at 31 December 2025.</p> <p>Management estimates amount of lifetime ECL of trade receivables based on provision matrix through grouping of various customers into different groupings, after considering ageing, historical denial and past collection experience, as well as forecasts of future economic conditions.</p> <p>In addition, trade receivables with significant outstanding and credit-impaired balances are assessed for ECL individually. As the process involves significant estimates, which may be affected by unexpected future market and economic conditions, we identified provision for ECL on trade receivables as a key audit matter.</p> <p>Details of the provision for ECL on trade receivables are disclosed in notes 2.4, 3, 21 and 41 to the consolidated financial statements.</p>	<p>Our procedures in relation to provision for expected credit losses on trade receivables included:</p> <ul style="list-style-type: none"> • Obtained an understanding of relevant controls relating to provision for expected credit losses; • Tested the information used by management to prepare the provision matrix, including the aging and historical collection records of trade receivables by comparing individual items in the analysis, on sample basis, to supporting billings and collections; • With the assistance of our internal valuation specialists, challenged management's basis and judgement in determining ECL of trade receivables, including their identification and evaluation of individually assessed trade receivables, the reasonableness of the management's grouping of various customers and the estimated loss rates applied in each category in the provision matrix and tested the mathematical accuracy of management's calculation; and • Checked the adequacy of the disclosures made in the financial statements regarding the impairment assessment of trade receivables.

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises 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 of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company 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. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 HKSAAs 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.

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 to 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 HO Siu Fung, Terence.

Ernst & Young

27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong
Certified Public Accountants

27 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	933,565	927,568
Cost of sales		(522,685)	(488,005)
Gross profit		410,880	439,563
Other income and gains	6	149,853	120,475
Selling and marketing expenses		(308,160)	(282,171)
Administrative expenses		(118,375)	(100,268)
Research and development costs		(95,864)	(105,799)
Other expenses	7	(63,812)	(116,902)
Finance costs	9	(14,907)	(11,088)
LOSS BEFORE TAX	8	(40,385)	(56,190)
Income tax expense	12	(14,764)	(4,491)
LOSS FOR THE YEAR		(55,149)	(60,681)
Attributable to:			
Owners of the parent	14	(58,742)	(54,588)
Non-controlling interests		3,593	(6,093)
		(55,149)	(60,681)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the financial statements of the Company		(33,950)	15,249
Other comprehensive (loss)/income for the year, net of tax		(33,950)	15,249
Total comprehensive loss for the year, net of tax		(89,099)	(45,432)
Attributable to:			
Owners of the parent		(92,692)	(39,339)
Non-controlling interests		3,593	(6,093)
		(89,099)	(45,432)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB)			
For loss for the year	14	(5.92 cents)	(5.77 cents)
Diluted (RMB)			
For loss for the year	14	(5.92 cents)	(5.77 cents)

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	561,318	575,064
Prepayment for purchase of property, plant and equipment		1,132	4,975
Right-of-use assets	31	28,390	42,496
Prepayments, deposits and other receivables	22	13,071	24,977
Other intangible assets	16	245,893	37,991
Amounts due from related companies (non-current)	38	–	4,913
Time deposits	24	340,000	410,000
Investments in associates	17	47,647	42,247
Deferred tax assets	30	71,444	52,066
Goodwill	18	11,504	9,169
Financial assets at FVTPL	19	363,586	324,441
Total non-current assets		1,683,985	1,528,339
CURRENT ASSETS			
Inventories	20	51,913	51,499
Trade and bills receivables	21	384,344	504,211
Prepayments, deposits and other receivables	22	71,979	73,980
Amounts due from related parties	38	7,470	8,408
Time deposits (more than 3 months)	24	1,164,342	1,217,543
Pledged deposits	23	2,597	3,614
Restricted cash	23	5,700	5,700
Cash and cash equivalents	23	382,188	381,572
Total current assets		2,070,533	2,246,527

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CURRENT LIABILITIES			
Trade and bills payables	25	143,239	178,018
Other payables and accruals	26	340,551	330,523
Contract liabilities	27	13,535	5,995
Interest-bearing bank borrowings	28	171,101	286,566
Profit tax payable		2,235	1,698
Amounts due to related parties	38	20,572	29,926
Lease liabilities	31	12,639	17,777
Deferred tax liabilities	30	31,328	3,942
Provision		2,613	–
Total current liabilities		737,813	854,445
NET CURRENT ASSETS		1,332,720	1,392,082
TOTAL ASSETS LESS CURRENT LIABILITIES		3,016,705	2,920,421
NON-CURRENT LIABILITIES			
Deferred income	29	831	2,044
Long term loans	28	211,550	68,500
Lease liabilities	31	18,562	25,519
Total non-current liabilities		230,943	96,063
Net assets		2,785,762	2,824,358
EQUITY			
Equity attributable to owners of the parent			
Share capital and treasury shares	32	1,621	1,513
Reserves	33	2,727,833	2,782,499
		2,729,454	2,784,012
Non-controlling interests		56,308	40,346
Total equity		2,785,762	2,824,358

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Share capital and Treasury shares		Attributable to owners of the parent				Accumulated losses	Total	Non-controlling interests	Total equity
	shares	Capital reserve	Other capital reserve	Share-based payment reserve	Exchange fluctuation reserve	losses				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	(note 32)	(note 33)	(note 33)	(note 33)	(note 33)	(note 33)	(note 33)			
At 1 January 2025	1,513	5,975,195	(190,779)	108,297	205,724	(3,315,938)	2,784,012	40,346	2,824,358	
Loss for the year	-	-	-	-	-	(58,742)	(58,742)	3,593	(55,149)	
Other comprehensive expense for the year:										
Exchange differences on translation of the financial statements of the Company	-	-	-	-	(33,950)	-	(33,950)	-	(33,950)	
Total comprehensive expense for the year	-	-	-	-	(33,950)	(58,742)	(92,692)	3,593	(89,099)	
Final 2024 dividend paid	-	-	-	-	-	(22,430)	(22,430)	-	(22,430)	
Shares issued upon exercise of share options	2	3,113	-	(3,115)	-	-	-	-	-	
Equity-settled share option arrangements	-	-	-	2,906	-	-	2,906	-	2,906	
Shares issued	106	57,552	-	-	-	-	57,658	-	57,658	
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(254)	(254)	
Capital injection into a subsidiary by non-controlling shareholders	-	-	-	-	-	-	-	12,623	12,623	
At 31 December 2025	1,621	6,035,860	(190,779)	108,088	171,774	(3,397,110)	2,729,454	56,308	2,785,762	

* The other capital reserve of the Group represents the difference between the aggregate value of the net assets of the non-controlling interests acquired and the consideration paid by the Group for the acquisition of the non-controlling interests.

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Share capital and Treasury shares		Attributable to owners of the parent				Total	Non-controlling interests	Total equity
	Capital reserve	Other capital reserve	Share-based payment reserve	Exchange fluctuation reserve	Accumulated losses	Total			
	RMB'000 (note 32)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000 (note 33)	RMB'000	RMB'000	RMB'000
At 1 January 2024	1,543	6,023,532	(190,779)	108,571	190,475	(3,261,350)	2,871,992	22,989	2,894,981
Loss for the year	-	-	-	-	-	(54,588)	(54,588)	(6,093)	(60,681)
Other comprehensive expense for the year:									
Exchange differences on translation of the financial statements of the Company	-	-	-	-	15,249	-	15,249	-	15,249
Total comprehensive expense for the year	-	-	-	-	15,249	(54,588)	(39,339)	(6,093)	(45,432)
Final 2023 dividend paid	-	(24,549)	-	-	-	-	(24,549)	-	(24,549)
Shares issued upon exercise of share options	3	271	-	(274)	-	-	-	-	-
Repurchase of ordinary shares	(33)	(24,059)	-	-	-	-	(24,092)	-	(24,092)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(2,000)	(2,000)
Capital injection into a subsidiary by non-controlling shareholders	-	-	-	-	-	-	-	25,450	25,450
At 31 December 2024	1,513	5,975,195	(190,779)	108,297	205,724	(3,315,938)	2,784,012	40,346	2,824,358

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(40,385)	(56,190)
Adjustments for:			
Bank interest income	6	(62,992)	(82,440)
Other income from financial assets at FVTPL	6	(2,072)	(3,497)
Foreign exchange losses, net	7	527	486
Finance costs	9	14,907	11,088
Share of losses of associates	6	750	429
Fair value changes on financial assets at FVTPL	6,7	(33,364)	21,194
Fair value gains on contingent consideration	6	-	(922)
Losses on disposal of property, plant and equipment and other intangible assets	7	114	723
Gains on disposal of items of Right-of-use assets		(411)	(414)
Equity-settled share option arrangements		2,906	-
Depreciation of property, plant and equipment	15	61,254	45,163
Depreciation of right-of-use assets	31	20,217	22,356
Amortisation of other intangible assets	16	24,010	6,034
Provision		2,613	-
Impairment losses, net of reversal:			
- Inventories	7	502	3,374
- Goodwill	7	-	328
- Financial assets under expected credit losses ("ECL") model	7	51,631	71,209
		40,207	38,921
Increase in inventories		(190)	(6,171)
Decrease/(Increase) in trade and bills receivables		84,317	(8,824)
Decrease/(Increase) in prepayments, deposits and other receivables		6,290	(27,191)
Decrease in trade and bills payables		(38,396)	(43,722)
(Decrease)/Increase in other payables and accruals		(1,623)	11,138
Increase/(Decrease) in contract liabilities		7,384	(5,929)
(Decrease)/Increase in deferred income		(1,613)	843
Decrease in pledged deposits and restricted cash		1,017	442
Cash generated from/(used in) operating activities		97,393	(40,493)
Income tax paid		(6,219)	(3,626)
Net cash flows from/(used in) operating activities		91,174	(44,119)

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	6	62,992	82,440
Interest income from wealth management assets	6	2,072	3,497
Capital-withdrawal from unlisted investments		–	4,425
Purchases of property, plant and equipment		(45,773)	(132,317)
Purchases of other intangible assets	16	(1,797)	(3,139)
Loans to related parties	38	–	(4,913)
Purchase of time deposits with original maturity of more than 3 months		(1,164,342)	(1,617,543)
Disposal of time deposits with original maturity of more than 3 months		1,272,102	552,451
Proceeds from disposal of other intangible assets	16	664	–
Proceeds from disposal of property, plant and equipment		6,324	15,083
Acquisition of a subsidiary		(150,839)	(4,465)
Issue Cost		(2,516)	–
Investment in associate		(6,150)	(36,726)
Investment in unlisted funds		(9,587)	(69,324)
Net cash flows used in investing activities		(36,850)	(1,210,531)
NET CASH FLOWS FROM FINANCING ACTIVITIES			
New bank borrowings		309,432	355,500
Repayment of bank borrowings		(294,287)	(153,400)
Interest paid		(13,501)	(9,031)
Lease payments		(19,072)	(23,252)
Dividends paid to owners of the parent of the Company		(22,430)	(24,549)
Payment for repurchase of shares		–	(24,092)
Dividend paid to non-controlling shareholders		(254)	(2,000)
Contribution from non-controlling shareholders		623	25,450
Net cash flows (used in)/from financing activities		(39,489)	144,626
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		381,572	1,472,799
Effect of foreign exchange rate changes, net		(14,219)	18,797
CASH AND CASH EQUIVALENTS AT END OF YEAR	<i>23</i>	382,188	381,572

Notes to the Consolidated Financial Statements

31 December 2025

1. Corporate and Group Information

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 24 August 2007 and its shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 16 July 2021 (the “Global Offering”). The registered address of the office of the Company is P.O. Box 472, 2nd Floor, Harbour Place, 103 South, Church Street, George Town, Grand Cayman KY1-1106, Grand Cayman.

The Company is an investment holding company. During the reporting periods, the major subsidiaries of the Company were principally engaged in the provision of clinical testing services in the People’s Republic of China (the “PRC”). The subsidiaries established in the PRC are all limited liability companies incorporated under the PRC laws.

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Notes	Date and place of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Kindstar Globalgene (HK) Limited		Hong Kong 30-Aug-2007	HKD10,000	100%	–	Investment holding
Kindstar Singapore Holdings PTE. Ltd.		Singapore 11-Sep-2019	US\$1	100%	–	Investment holding
康聖環球(北京)醫學技術有限公司 Kindstar Global (Beijing) Technology Co., Ltd.* ("Kindstar Beijing WFOE")		PRC/Mainland China 20-Nov-2007	RMB121,000,000	–	100%	Investment holding
武漢康聖達醫學檢驗所有限公司 Wuhan Kindstar Medical Laboratory Co., Ltd.* ("Wuhan Kindstar")		PRC/Mainland China 8-Aug-2003	RMB10,000,000	–	100%	Clinical Testing Service
北京海思特醫學檢驗實驗室有限公司 Beijing Hightrust Medical Laboratory Co., Ltd.* ("Beijing Hightrust")		PRC/Mainland China 26-Aug-2005	RMB20,000,000	–	100%	Clinical Testing Service

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1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name	Notes	Date and place of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
上海新培晶醫學檢驗所有限公司 Shanghai SimpleGene Medical Laboratory Co., Ltd.* ("Shanghai SimpleGene")		PRC/Mainland China 28-Sep-2004	RMB20,000,000	–	100%	Clinical Testing Service
新疆康聖達醫學檢驗所有限公司 Xinjiang Kindstar Kindstar Medical Laboratory Co., Ltd.* ("Xinjiang Kindstar")		PRC/Mainland China 6-Apr-2017	RMB16,000,000	–	100%	Clinical Testing Service
四川華西康聖達醫學檢驗有限公司 Sichuan Huaxi Kindstar Medical Laboratory Co., Ltd.* ("Huaxi kindstar")		PRC/Mainland China 29-Dec-2017	RMB10,000,000	–	60%	Clinical Testing Service
成都聖元醫學檢驗實驗室有限公司 Chengdu Shengyuan Medical Laboratory Co., Ltd.* ("Chengdu Shengyuan")		PRC/Mainland China 16-Oct-2018	RMB5,000,000	–	65%	Clinical Testing Service
康聖環球醫學特檢技術服務(武漢)集團有限公司 Kindstar Global (Wuhan) Medical Esoteric Technology Co., Ltd.* ("Kindstar Global Wuhan")		PRC/Mainland China 5-Sep-2017	RMB10,100,000	–	100%	Investment holding
天津康聖達醫學檢驗實驗室有限公司 Tianjin Kindstar Medical Laboratory Co., Ltd.* ("Tianjin Kindstar")		PRC/Mainland China 27-Oct-2017	RMB5,000,000	–	90%	Clinical Testing Service
上海希諾醫學檢驗實驗室有限公司 Shanghai Xinuo Medical Laboratory Co., Ltd.* ("Shanghai Xinuo")		PRC/Mainland China 15-Oct-2019	RMB5,000,000	–	80.5%	Clinical Testing Service
康聖環球醫學科技(武漢)集團有限公司 Kindstar Global Medical Technology (Wuhan) Co., Ltd.* ("Kindstar Wuhan WFOE")		PRC/Mainland China 11-Sep-2020	RMB2,000,000,000	–	100%	Investment holding

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1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name	Notes	Date and place of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
武漢康聖真源醫學檢驗所有限公司 Wuhan Kindstar Zhenyuan Medical Laboratory Co., Ltd.* ("Kindstar Zhenyuan")		PRC/Mainland China 3-Feb-2021	RMB10,000,000	–	70%	Clinical Testing Service
康聖環球(武漢)投資管理有限公司 Kindstar (Wuhan) Investment Management Co., Ltd.* ("Kindstar Investment")		PRC/Mainland China 8-Sep-2021	RMB30,000,000	–	100%	Investment holding
武漢康聖貝泰生物科技有限公司 Wuhan Kindstar Biotechnology Co., Ltd.* ("Kindstar Biotech")		PRC/Mainland China 14-Sep-2021	RMB10,769,231	–	65%	Clinical Testing Service
武漢易檢雲信息技術有限公司 Wuhan Yijianyun Information Technology Co., Ltd.* ("Wuhan Yijianyun")		PRC/Mainland China 8-Oct-2021	RMB5,000,000	–	90%	E-commerce Service
成都溫江康聖友醫互聯網醫院有限公司 Chengdu Wenjiang Kangsheng you yi Medical Internet Hospital Co., Ltd.* ("Kindstar You Yi")		PRC/Mainland China 22-Oct-2021	RMB50,000,000	–	100%	Clinical Testing Service
上海信諾佰世醫學檢驗有限公司 Shanghai SinoPath Medical Laboratory Co., Ltd.* ("SinoPath")		PRC/Mainland China 1-Dec-2021	RMB33,000,000	–	80.5%	Clinical Testing Service
武漢海希生物科技有限公司 Wuhan Haixi Biological Technology Co., Ltd.* ("Haixi Biological Technology")		PRC/Mainland China 21-Jan-2022	RMB1,100,000	–	46.5%	Product development and technical services
武漢海希生命科技有限公司 Wuhan Haixi Life Science Technology Co., Ltd.* ("Wuhan Haixi")		PRC/Mainland China 21-Jan-2022	RMB1,000,000	–	51.1%	Reagent development and sales

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1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name	Notes	Date and place of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
武漢鴻蒙賽爾生物科技有限公司 Wuhan HumanCell Biotechnology Co., Ltd.* ("HumanCell")		PRC/Mainland China 6-Apr-2022	RMB10,000,000	–	60%	Car-t Treatment
武漢康聖金岸醫學檢驗有限公司 Wuhan Kindstar Kindan Medical Laboratory Co., Ltd.* ("Kindstar Jinan")		PRC/Mainland China 6-Jun-2022	RMB500,000	–	100%	Clinical Testing Service
武漢康聖啟源醫學檢驗實驗室有限公司 Wuhan Kindstar Qiyuan Medical Laboratory Co., Ltd.* ("Wuhan Qiyuan")		PRC/Mainland China 28-Jun-2022	RMB10,000,000	–	100%	Clinical Testing Service
武漢康聖澤源醫學檢驗實驗室有限公司 Wuhan Kindstar Zeyuan Medical Laboratory Co., Ltd.* ("Wuhan Zeyuan")		PRC/Mainland China 16-Aug-2022	RMB500,000	–	70%	Clinical Testing Service
武漢康聖青合醫學檢驗有限公司 Wuhan Kindstar Qinghe Medical Laboratory Co., Ltd.* ("Wuhan Qinghe")		PRC/Mainland China 19-Aug-2022	RMB500,000	–	100%	Clinical Testing Service
武漢希諾醫學檢驗實驗室有限公司 Wuhan Xinuo Medical Laboratory Co., Ltd.* ("Wuhan Xinuo")		PRC/Mainland China 7-Sep-2022	RMB5,000,000	–	100%	Clinical Testing Service
康聖環球(長沙)醫學科技有限公司 Kindstar Global (Changsha) Medical Technology Co., Ltd.* ("Kindstar Changsha")		PRC/Mainland China 12-Dec-2022	RMB30,000,000	–	100%	Clinical Testing Service
康聖序源生物科技(武漢)有限公司 Kindstar Sequenon Biotechnology (Wuhan) Co., Ltd.* ("Kindstar Sequenon")		PRC/Mainland China 4-Jan-2023	RMB10,000,000	–	80%	Clinical Testing Service

Notes to the Consolidated Financial Statements

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1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name	Notes	Date and place of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
廣州南醫康聖生物技術有限公司 Guangzhou SouthMed Kindstar Biotechnology Co., Ltd.* ("Guangzhou SouthMed")		PRC/Mainland China 24-Mar-2023	RMB30,000,000	–	52%	Clinical Testing Service
武漢康聖創業投資管理有限公司 Wuhan Kindstar Venture Capital Management Co., Ltd.* ("Kindstar Venture Capital")		PRC/Mainland China 17-May-2023	RMB10,000,000	–	80.5%	Investment holding
長沙康聖醫學檢驗實驗室有限公司 Changsha Kindstar Medical Laboratory Co., Ltd.* ("Changsha Kindstar")		PRC/Mainland China 22-May-2023	RMB5,000,000	–	51.25%	Clinical Testing Service
康聖環球(上海)醫學科技有限公司 Kindstar Global (Shanghai) Medical Technology Co., Ltd.* ("Kindstar Shanghai")		PRC/Mainland China 11-Jul-2023	RMB50,000,000	–	100.0%	Clinical Testing Service
湖北康聖佑安醫療科技有限公司 Hubei Kindstar Youan Medical Technology Co., Ltd.* ("Kindstar Youan")		PRC/Mainland China 23-Aug-2024	RMB5,000,000	–	51.0%	Clinical Testing Service
湖北省恩施州康聖醫學檢驗有限公司 Hubei Enshi Kindstar Medical Laboratory Co., Ltd.* ("Enshi Kindstar")		PRC/Mainland China 9-Oct-2023	RMB10,000,000	–	100.0%	Clinical Testing Service
貴州康聖達醫療科技有限公司 Guizhou Kindstar Medical Technology Co., Ltd.* ("Guizhou Kindstar")		PRC/Mainland China 23-Aug-2024	RMB5,000,000	–	100.0%	Clinical Testing Service

Notes to the Consolidated Financial Statements

31 December 2025

1. Corporate and Group Information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name	Notes	Date and place of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
恩施州康聖欣儀醫學檢驗有限公司 Enshi Kindstar Xinyi Medical Laboratory Co., Ltd.* ("Kindstar Xinyi")		PRC/Mainland China 6-Jul-2017	RMB8,000,000	-	100.0%	Clinical Testing Service
廣州康丞唯業生物科技有限公司 Guangzhou Kangchengweiye Biotechnology Co., Ltd.* ("Guangzhou Kangchengweiye")	(a)	PRC/Mainland China 14-Sep-2015	RMB15,632,046	-	100.0%	Clinical Testing Service
雲南康瑞聖達醫療科技有限公司 Yunnan Kangrui Shengda Medical Technology Co., Ltd.* ("Kindstar Yunnan")	(b)	PRC/Mainland China 23-Jun-2025	RMB3,000,000	-	100.0%	Clinical Testing Service
康聖序源生物科技(香港)有限公司 Kindstar Sequenon Biotechnology (Hong Kong) Co., Ltd. ("Sequenon HK")		Hong Kong 18-Jun-2024	HKD1	100%	-	Clinical Testing Service
Kindstar Sequenon Biotechnology (NZ) Limited ("Sequenon NZ")	(c)	New Zealand 06-Jun-2025	NZD100,000	100%	-	Clinical Testing Service

(a) On 24 January 2025, the Group completed the acquisition of 100% equity interest in Guangzhou Kangchengweiye and 49% equity interest in AnchorDx Inc. at a total amount of approximately RMB208 million, which consists of RMB148 million in cash and RMB60 million worth of 59,431,356 shares of equity.

(b) On 23 June 2025, Kindstar Yunnan was established under the laws of the PRC with a registered capital of RMB3 million.

(c) On 06 June 2025, Sequenon NZ was established under the laws of the Newzealand with a registered capital of NZD100,000.

* These entities are registered as limited companies under PRC law.

Notes to the Consolidated Financial Statements

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2.1 Basis of Preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all applicable IFRS Accounting Standards) as issued by the International Accounting Standards Board (the “IASB”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments, wealth management products and equity investments which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1 Basis of Preparation (continued)

Basis of consolidation (continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the related assets (including goodwill), any non-controlling interest and exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Issued but not yet Effective IFRS Accounting Standards

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Consolidated financial statements. The Group intends to apply these revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	Amendments to: IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group has expected that these standards will not have a significant effect on the Group's financial performance and financial position.

Notes to the Consolidated Financial Statements

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2.3 Material Accounting Policies

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other case, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is held by, or is held indirectly through, venture capital organisation or similar entities of the Group, the Group may irrevocably elect to measure that investment at fair value through profit or loss in accordance with IFRS 9 and presented as financial assets at FVTPL. Such election is made separately for initial recognition of each associate or joint venture.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

2.3 Material Accounting Policies (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Notes to the Consolidated Financial Statements

31 December 2025

2.3 Material Accounting Policies (continued)

Business combinations and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures certain financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.3 Material Accounting Policies (continued)

Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Notes to the Consolidated Financial Statements

31 December 2025

2.3 Material Accounting Policies (continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group 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); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personal services to the Group or to the parent of the Group.

2.3 Material Accounting Policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.04%-2.38%
Laboratory equipment	9.50%-19.00%
Other equipment	9.50%-31.67%
Transportation equipment	19.00%
Leasehold improvements	10.00%-20.00%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Notes to the Consolidated Financial Statements

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2.3 Material Accounting Policies (continued)

Other intangible assets (other than goodwill)

Other intangible assets acquired separately are measured on initial recognition at cost. The cost of other intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of other intangible assets are assessed to be either finite or indefinite. Other intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the other intangible assets may be impaired. The amortisation period and the amortisation method for other intangible assets with a finite useful life are reviewed at least at each financial year end.

Other intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such other intangible assets are not amortised. The useful life of other intangible assets with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Computer software

Acquired software is stated at historical cost less amortisation. Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software, and is amortised on a straight-line basis over the useful life of 2 to 5 years.

The estimated useful life of other intangible assets is determined by considering the period of the economic benefits to the Group or the periods of validity of intangible assets protected by the relevant laws, as well as by referring to the industry practice.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is 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, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the Group's ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding 5 years from the date when the products are put into commercial production.

2.3 Material Accounting Policies (continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

(a) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes 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. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Properties	1 to 10 years
Equipment	1 to 4 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Notes to the Consolidated Financial Statements

31 December 2025

2.3 Material Accounting Policies (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

2.3 Material Accounting Policies (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at FVTPL.

Purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Notes to the Consolidated Financial Statements

31 December 2025

2.3 Material Accounting Policies (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss (continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVTPL. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.3 Material Accounting Policies (continued)

Impairment of financial assets

The Group recognises an allowance for ECLs for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Notes to the Consolidated Financial Statements

31 December 2025

2.3 Material Accounting Policies (continued)

Impairment of financial assets (continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals, interest-bearing bank borrowings, amounts due to related parties and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.3 Material Accounting Policies (continued)

Financial liabilities (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Notes to the Consolidated Financial Statements

31 December 2025

2.3 Material Accounting Policies (continued)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.3 Material Accounting Policies (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the Consolidated Financial Statements

31 December 2025

2.3 Material Accounting Policies (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Clinical testing service

The Group earns revenue by providing specialised diagnostic testing to hospitals or individual patient customers based on a written test requisition form. The services period of each specialised diagnostic testing is generally within two to seven business days.

Revenue from specialised diagnostic testing is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the testing report.

Testing services for R&D projects and others

The Group generally enters into contracts with CROs, sponsors of clinical trials, pharmaceutical and medical device companies and research institutes to provide research and clinical trial services ranging in duration from one month to several years.

Revenue from testing services for R&D projects and others is recognised overtime when the Group has an enforceable right to payment for performance completed to date. The progress of research services is measured based on outputs to the satisfaction of related performance obligation of research services (output method). In an output method, revenue is determined by multiplying that percentage of the actual units of output achieved by the total contract value.

2.3 Material Accounting Policies (continued)

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Consulting service income is recognised at the point in time when the service for the transaction is completed under the terms of each contract.

Contract liabilities

A contract liability is recognised when a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates share award scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is computed based on their most recent post-money valuations.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Notes to the Consolidated Financial Statements

31 December 2025

2.3 Material Accounting Policies (continued)

Other employee benefits

Pension scheme

The employees of the Group's subsidiary which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The government undertakes to assume the responsibility for paying pension benefits to all existing and future retired employees according to the scheme, while the Group did not further assume the post-employment benefit responsibility beyond the contributions. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. The Group's contributions to the defined contribution scheme for its employees are fully and immediately vested at the time of contribution, and accordingly, (i) for each of the two years ended December 31, 2025, there was no forfeiture of contributions under the scheme; and (ii) there were no forfeited contributions available for the Company to reduce its existing level of contributions to such scheme as at December 31, 2025.

The Group contributes on a monthly basis to various defined contribution plans organised by the relevant governmental authorities in various areas other than Mainland China. The Group's liability in respect of these plans is limited to the contributions payable at the end of each period. Contributions to these plans are expensed as incurred.

Housing fund – Mainland China

The Group contributes on a monthly basis to a defined contribution housing fund plan operated by the local municipal government. Contributions to this plan by the Group are expensed as incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.3 Material Accounting Policies (continued)

Foreign currencies

The Consolidated financial statements are presented in RMB, which is different from the Company's functional currency, United States dollar ("US\$"). As the major revenues and assets of the Group are derived from operations in Mainland China, RMB is chosen as the presentation currency to present the Consolidated financial statements. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of each reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year or period.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

Notes to the Consolidated Financial Statements

31 December 2025

3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses of trade and bills receivables

Trade receivables with significant balances are assessed for ECL individually. In addition, the Group uses provision matrix to calculate ECL for trade receivables which are individually insignificant. The Group uses a provision matrix to calculate ECLs for trade and bills receivables. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns such like ageing, historical denial and past collection experience. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

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 a customer's actual default in the future. The information about the ECLs on the Group's trade and bills receivables is disclosed in note 21 to the Consolidated financial statements, respectively.

Fair value of unlisted fund investments

The unlisted fund investments have been valued based on techniques of market approach, cost method, recent trading price method as detailed in note 40 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted fund investments at 31 December 2025 was RMB363,586,000 (2024: RMB324,441,000).

Should any of the estimates and assumptions changed, it may lead to a material change in the respective fair value of these financial assets.

4. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has nine reportable operating segments as follows:

- (a) Hematology testing segment includes testing services related to blood diseases.
- (b) Genetic diseases and rare diseases segment includes testing services from the rare disease.
- (c) Infectious diseases segment includes testing services from the infection department.
- (d) Oncology segment includes testing related to oncology diseases.
- (e) Neurology segment includes testing services related to neurological diseases undertaken by the Group.
- (f) Maternity-related diseases segment includes testing services related to maternity.
- (g) Routine testing segment conducts routine tests for the doctors' daily diagnoses.
- (h) CROs and R&D project segment includes research and develop services.
- (i) The "others" segment provides other miscellaneous testing services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from continuing operations. The adjusted profit/loss before tax from continuing operations is measured consistently with the Group's profit before tax except that other income and gains, administrative expenses, research and development costs, other expenses and finance costs are excluded from such measurement. No analysis of segment assets and liabilities is presented as management does not regularly review such information for the purposes of resource allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

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4. Operating Segment Information (continued)

For the year ended 31 December 2025

Segments	Hematology Testing RMB'000	Genetic diseases and rare diseases RMB'000	Infectious diseases RMB'000	Oncology RMB'000	Neurology RMB'000	Maternity- related diseases RMB'000	Routine testing RMB'000	CROs and R&D project RMB'000	Others RMB'000	Total RMB'000
Segment revenue										
Sales to external customers	563,127	40,943	35,443	44,796	95,052	50,243	41,276	59,570	3,115	933,565
Segment results	107,179	2,593	1,800	(17,046)	15,270	(880)	(695)	(814)	(4,687)	102,720
Reconciliation:										
Other income and gains										149,853
Administrative expenses										(118,375)
Research and development costs										(95,864)
Other expenses										(63,812)
Finance costs										(14,907)
Group's loss before tax										(40,385)

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4. Operating Segment Information (continued)

For the year ended 31 December 2024

Segments	Hematology Testing RMB'000	Genetic diseases and rare diseases RMB'000	Infectious diseases RMB'000	Oncology RMB'000	Neurology RMB'000	Maternity- related diseases RMB'000	Routine testing RMB'000	CROs and R&D project RMB'000	Others RMB'000	Total RMB'000
Segment revenue										
Sales to external customers	585,108	44,747	39,432	21,722	95,351	53,881	42,394	44,656	277	927,568
Segment results	122,048	4,544	3,786	10,767	19,554	867	465	(4,509)	(130)	157,392
Reconciliation:										
Other income and gains										120,475
Administrative expenses										(100,268)
Research and development costs										(105,799)
Other expenses										(116,902)
Finance costs										(11,088)
Group's loss before tax										(56,190)

Geographical information

Since nearly all of the Group's non-current assets were located in Mainland China, no geographical segment information is presented in accordance with IFRS 8 Operating Segments.

Information about major customers

No information about major customers is presented as there was no single customer from which over 10% or more of the Group's revenue was derived during the reporting periods.

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5. Revenue

An analysis of revenue is as follows:

Revenue from contracts with customers

(i) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Types of services		
Clinical testing service – at a point in time	873,995	882,912
Testing services for R&D projects and others – over time	59,570	44,656
Total revenue from contracts with customers	933,565	927,568

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of year:		
Clinical Testing Service	1,820	1,928
Testing services for R&D projects and others	896	1,833
	2,716	3,761

5. Revenue (continued)

Revenue from contracts with customers (continued)

(ii) Performance obligations

Clinical Testing Service

The performance obligation is satisfied upon delivery of the testing report and the payment is generally due within 30 days from the date of billing, except for individual customers, where payment in advance is normally required.

Testing services for R&D projects and others

Under Testing services for R&D projects and others, revenue is recognised at the amount to which the Group has the right to invoice for services performed. Therefore, under practical expedient allowed by IFRS 15, the Group does not disclose the value of unsatisfied performance obligation.

6. Other Income and Gains

	2025 RMB'000	2024 RMB'000
Other income and gains		
Bank interest income	62,992	82,440
Government grants related to		
– Assets*	1,031	7,920
– Income**	30,958	7,719
Fair value changes on financial assets at FVTPL	33,364	–
Other income from financial assets at FVTPL	2,072	3,497
Fair value gains on contingent consideration	–	922
Share of losses of associates	(750)	(429)
Equipment rental income	2,338	4,248
Others	17,848	14,158
	149,853	120,475

Notes to the Consolidated Financial Statements

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6. Other Income and Gains (continued)

* The Group has received certain government grants related to assets to invest in laboratory equipment. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets.

** The government grants and subsidies related to income have been received to compensate for the Group's costs. Certain of the grants related to income have future related costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions. These grants related to income are recognised in profit or loss on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Other government grants related to income that are received as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs recognised in profit or loss in the period in which they become receivable. There are no unfulfilled conditions or contingencies relating to these government grants.

7. Other Expenses

	2025 RMB'000	2024 RMB'000
Other expense		
Impairment losses, net of reversal		
– Inventories	502	3,374
– Financial assets under ECL model	51,631	71,209
– Goodwill	–	328
Fair value changes on financial assets at FVTPL	–	21,194
Bank charges	1,920	2,658
Foreign exchange losses, net	527	486
Losses on disposal of property, plant and equipment and other intangible assets	114	723
Depreciation of rental equipments	3,481	3,303
Others	5,637	13,627
	63,812	116,902

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8. Loss before Tax

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of services provided		522,685	488,005
Depreciation of property, plant and equipment	<i>15</i>	61,254	45,163
Depreciation of right-of-use assets	<i>31(a)</i>	20,217	22,356
Amortisation of other intangible assets	<i>16</i>	24,010	6,034
Research and development costs		95,864	105,799
Auditor's remuneration		3,620	3,530
Salaries and other benefits		322,907	298,906
Less: Amount capitalised		–	2,332
		322,907	296,574
Pension scheme contributions, social welfare and other welfare		65,519	43,417
Less: Amount capitalised		–	275
		65,519	43,142
Lease payments not included in the measurement of lease liabilities	<i>31(c)</i>	4,988	2,819
Bank interest income	<i>6</i>	(62,992)	(82,440)
Finance costs	<i>9</i>	14,907	11,088
Foreign exchange losses, net	<i>7</i>	527	486
Other income from financial assets at FVTPL	<i>6</i>	2,072	3,497
Share of losses of associates	<i>6</i>	750	429
Fair value changes on financial assets at FVTPL	<i>6,7</i>	33,364	(21,194)
Fair value gains on contingent consideration	<i>6</i>	–	922
Losses on disposal of items of property, plant and equipment and other intangible assets	<i>7</i>	114	723
Impairment losses on financial assets under ECL model	<i>7</i>	51,631	71,209
Impairment losses of inventories to net realisable value	<i>7</i>	502	3,374
Impairment losses of goodwill	<i>18</i>	–	328

Notes to the Consolidated Financial Statements

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9. Finance Costs

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest expenses on:		
Bank borrowings and other loans	13,630	9,097
Lease liabilities	1,277	1,991
	14,907	11,088

10. Directors' and Chief Executive's Remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Other emoluments:		
Salaries, allowances and benefits in kind	2,885	2,832
Performance related bonuses	141	183
	3,026	3,015

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10. Directors' and Chief Executive's Remuneration (continued)

The remuneration of directors' and chief executive's remuneration for the reporting periods is set out below:

	Salaries, allowances and benefits in kind <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Performance Related bonuses <i>RMB'000</i>	Total remuneration <i>RMB'000</i>
For the year ended 31 December 2025				
Chief Executive Officer and executive director:				
Mr. Huang Shi-ang (<i>Note (a)</i>)	807	-	60	867
Executive directors:				
Mr. Tu Zanbing (<i>Note (b)</i>)	723	90	45	858
Ms. Chai Haijie (<i>Note (c)</i>)	606	87	36	729
Non-executive directors:				
Mr. Peng Wei (<i>Note (d)</i>)	-	-	-	-
Mr. Huang Lu (<i>Note (e)</i>)	126	-	-	126
Mr. Huang Zuie-Chin (<i>Note (f)</i>)	-	-	-	-
Independent non-executive directors:				
Mr. Xia Xiping (<i>Note (i)</i>)	160	-	-	160
Mr. Gu Huaming (<i>Note (g)</i>)	156	-	-	156
Mr. Yao Shanglong (<i>Note (h)</i>)	130	-	-	130
	2,708	177	141	3,026

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10. Directors' and Chief Executive's Remuneration (continued)

The remuneration of directors' and chief executive's remuneration for the reporting periods is set out below:
(continued)

	Salaries, allowances and benefits in kind <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Performance Related bonuses <i>RMB'000</i>	Total remuneration <i>RMB'000</i>
For the year ended				
31 December 2024				
Chief Executive Officer and executive director:				
Mr. Huang Shi-ang (<i>Note (a)</i>)	735	–	114	849
Executive directors:				
Mr. Tu Zanbing (<i>Note (b)</i>)	724	86	39	849
Ms. Chai Haijie (<i>Note (c)</i>)	600	87	30	717
Non-executive directors:				
Mr. Peng Wei (<i>Note (d)</i>)	40	–	–	40
Mr. Huang Lu (<i>Note (e)</i>)	120	–	–	120
Mr. Huang Zuie-Chin (<i>Note (f)</i>)	–	–	–	–
Independent non-executive directors:				
Mr. Xia Xiping (<i>Note (i)</i>)	160	–	–	160
Mr. Gu Huaming (<i>Note (g)</i>)	150	–	–	150
Mr. Yao Shanglong (<i>Note (h)</i>)	130	–	–	130
	2,659	173	183	3,015

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' and independent non-executive directors' emoluments shown above were for their services as directors of the Company.

10. Directors' and Chief Executive's Remuneration (continued)

Notes:

- (a) *Mr. Huang Shi-ang was appointed as a director of the Company with effect from 22 February 2011. Mr. Huang Shi-ang is also the chief executive officer of the Company and his remuneration disclosed above included the services rendered by him as the chief executive.*
- (b) *Mr. Tu Zanbing was appointed as a director and the chief operating officer of the Company with effect from 4 December 2020.*
- (c) *Ms. Chai Haijie as appointed as a director and the chief financial officer of the Company with effect from 4 December 2020.*
- (d) *Mr. Peng Wei was appointed as a director of the Company with effect from 27 October 2020 and was reappointed as a non-executive director of the Company with effect from 8 February 2021.*
- (e) *Ms. Huang Lu was appointed as a director of the Company with effect from 9 September 2020 and was reappointed as a non-executive director of the Company with effect from 8 February 2021.*
- (f) *Mr. Huang Zuie-Chin was appointed as a director of the Company with effect from 30 January 2012 and was reappointed as a non-executive director of the Company with effect from 8 February 2021.*
- (g) *Mr. Gu Huaming was appointed as an independent non-executive director of the Company with effect from 29 June 2021.*
- (h) *Mr. Yao Shanglong was appointed as an independent non-executive director of the Company with effect from 29 June 2021.*
- (i) *Mr. Xia Xinping was appointed as an independent non-executive director of the Company with effect from 29 June 2021.*

There was no arrangement under which a director waived or agreed to waive any remuneration during the reporting periods. During the reporting periods, no remuneration was paid by the Group to any of the directors (including chief executive) as an inducement to join or upon joining the Group or as compensation for loss of office.

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11. Five Highest Paid Employees

The five highest paid employees of the Group were neither a director nor chief executive of the Company during the reporting periods. Details of the remuneration of the five highest paid employees are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	2,997	1,717
Performance related bonuses	2,488	2,928
Pension scheme contributions	429	358
	5,914	5,003

The number of the five highest paid employees whose remuneration fell within the following bands is as follows:

	2025 RMB'000	2024 RMB'000
Nil to HKD1,000,000	–	3
HKD1,000,001 to HKD1,500,000	5	2
	5	5

During the reporting periods, no highest paid employees waived or agreed to waive any remuneration and no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

12. Income Tax

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains.

Hong Kong

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the reporting periods. The subsidiary which operates in Hong Kong at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year.

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT Law"), the subsidiaries which operate in Mainland China are subject to CIT at a rate of 25% on the taxable income except those which are subject to tax concession as set out below:

According to the Corporate Income Tax Law of the People's Republic of China (the "CIT Law"), the uniform income tax rate is 25% (2024: 25%), except for 5 subsidiaries Wuhan Kindstar Medical Laboratory Co., Ltd. ("Wuhan Kindstar"), Beijing Hightrust Medical Laboratory Co., Ltd. ("Beijing Hightrust"), Shanghai SimpleGene Medical Laboratory Co., Ltd. ("Shanghai SimpleGene"), Shanghai SinoPath Medical Laboratory Co., Ltd. ("SinoPath") and Wuhan Kindstar Zhenyuan Medical Laboratory Co., Ltd. ("Kindstar Zhenyuan"), accredited as a "High and New Technology Enterprise" ("HNTE") which were entitled to income tax rate of 15% and 4 subsidiaries (Xinjiang Kindstar Medical Laboratory Co., Ltd. ("Xinjiang Kindstar"), Chengdu Shengyuan Medical Laboratory Co., Ltd. ("Chengdu Shengyuan"), Chengdu Wenjiang Kangshengyou Medical Internet Hospital Co., Ltd. ("Kindstar You Yi"), Sichuan Huaxi Kindstar Medical Laboratory Co., Ltd. ("Huaxi Kindstar")), incorporated in Western China which were entitled to income tax rate of 15% under the Grand Western Development Program policy.

The income tax expense of the Group for the reporting periods is analysed as follows:

	2025 RMB'000	2024 RMB'000
Current income tax	1,698	2,342
Under provision in prior years	5,058	1,660
Deferred income tax (<i>note 30</i>)	8,008	489
Total tax charge for the year	14,764	4,491

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12. Income Tax (continued)

Mainland China (continued)

A reconciliation of the tax expense applicable to loss before tax at the statutory rate for Mainland China in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the statutory tax rates to the effective tax rates, are as follows:

	2025 RMB'000	2024 RMB'000
Loss before tax	(40,385)	(56,190)
Tax at the statutory tax rate (25%)	(10,097)	(14,047)
Lower tax rates for specific provinces or enacted by local authority	(13,802)	(8,469)
Adjustments in respect of current tax of previous periods	5,058	1,660
Income not subject to tax	–	(299)
Expenses not deductible for tax	20,075	12,652
Tax losses not recognised	28,655	33,025
Additional deductible allowance for qualified research and development costs	(15,125)	(20,031)
Tax charge at the Group's effective rate	14,764	4,491

The Group has accumulated tax losses of RMB888,229,803 arising in Mainland China as at 31 December 2025 (2024: RMB270,503,294) that will expire in one to ten years for offsetting against future taxable profits of the subsidiaries in which the losses arose. Deferred tax assets in respect of RMB169,978,000 tax losses (2024: RMB188,335,000) of certain subsidiaries have not been recognised as these subsidiaries are not considered probable that taxable profits will be available against which the tax losses can be utilised as at 31 December 2025.

13. Dividends

The final dividend in respect of 2024 of HKD0.0238 cents per share, totaling approximately HK\$24,601,091 was approved at the Annual General Meeting on 5 June 2025 and was paid in cash on 27 August 2025.

Final dividend of HKD0.095 cents per share was proposed by the Board for the year ended 31 December 2025. The proposed final dividend is subject to the approval of the Company shareholders at the forthcoming annual general meeting.

14. Loss per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 992,717,577 (2024: 946,166,949) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the exercise of certain batch of share options. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year ended 31 December 2025, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2025.

The calculation of basic earnings per share is based on:

	2025 RMB'000	2024 RMB'000
Loss		
Loss attributable to ordinary equity holders of the parent (RMB'000)	(58,742)	(54,588)
Ordinary shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	992,717,577	946,166,949
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	992,717,577	946,166,949
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		
– Basic and diluted (RMB)	(5.92 cents)	(5.77 cents)

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15. Property, Plant and Equipment

	Buildings RMB'000	Laboratory equipment RMB'000	Transportation equipment RMB'000	Other equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025							
At 1 January 2025							
Cost	411,263	315,526	6,833	40,704	153,741	11,221	939,288
Accumulated depreciation	(19,800)	(218,693)	(5,072)	(32,057)	(88,602)	-	(364,224)
Net carrying amount	391,463	96,833	1,761	8,647	65,139	11,221	575,064
At 1 January 2025, net of accumulated depreciation	391,463	96,833	1,761	8,647	65,139	11,221	575,064
Additions	-	19,662	58	10,995	10,838	10,297	51,850
Transfer	-	27	-	-	16,924	(17,110)	(159)
Disposals	(1,007)	(4,405)	(82)	-	(339)	(446)	(6,279)
Acquisition of a subsidiary (note 35)	-	1,483	-	172	400	41	2,096
Depreciation provided during the year	(9,427)	(27,567)	(653)	(5,185)	(18,422)	-	(61,254)
At 31 December 2025, net of accumulated depreciation	381,029	86,033	1,084	14,629	74,540	4,003	561,318
At 31 December 2025:							
Cost	410,256	346,312	6,809	57,662	181,564	4,003	1,006,606
Accumulated depreciation	(29,227)	(260,279)	(5,725)	(43,033)	(107,024)	-	(445,288)
Net carrying amount	381,029	86,033	1,084	14,629	74,540	4,003	561,318

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15. Property, Plant and Equipment (continued)

	Buildings <i>RMB'000</i>	Laboratory equipment <i>RMB'000</i>	Transportation equipment <i>RMB'000</i>	Other equipment <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2024							
At 1 January 2024							
Cost	232,959	310,068	6,657	42,430	131,182	32,798	756,094
Accumulated depreciation	(11,241)	(200,454)	(4,429)	(27,125)	(75,812)	-	(319,061)
Net carrying amount	221,718	109,614	2,228	15,305	55,370	32,798	437,033
At 1 January 2024, net of accumulated depreciation	221,718	109,614	2,228	15,305	55,370	32,798	437,033
Additions	155,475	13,425	1	1,894	21,034	15,082	206,911
Transfer	22,829	-	175	-	4,788	(35,713)	(7,921)
Disposals	-	(7,967)	-	(3,630)	(3,263)	(946)	(15,806)
Acquisition of a subsidiary	-	-	-	10	-	-	10
Depreciation provided during the year	(8,559)	(18,239)	(643)	(4,932)	(12,790)	-	(45,163)
At 31 December 2024, net of accumulated depreciation	391,463	96,833	1,761	8,647	65,139	11,221	575,064
At 31 December 2024:							
Cost	411,263	315,526	6,833	40,704	153,741	11,221	939,288
Accumulated depreciation	(19,800)	(218,693)	(5,072)	(32,057)	(88,602)	-	(364,224)
Net carrying amount	391,463	96,833	1,761	8,647	65,139	11,221	575,064

Notes to the Consolidated Financial Statements

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16. Other Intangible Assets

	License RMB'000	Software RMB'000	Development costs RMB'000	Total RMB'000
31 December 2025				
Cost at 1 January 2025, net of accumulated amortisation	20,941	15,635	1,415	37,991
Acquisition of subsidiaries (<i>note 35</i>)	207,379	–	–	207,379
Additions	3,640	21,147	410	25,197
Disposal	–	(219)	(445)	(664)
Transfer	–	1,380	(1,380)	–
Amortisation provided during the year	(17,741)	(6,269)	–	(24,010)
At 31 December 2025	214,219	31,674	–	245,893
At 31 December 2025:				
Cost	236,948	56,454	–	293,402
Accumulated amortisation	(22,729)	(24,780)	–	(47,509)
Net carrying amount	214,219	31,674	–	245,893
31 December 2024				
Cost at 1 January 2024, net of accumulated amortisation	13,028	15,365	2,942	31,335
Acquisition of subsidiaries	9,551	–	–	9,551
Additions	–	896	2,243	3,139
Transfer	–	3,770	(3,770)	–
Amortisation provided during the year	(1,638)	(4,396)	–	(6,034)
At 31 December 2024	20,941	15,635	1,415	37,991
At 31 December 2024:				
Cost	25,929	34,196	1,415	61,540
Accumulated amortisation	(4,988)	(18,561)	–	(23,549)
Net carrying amount	20,941	15,635	1,415	37,991

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17. Investments in Associates

	2025 RMB'000	2024 RMB'000
Share of net assets	47,647	42,247

Particulars of the associates are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group		Principal activity
			At 31 December 2025	2024	
武漢德谷醫學檢驗實驗室有限公司 Wuhan Degu Medical Laboratory Co., Ltd. ("Wuhan Degu")	Ordinary shares	PRC	25%	25%	Clinical Testing Service
武漢蒲雲醫學檢驗實驗室有限公司 Wuhan Puyun Medical Laboratory Co., Ltd. ("Wuhan Puyun")	Ordinary shares	PRC	25%	25%	Clinical Testing Service
北京博富瑞基因診斷技術有限公司 Beijing Bofurui Gene Diagnostic Technology Co., Ltd. ("Bofurui")	Ordinary shares	PRC	11%	11%	Clinical Testing Service
武漢拓銳晶醫療技術有限公司 ToBio Ltd. ("ToBio")	Ordinary shares	PRC	17%	11%	Clinical Testing Service
上海恩羿生物科技股份有限公司 Shanghai EnYi Biotechnology Co., Ltd. ("EnYi Biotechnology")	Ordinary shares	PRC	35%	35%	Clinical Testing Service

Note:

The Group's shareholdings in the associates all comprise equity shares held by the wholly-owned subsidiaries of the Company.

On 30 July 2025, Kindstar Wuhan WFOE has increased capital of approximately from 11% to 17% equity interest in ToBio at a total consideration of RMB10,000,000 according to the Share Subscription Agreement signed in 2024.

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17. Investments in Associates (continued)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the associates' loss for the year	(750)	(429)
Carrying amount of the Group's investments in the associates	47,647	42,247

18. Goodwill

	RMB'000
At 1 January 2024:	
Cost	26,663
Accumulated impairment	(17,166)
Net carrying amount	9,497
Cost at 1 January 2024, net of accumulated impairment	9,497
Impairment during the year	(328)
Cost and net carrying amount at 31 December 2024	9,169
At 31 December 2024:	
Cost	26,663
Accumulated impairment	(17,494)
Net carrying amount	9,169
Cost at 1 January 2025, net of accumulated impairment	9,169
Acquisition of a subsidiary	2,335
Cost and net carrying amount at 31 December 2025	11,504
At 31 December 2025:	
Cost	28,998
Accumulated impairment	(17,494)
Net carrying amount	11,504

The goodwill comprises the fair value of expected business synergies arising from the acquisitions, which is not separately recognised.

18. Goodwill (continued)

Goodwill of RMB920,000 resulted from the acquisition of Chengdu Shengyuan (“Chengdu Shengyuan CGU”) in January 2020.

Goodwill of RMB8,249,000 resulted from the acquisition of Wuhan Haixi (“Wuhan Haixi CGU”) in January 2022.

Goodwill of RMB2,335,000 resulted from the acquisition of Guangzhou Kangchengweiye (“Guangzhou Kangchengweiye CGU”) in January 2025.

Impairment testing of goodwill

The amounts of goodwill allocated to these CGUs are as follows:

	2025 RMB'000	2024 RMB'000
Chengdu Shengyuan	920	920
Guangzhou Kangchengweiye	2,335	–
Wuhan Haixi	8,249	8,249
	11,504	9,169

Goodwill is tested by management for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of the CGUs has been determined based on a value in use (“VIU”) calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. The pre-tax discount rates applied to the cash flow projections ranged from 23% to 24% (2024: 22% to 24%). The revenue growth rate used to determine the cash flows during the five-year period ranged from 7% to 70% (2024: 2% to 7%). The terminal growth rate used to extrapolate the cash flows beyond the period is 2% (2024: 2%). Such estimation is based on management’s expectations for the market development.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill for Chengdu Shengyuan CGU, Guangzhou Kangchengweiye CGU and Wuhan Haixi CGU as at 31 December 2025.

Revenue – The basis used to determine the budgeted revenue is based on the management’s expectation of market development.

Terminal Growth rate – The forecasted terminal growth rate is based on management’s expectations and does not exceed the long-term average growth rate for the industry relevant to the CGUs.

The pre-tax discount rate used is before tax and reflects specific risks relating to the CGUs.

Notes to the Consolidated Financial Statements

31 December 2025

18. Goodwill (continued)

Impairment testing of goodwill (continued)

According to the results of impairment testing, the Group did not recognize goodwill impairment loss during the year ended 31 December 2025 (2024: RMB328,000).

Sensitivity to changes in key assumptions:

In relation to CGUs for which no impairment was recognized, the management of the Company has performed sensitivity test by decreasing 1% of expected revenue, decreasing 1% of terminal growth rate or increasing 1% of pre-tax discount rate, with all other assumptions held constant. The impacts on the amount by which each CGU's recoverable amount above its carrying amount (headroom) are as below:

	Chengdu Shengyuan CGU RMB'000	Guangzhou Kangchengweiye CGU RMB'000	Wuhan Haixi CGU RMB'000
At 31 December 2025			
Headroom	1,453	12,145	3,329
Impact by decreasing expected revenue	(138)	(3,128)	(468)
Impact by decreasing terminal growth rate	(219)	(7,391)	(1,475)
Impact by increasing pre-tax discount rate	(295)	(4,252)	(573)

	Chengdu Shengyuan CGU RMB'000	Kindstar You Yi CGU RMB'000	Wuhan Haixi CGU RMB'000
At 31 December 2024			
Headroom	4,527	Not applicable	5,027
Impact by decreasing expected revenue	(4,345)	Not applicable	(1,049)
Impact by decreasing terminal growth rate	(386)	Not applicable	(1,815)
Impact by increasing pre-tax discount rate	(1,449)	Not applicable	(3,326)

Except for these, any reasonable possible changes in the other assumptions used in the value in use calculation would not affect management's view on impairment as at the end of each reporting period.

The Values assigned to the Key Assumptions on Discount Rate and Growth Rate Are Consistent with External Information Sources.

Notes to the Consolidated Financial Statements

31 December 2025

19. Financial Assets at FVTPL

	2025 RMB'000	2024 RMB'000
Investment in unlisted funds – non current *	363,586	324,441
Financial assets at FVTPL in total	363,586	324,441

* The Investment Includes Subscription of Limited Partnership of Four Unlisted Funds to Allow the Group to Further Access a Wider Variety of Participants in the Clinical Testing Industry. the Unlisted Fund was Measured at Fair Value through Profit or Loss.

20. Inventories

	2025 RMB'000	2024 RMB'000
Raw materials and consumables	46,658	46,770
Work in progress	5,255	4,729
	51,913	51,499

21. Trade and Bills Receivables

	2025 RMB'000	2024 RMB'000
Trade receivables	534,254	631,805
Bills receivable	8,883	733
	543,137	632,538
Allowance for expected credit losses	(158,793)	(128,327)
	384,344	504,211

The Group's trading terms with its customers are mainly on credit, except for individual customers, where payment in advance is normally required. The credit period is generally from three months to nine months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

Notes to the Consolidated Financial Statements

31 December 2025

21. Trade and Bills Receivables (continued)

An ageing analysis of the trade and bills receivables as at the end of each of the reporting periods, based on the billing date and net of allowance for expected credit losses, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	201,311	195,812
1 year to 2 years	52,233	74,866
2 years to 3 years	32,191	191,286
3 years to 4 years	91,223	18,504
4 years to 5 years	4,667	12,426
Over 5 years	2,719	11,318
	384,344	504,211

The movements in the allowance for expected credit losses of trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	128,327	61,269
Impairment losses, net	44,278	71,174
Acquisition of subsidiary	1,034	–
Amount written off as uncollectible	(14,846)	(4,116)
At end of year	158,793	128,327

An Impairment Analysis is Performed at Each Reporting Date Using a Provision Matrix to Measure Expected Credit Losses. the Provision Rates Are Based on Days past Due for Groupings of Various Customers with Similar Loss Patterns Such as Ageing, Historical Denial and past Collection Experience. the Calculation Reflects the Probability-weighted Outcome, the Time Value of Money and Reasonable and Supportable Information That is Available at the Reporting Date about past Events, Current Conditions and Forecasts of Future Economic Conditions. in Addition, Trade Receivables with Significant Outstanding and Credit-impaired Balances Are Assessed for ECL Individually.

Notes to the Consolidated Financial Statements

31 December 2025

21. Trade and Bills Receivables (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix and individually:

As at 31 December 2025

	Amount <i>RMB'000</i>	Expected loss rate %	Impairment <i>RMB'000</i>
Individually assessed:	38,287	98.46	37,698
Measured by provision matrix:			
Within 1 year	208,894	7.88	16,466
1 year to 2 years	64,581	19.12	12,348
2 years to 3 years	45,295	28.93	13,104
3 years to 4 years	154,416	40.92	63,193
4 years to 5 years	10,247	54.45	5,579
Over 5 years	12,534	83.01	10,405
	534,254		158,793

As at 31 December 2024

	Amount <i>RMB'000</i>	Expected loss rate %	Impairment <i>RMB'000</i>
Individually assessed:	64,755	70.10	45,393
Measured by provision matrix:			
Within 1 year	203,624	4.20	8,546
1 year to 2 years	84,924	11.84	10,058
2 years to 3 years	228,949	17.78	40,713
3 years to 4 years	21,849	39.70	8,674
4 years to 5 years	14,985	45.36	6,797
Over 5 years	12,719	64.05	8,146
	631,805		128,327

Notes to the Consolidated Financial Statements

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22. Prepayments, Deposits and Other Receivables

	2025 RMB'000	2024 RMB'000
Deposits and other receivables (current)	56,374	56,649
Prepayments (current)	10,991	11,694
Value-added tax recoverable		
– current	3,720	1,885
– non-current*	13,071	24,977
Prepaid expenses (current)	894	502
Deferred issue cost (current)	–	3,250
	85,050	98,957
Analysed into:		
– Current portion	71,979	73,980
– Non-current portion	13,071	24,977
	85,050	98,957

* The amount mainly represents value-added tax balance expected not to be recoverable in next twelve months.

The balances are not secured by collateral.

Other receivables had no historical default. The financial assets included in the above balances relate to receivables were categorised in stage 1 at the end of each of the reporting periods. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the reporting periods, the Group estimated that the expected credit loss rate for other receivables and deposits was minimal.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. In view of the fact that the Group's deposits and other receivables relate to a large number of diversified counterparties, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its deposits and other receivable balances.

Notes to the Consolidated Financial Statements

31 December 2025

23. Cash and Cash Equivalents and Pledged Deposits

	2025 RMB'000	2024 RMB'000
Cash and bank balances	305,341	263,683
Time deposits	85,144	127,203
	390,485	390,886
Less: Restricted cash	5,700	5,700
Less: Pledged deposits (<i>note</i>)	2,597	3,614
Cash and cash equivalents	382,188	381,572

Note:

It represents pledged deposits in commercial banks due to litigations or secure bills payable. None of these deposits are either past due or impaired. The pledged bank deposits will be released upon completion of the litigation or the repayment of relevant bills payable.

The RMB is not freely convertible into other currencies, however, under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at Banks Earns Interest at Floating Rates Based on Daily Bank Deposit Rates. Time Deposits Are Made for Varying Periods of between One Day and Three Years Depending on the Immediate Cash Requirements of the Group and Earn Interest at the Respective Time Deposit Rates. the Bank Balances Are Deposited with Creditworthy Banks with No Recent History of Default. the Carrying Amounts of the Cash and Cash Equivalents Approximate to Their Fair Values.

Notes to the Consolidated Financial Statements

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24. Time Deposits

	2025 RMB'000	2024 RMB'000
Time deposits – current (more than 3 months)	1,164,342	1,217,543
Time deposits – non-current (more than 1 year)	340,000	410,000
	1,504,342	1,627,543

Non-current time deposits represent deposits over one year. As at 31 December 2025, RMB340,000,000 of non-current time deposit carried fixed interest rates ranging from 2.45% to 2.85% per annum with maturity of May 2027.

Current time deposits represent deposits over 3 months but less than one year. As at 31 December 2025, RMB1,164,342,000 of current time deposits carried fixed interest rates ranging from 1.30% to 4.42% per annum.

25. Trade and Bills Payables

	2025 RMB'000	2024 RMB'000
Bills payable	24,082	34,496
Trade payables	119,157	143,522
	143,239	178,018

An ageing analysis of the trade and bill payables as at the end of each of the reporting periods, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	107,992	147,366
1 year to 2 years	19,388	21,067
Over 2 years	15,859	9,585
	143,239	178,018

The trade payables are non-interest-bearing and are normally settled on terms of 90 days.

Notes to the Consolidated Financial Statements

31 December 2025

26. Other Payables and Accruals

	2025 RMB'000	2024 RMB'000
Accruals	114,482	130,343
Payroll payable	132,733	129,841
Other payables	93,336	65,439
Equity acquisition payables	-	4,900
	340,551	330,523

* Other Payables Are Unsecured, Non-interest-bearing and Repayable on Demand. the Fair Values of Other Payables at the End of Each of the Reporting Periods Approximated to Their Corresponding Carrying Amounts.

27. Contract Liabilities

The Group recognised the following revenue-related contract liabilities:

	31 December 2025 RMB'000	31 December 2024 RMB'000
Testing services for R&D projects and others	9,013	2,941
Clinical testing service	4,522	3,054
	13,535	5,995

Contract Liabilities Include Advances Received to Provide Testing Services for R&D Projects and Others and Clinical Testing Services.

Notes to the Consolidated Financial Statements

31 December 2025

28. Interest-Bearing Bank Borrowings

As at 31 December 2025			
	Effective interest rate per annum %	Maturity	RMB'000
Current			
Bank borrowings – credit	LPR-10BPS, LPR-20BPS, LPR-50BPS, LPR-60BPS, LPR-70BPS	2026	121,101
Bank borrowings – secured (note (i))	3	2026	50,000
			171,101
Non-Current			
Bank borrowings – credit	LPR-20BPS, LPR-50BPS, LPR-55BPS	2027-2028	31,850
Bank borrowings – secured (note (i))	LPR-10BPS, LPR-20BPS	2027-2034	179,700
			211,550

As at 31 December 2024			
	Effective interest rate per annum %	Maturity	RMB'000
Current			
Bank borrowings – credit	2.6-3.65	2025	285,566
Bank borrowings – secured (note (ii))	4	2025	1,000
			286,566
Non-Current			
Bank borrowings – secured (note (ii))	LPR-20BPS	2026-2034	68,500

28. Interest-Bearing Bank Borrowings (Continued)

Notes:

- i. In January 2024, Wuhan Kindstar Medical Laboratory Co., Ltd. ("Wuhan Kindstar"), a subsidiary of the Company, entered into a two-year bank borrowing agreement of RMB90,000,000 with Wuhan Branch of Shanghai Pudong Development Bank, which was secured by intellectual property of Wuhan Kindstar. At 31 December 2025, the balance of the Interest bearing bank borrowing-secured is RMB50,000,000.

In February 2024, Kindstar Global (Shanghai) Medical Technology Co., Ltd. ("Kindstar Shanghai"), a subsidiary of the Company, entered into a ten-year bank borrowing agreement of RMB70,000,000 with Nanshi Branch of Shanghai Pudong Development Bank, which was guaranteed by Wuhan Kindstar and Sinopath and secured by mortgages over the Kindstar Shanghai's buildings. At 31 December 2025, the balance of the Interest bearing bank borrowing-secured is RMB68,500,000.

In February 2025, Kindstar Global Medical Technology (Wuhan) Co., Ltd. ("Kindstar Wuhan WFOE"), another subsidiary of the company, entered into a seven-year bank borrowing agreement of RMB132,000,000 with Wuhan Zimaogu Branch of China Citic Bank, which was guaranteed by Wuhan Kindstar and was secured by a pledge of 100% of the equity of Guangzhou Kangchengweiye Biotechnology Co., Ltd.. At 31 December 2025, the balance of the Interest bearing bank borrowing-secured is RMB125,400,000.

- ii. At 31 December 2024, the balance of the Kindstar Shanghai's Interest bearing bank borrowings-secured from Nanshi Branch of Shanghai Pudong Development Bank is RMB69,500,000.

Analysed into:

	2025 RMB'000	2024 RMB'000
Bank borrowings repayable:		
Within one year or on demand	171,101	286,566
In the second year	46,800	1,000
In the third to fifth years, inclusive	93,150	15,500
Beyond five years	71,600	52,000
Subtotal	382,651	355,066

Notes to the Consolidated Financial Statements

31 December 2025

29. Deferred Income

	2025 RMB'000	2024 RMB'000
Government grants	831	2,044

Government Grants Received to Compensate for the Group's Cost of Sales and Operating Expense Which Has Not Yet Been Undertaken Are Included in Deferred Income and Recognized as Income on a Systematic Basis of over the Periods That the Cost, for Which It is Intended to Compensate, Are Expensed. Government Grants Received Relates to Assets Invested in Laboratory Equipment were Credited to Deferred Income and Are Recognized as Income over the Expected Useful Lives of the Relevant Assets.

30. Deferred Tax Assets and Liabilities

The Movements in Deferred Tax Assets during the Reporting Periods Are as Follows:

	Impairment of assets RMB'000	Accrued expenses RMB'000	Accrued bonus RMB'000	Accrued pension RMB'000	Tax losses RMB'000	Accrued income RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	12,781	25,429	1,427	5,612	6,111	2,722	303	54,385
Deferred tax credited/(charged) to profit or loss during the year	8,052	(5,210)	(332)	(1,024)	(4,346)	375	166	(2,319)
At 31 December 2024	20,833	20,219	1,095	4,588	1,765	3,097	469	52,066
Deferred tax credited/(charged) to profit or loss during the year	(1,385)	(3,512)	-	(341)	27,144	(2,112)	(416)	19,378
At 31 December 2025	19,448	16,707	1,095	4,247	28,909	985	53	71,444

30. Deferred Tax Assets and Liabilities (continued)

The movements in deferred tax liabilities during the reporting periods are as follows:

	Fair value adjustments arising from acquisition of subsidiaries <i>RMB'000</i>	Fair value gains from contingent consideration <i>RMB'000</i>	Depreciation allowance in excess of related depreciation <i>RMB'000</i>	Total <i>RMB'000</i>
Gross deferred tax liabilities at 1 January 2024	2,422	1,366	1,984	5,772
Deferred tax charged to the statement of profit or loss during the year	–	(1,366)	(464)	(1,830)
Gross deferred tax liabilities at 31 December 2024	2,422	–	1,520	3,942
Deferred tax charged to the statement of profit or loss during the year	27,847	–	(461)	27,386
Gross deferred tax liabilities at 31 December 2025	30,269	–	1,059	31,328

Deferred Tax Assets Have Not Been Recognised in Respect of These Losses as Have Arisen in Subsidiaries That Have Been Loss-making for Some Time, and It is Not Considered Probable That Taxable Profits Will Be Available against Which the Tax Losses Can Be Utilised.

Notes to the Consolidated Financial Statements

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31. Leases

The Group as a lessee

The Group has lease contracts for various items of properties and equipment used in its operations. Leases of properties generally have lease terms between 2 and 10 years, while equipment generally has lease terms between 3 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The Carrying Amounts of the Group's Right-of-use Assets and the Movements during the Reporting Periods Are as Follows:

	Properties RMB'000	Equipment RMB'000	Total RMB'000
At 1 January 2025:			
Cost	184,741	1,776	186,517
Accumulated depreciation	(142,405)	(1,616)	(144,021)
Net carrying amount	42,336	160	42,496
At 1 January 2025, net of accumulated depreciation	42,336	160	42,496
Additions	8,789	–	8,789
Revision of a lease term arising from a change in the non-cancellable period of a lease	(2,678)	–	(2,678)
Depreciation provided during the year	(20,057)	(160)	(20,217)
At 31 December 2025, net of accumulated depreciation	28,390	–	28,390
At 31 December 2025			
Cost	190,852	1,776	192,628
Accumulated depreciation	(162,462)	(1,776)	(164,238)
Net carrying amount	28,390	–	28,390

31. Leases (continued)

The Group as a lessee (continued)

(a) Right-of-use Assets (continued)

	Properties <i>RMB'000</i>	Equipment <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024:			
Cost	161,158	1,776	162,934
Accumulated depreciation	(120,049)	(1,616)	(121,665)
Net carrying amount	41,109	160	41,269
At 1 January 2024, net of accumulated depreciation	41,109	160	41,269
Additions	24,646	–	24,646
Revision of a lease term arising from a change in the non-cancellable period of a lease	(1,063)	–	(1,063)
Depreciation provided during the year	(22,356)	–	(22,356)
At 31 December 2024, net of accumulated depreciation	42,336	160	42,496
At 31 December 2024			
Cost	184,741	1,776	186,517
Accumulated depreciation	(142,405)	(1,616)	(144,021)
Net carrying amount	42,336	160	42,496

Notes to the Consolidated Financial Statements

31 December 2025

31. Leases (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the reporting periods are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount at 1 January	43,296	41,388
Additions	8,789	24,646
Revision of a lease term arising from a change in the non-cancellable period of a lease	(3,089)	(1,477)
Interest expenses	1,277	1,991
Payments	(19,072)	(23,252)
Carrying amount at 31 December	31,201	43,296
Analysed into:		
– Current portion	12,639	17,777
– Non-current portion	18,562	25,519

A Maturity Analysis of the Lease Liabilities as at the End of Each of the Reporting Periods is as Follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Less than 3 months	3,201	4,031
3 to less than 12 months	9,435	13,746
1 to 3 years	6,558	9,693
Over 3 years	12,007	15,826
	31,201	43,296

31. Leases (continued)

The Group as a lessee (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	1,277	1,991
Depreciation charge of right-of-use assets	20,217	22,356
Expense relating to leases of short-term and low-value assets	4,988	2,819
Total amount recognised in profit or loss	26,482	27,166

During the reporting periods, the Group entered into certain long-term lease contracts for properties and equipment.

(d) The following Future Cash Outflows of the Group Are Potentially Exposed to Short-term Leases:

	2025 RMB'000	2024 RMB'000
Future cash outflows for short-term leases	602	2,049

Notes to the Consolidated Financial Statements

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32. Share Capital/Treasury Shares

Issued and fully paid

	2025 RMB'000	2024 RMB'000
Issued and fully paid:		
2025: 1,041,299,540 (2024: 981,291,940) ordinary shares	1,697	1,589

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2025	981,291,940	1,589
Shares issued for business combination <i>(Note (a))</i>	59,431,356	106
Shares issued upon exercise of share option	576,244	2
At 31 December 2025	1,041,299,540	1,697
At 1 January 2024	986,308,104	1,599
Shares issued upon exercise of share option	1,637,836	2
Share repurchase	(6,654,000)	(12)
At 31 December 2024	981,291,940	1,589

Note:

(A) 59,431,356 Shares were Issued at a Subscription Price of Hk\$1.42 per Share Pursuant to the Acquisition of Guangzhou Kangchengweiye.

Treasury Shares

	2025 RMB'000	2024 RMB'000
Shares repurchased:		
44,184,500 (2024: 44,184,500) treasury shares <i>(notes)</i>	76	76

32. Share Capital/Treasury Shares (continued)

Treasury Shares (continued)

A summary of movements in the Company's treasury shares is as follows:

	Number of shares	Treasury shares RMB'000
At 1 January 2024	32,003,000	55
Share repurchase	12,181,500	21
At 31 December 2024 and 31 December 2025	44,184,500	76

Notes:

- i. Pursuant to the board resolution passed on 5 November 2021, the Company announced to exercise its power under the repurchase mandate to repurchase shares of the Company. None shares were repurchased by the Company during the year.
- ii. Pursuant to the board resolution passed on 22 June 2021, the Company may acquire shares through on market transactions at the prevailing market price and transfer to a RSU trustee, a special purpose vehicle established to hold the required shares under the post-IPO RSU scheme. The aggregate number of shares underlying all grants made pursuant to the post-IPO RSU scheme shall not exceed 8% of the issued share capital of the Company as of the date of approval of the post-IPO RSU scheme, being 54,337,129 shares of the Company.

None Shares were Repurchased by the Company during the Six Months Ended 31 December 2025. as at 31 December 2025, an Aggregate of 37,120,500 Ordinary Shares were Repurchased for Purpose of the Post-ipo Rsu Scheme, Which were Recorded as Treasury Shares in the Consolidated Statement of Financial Position as at 31 December 2025.

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33. Reserves

Group

The amounts of the Group's reserves and the movement therein are presented in the consolidated statements of change in equity on pages 152 to 153 of the consolidated financial statements.

(i) Capital reserve

The capital reserve represents the difference between the par value of the shares issued and the consideration received.

(ii) Other capital reserve

The other capital reserve of the Group represents the difference between the aggregate of the then net assets of the non-controlling interests acquired and the consideration paid by the Group for the acquisition of non-controlling interests.

(iii) Share-based payment reserve

The share-based payment reserve of the Group represents the fair value of equity-settled share-based payments granted in 2013, 2015, 2016 and 2025. 576,244 share options were exercised in 2025.

(iv) Exchange fluctuation reserve

The Exchange Fluctuation Reserve Represents Exchange Differences Arising from the Translation of the Financial Statement of Group Companies Whose Functional Currencies Are Different from the Group's Presentation Currency.

34. Stock Incentive Plans

Pre-IPO stock incentive plans

The Company's Pre-IPO Stock Incentive Plans (the "Pre-IPO Scheme") were adopted pursuant to resolutions passed on 14 March 2013, 20 December 2015 and 1 December 2016, respectively, for the primary purpose of providing incentives to directors of the Company and eligible employees of the Group.

Details of Pre-IPO Scheme granted are as follows:

Employee stock option plan

Grant date	Number of options	Expiry date	Exercise price per share	Notes
15 March 2013	4,576,229	14 March 2023	\$0.03	(i)
31 December 2013	8,608,131	31 December 2023	\$0.03	(ii)
31 December 2015	15,813,456	31 December 2025	\$0.06	(ii)
31 December 2016	17,242,524	31 December 2026	\$0.09	(ii)

Notes:

(i) 25%, 25%, 25% and 25% of the total number of the options granted shall vest on the first, second, third and fourth anniversary of vesting commencement date, respectively.

(ii) 100% of the total number of the options granted shall vest immediately after grant date.

The Number of Options and Exercise Price per Share for the Options Granted on 14 March 2013, 20 December 2015 and 1 December 2016 represent the Unadjusted Number of Options and Exercise Prices.

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34. Stock Incentive Plans (continued)

Pre-IPO stock incentive plans (continued)

Employee stock option plan (continued)

The following share options were outstanding during the reporting periods:

	31 December 2025		31 December 2024	
	Weighted average exercise price <i>HKD</i> per share	Number of options	Weighted average exercise price <i>HKD</i> per share	Number of options
At the beginning of year	0.17	3,443,936	0.17	5,081,772
Exercised during the year	0.15	(576,244)	0.18	(1,637,836)
Forfeited during the year	–	(201,936)	–	–
Others	–	(12,000)	–	–
At the end of year	0.17	2,653,756	0.17	3,443,936
Exercisable at the end of the year	–	2,653,756	–	3,443,936

The weighted average share price at the date of exercise for share options exercised during 2025 was HK\$1.28 per share (2024: HK\$1.45 per share options were exercised).

576,244 Shares were Issued upon Exercise of Share Options with the Weighted Average Exercise Price in US\$5.51 Cent in 2025 (1,637,836 Shares were Issued upon Exercise of Share Options with the Weighted Average Exercise Price in US\$5.97 Cent in 2024).

34. Stock Incentive Plans (continued)

Post-IPO stock incentive plans

The Company's Post-IPO Stock Incentive Plans (the "Post-IPO Scheme") were adopted pursuant to resolutions passed on 29 October 2025, respectively, for the primary purpose of providing incentives to directors of the Company and eligible employees of the Group.

Restricted share units

Grant date	Number of restricted share units	Expiry date	Exercise price per share	Notes
5 November 2025	2,470,000	–	–	(i)

Notes:

- (i) On 5 November 2025, 2,470,000 restricted share units was granted under the post-IPO RSU scheme, 100% of the total number of the options granted shall vest immediately after grant date.

The following restricted share units were Outstanding during the Reporting Periods:

	31 December 2025		31 December 2024	
	Weighted average exercise price HKD per share	Number of restricted share units	Weighted average exercise price HKD per share	Number of restricted share units
At the beginning of year	–	–	–	–
Granted during the year	–	2,470,000	–	–
Exercised during the year	–	(2,470,000)	–	–
At the end of year	–	–	–	–
Exercisable at the end of the year	–	–	–	–

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35. Acquisition of a Subsidiary

On 24 January 2025, the Group completed the acquisition of 100% equity interest in Guangzhou Kangchengweiye Biotechnology Co., Ltd. (“Guangzhou Kangchengweiye”) and 49% equity interest in AnchorDx Inc. at a total amount of approximately RMB208 million, which consists of RMB148 million in cash and RMB60 million worth of 59,431,356 shares of equity.

The Fair Values of the Identifiable Assets and Liabilities of Guangzhou Kangchengweiye as at the Date of Acquisition were as Follows:

	<i>Notes</i>	<i>24 January 2025</i> <i>RMB'000</i>
Property plant and equipment	15	2,096
Other intangible assets	16	207,379
Prepayments, deposits and other receivables		11,298
Deferred tax assets		31,095
Inventories		726
Trade and bills receivables		8,728
Cash and cash equivalents		2,360
Trade and bills payables		(3,617)
Other payables and accruals		(9,963)
Contract liabilities		(156)
Interest-bearing bank borrowings		(12,311)
Deferred tax liabilities		(31,095)
Deferred income		(400)
Total identifiable net assets at fair value		206,140
Goodwill on acquisition		2,335
		208,475
Satisfied by:		
Shares issued during the period ended 31 December 2025		60,173
Cash consideration paid during the period ended 31 December 2025		148,302
Total consideration		208,475

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35. Acquisition of a Subsidiary (continued)

An analysis of cash flows in respect of the acquisition of Guangzhou Kangchengweiye is as follows:

	31 December 2025 RMB'000
Cash consideration paid during the year ended 31 December 2025	(148,302)
Cash and cash equivalents acquired	2,360
<hr/>	
Net outflow of cash and cash equivalents included in cash flows from investing activities	(145,942)

Since the acquisition, Guangzhou Kangchengweiye contributed RMB10,553,000 to the Group's revenue and RMB5,506,000 to the consolidated loss for the year.

Had the Combination taken Place at the Beginning of the year, the Revenue from Continuing Operations of the Group and the Loss of the Group for the Year Would Have Been RMB934,554,000 and RMB55,173,000 Respectively.

36. Notes to the Consolidated Statements of Cash Flows

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets of RMB8,789,000 (2024: RMB24,645,578) and non-cash additions to lease liabilities of RMB8,789,000 (2024: RMB24,645,578), respectively, in respect of lease arrangements for properties and equipment.

During the year, the Group had non-cash additions to other intangible assets of RMB12,000,000 (2024: Nil), respectively, in respect of capital injection to Guangzhou SouthMed from non-controlling shareholders.

During the year, the Group issued 59,431,356 shares at a subscription price of HK\$1.42 per share pursuant to the acquisition of Guangzhou Kangchengweiye.

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36. Notes to the Consolidated Statements of Cash Flows (continued)

(b) Changes in liabilities arising from financing activities

	New bank borrowings <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>
At 1 January 2025	355,066	43,296
Interest expense	13,630	1,277
Additions	309,432	8,789
Acquisition of subsidiaries	12,311	–
Payment	(294,287)	(19,072)
Revision of a lease term arising from a change in the non-cancellable period of a lease	–	(3,089)
Interest paid	(13,501)	–
At 31 December 2025	382,651	31,201

	New bank borrowings <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>
At 1 January 2024	152,900	41,388
Interest expense	9,097	1,991
Additions	355,500	24,646
Payment	(153,400)	(23,252)
Revision of a lease term arising from a change in the non-cancellable period of a lease	–	(1,477)
Interest paid	(9,031)	–
At 31 December 2024	355,066	43,296

37. Commitments

The Group Had the following Capital Commitments at the End of Each Reporting Period:

	2025 RMB'000	2024 RMB'000
Contracted, but not provided for:		
Property, plant and equipment	10,880	14,504
Equity investments	82,199	114,249
Fund investments	198,158	208,408
	291,237	337,161

38. Related Party Transactions

(a) Name and relationship

	Relationship with the Group
Panacea Venture	Entity controlled by a director
武漢蒲雲醫學檢驗實驗室有限公司 Wuhan Puyun Medical Laboratory Co., Ltd. ("Wuhan Puyun")	Associate
武漢德谷醫學檢驗實驗室有限公司 Wuhan Degu Medical Laboratory Co., Ltd. ("Wuhan Degu")	Associate
北京博富瑞基因診斷技術有限公司 Beijing Bo Fu Rui Gene Diagnostics Co., Ltd. ("Beijing Bofurui")	Associate
廣州博富瑞醫學檢驗有限公司 Guangzhou Bofurui Medical Testing Co., Ltd. ("Guangzhou Bofurui")	Associate
武漢英視特生物科技有限公司 Wuhan Insight Biotechnology Co., Ltd. ("Wuhan Insight")	Entity controlled by Rivercity Kindstar Fund

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38. Related Party Transactions (continued)

(a) Name and relationship (continued)

	Relationship with the Group
武漢紐凱生物科技有限公司 Wuhan Niukai Biotechnology Co., Ltd. ("Wuhan Niukai")	Entity controlled by Rivercity Kindstar Fund
武漢康聖澤輝醫學檢驗實驗室有限公司 Wuhan Kindstar Zehui Medical Laboratory Co., Ltd. ("Kindstar Zehui")	Entity controlled by Rivercity Kindstar Fund
武漢趨勢信息技術有限公司 Wuhan Trend Information Technology Co., Ltd. ("Wuhan Trend")	Entity controlled by Rivercity Kindstar Fund
武漢沐恩醫學科技有限公司 Wuhan Immuno Medical Tech Co., Ltd. ("Wuhan Immuno")	Entity controlled by Rivercity Kindstar Fund
湖北聖壹醫學檢驗實驗室有限公司 Hubei ShengYi Medical Laboratory Co., Ltd. ("Hubei ShengYi")	Entity controlled by Rivercity Kindstar Fund
英視特(武漢)生物有限公司 Insicht (Wuhan) Biotechnology Co., Ltd. ("Insicht Wuhan")	Entity controlled by Rivercity Kindstar Fund
武漢市雲衍科技有限公司 Wuhan Yunyan Technology Co., Ltd. ("Wuhan Yunyan")	Entity controlled by Rivercity Kindstar Fund
武漢拓道醫學生物科技有限公司 Wuhan Tuodao Medical Biotechnology Co., Ltd. ("Tuodao Biomedical")	Entity controlled by Rivercity Kindstar Fund
譜絡(武漢)醫學檢驗有限公司 Puluo (Wuhan) Medical Laboratory Co., Ltd. ("Puluo Medical")	Entity controlled by Rivercity Kindstar Fund

38. Related Party Transactions (continued)

(a) Name and relationship (continued)

	Relationship with the Group
武漢康聖原啟醫學檢驗有限公司 Wuhan Kindstar Yuanqi Medical Laboratory Co., Ltd. ("Kindstar Yuanqi")	Entity controlled by Rivercity Kindstar Fund
武漢拓道醫學科技有限公司 Wuhan Tuodao Medical Technology Co., Ltd ("Tuodao Medical")	Entity controlled by Rivercity Kindstar Fund
武漢益特醫療技術諮詢有限公司 Wuhan Medical Esoteric Test Technology Consulting Co., Ltd. ("Wuhan Yite")	Entity controlled by Rivercity Kindstar Fund
武漢康聖易呼醫學檢驗實驗所有限公司 Wuhan Kindstar Yihu Medical Laboratory Co., Ltd ("Kindstar Yihu")	Entity controlled by Rivercity Kindstar Fund
武漢譜絡生物醫學科技有限公司 Wuhan Pulo Medical Biotechnology Co., Ltd. ("Pulo Biomedical")	Entity controlled by Rivercity Kindstar Fund
天津康津醫學科技有限公司 Tianjin Kangjin Medical Technology Co., Ltd. ("Tianjin Kangjin")	Entity controlled by Rivercity Kindstar Fund
譜絡(武漢)醫學生物科技有限公司 Pulo (Wuhan) Medical Biotechnology Co., Ltd. ("Pulo Wuhan")	Entity controlled by Rivercity Kindstar Fund
武漢因特檢醫學科技有限公司 Wuhan Intejian Medical Technology Co., Ltd. ("Wuhan Intejian")	Entity controlled by Rivercity Kindstar Fund
武漢艾樂醫學生物科技有限公司 Wuhan Alla Medical Biotechnology Co., Ltd. ("Wuhan Alla")	Entity controlled by Rivercity Kindstar Fund

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38. Related Party Transactions (continued)

(a) Name and relationship (continued)

	Relationship with the Group
沐恩(武漢)醫學生物科技有限公司 Immuno (Wuhan) Medical Tech Co., Ltd. ("Immuno Medical")	Entity controlled by Rivercity Kindstar Fund
邁諾(武漢)醫學生物科技有限公司 Mainuo (Wuhan) Medical Biotechnology Co., Ltd. ("Wuhan Mainuo")	Entity controlled by Rivercity Kindstar Fund
因特檢(武漢)醫學生物科技有限公司 Intejian (Wuhan) Medical Biotechnology Co., Ltd. ("Intejian Medical")	Entity controlled by Rivercity Kindstar Fund
上海拓瑞思診斷技術有限公司 Shanghai Tuoruisi Diagnostic Technology Co., Ltd. ("Shanghai Tuoruisi")	Entity controlled by Rivercity Kindstar Fund
武漢康聖艾樂醫學檢驗實驗室有限公司 Wuhan Kindstar. Aile Medical Laboratory Co., Ltd ("Kindstar Aile")	Entity controlled by Rivercity Kindstar Fund
武漢邁諾生物醫學科技有限公司 Wuhan Mainuo Medical Biotechnology Co., Ltd. ("Mainuo Medical")	Entity controlled by Rivercity Kindstar Fund

Notes:

- (i) In September 2021, the Group entered into a partnership agreement with third parties Ezhou Changda Asset Management Co., Ltd. (鄂州市昌達資產經營有限公司) and Hubei Gedian Development Zone Construction Investment Co., Ltd. (湖北省葛店開發區建設投資有限公司) and Wuhan Booth Investment Co., Ltd. (武漢布斯投資資訊有限公司) (as the limited partner) for the formation of Rivercity Kindstar Fund. The total capital contribution by all partners of Rivercity Kindstar Fund shall be RMB300,000,000, of which RMB177,000,000 shall be contributed by the Group. Pursuant to the partnership agreement, an investment decision committee is formed as the highest investment decision-making body of Rivercity Kindstar Fund, which comprises four members, including two representatives nominated jointly by the Group and Wuhan Booth Investment Co., Ltd., one of whom is Mr. Huang Zuie-Chin, a non-executive director of the Company.

38. Related Party Transactions (continued)

(b) Significant related party transactions

In addition to the transactions detailed elsewhere in the consolidated financial statements, the Group had the following material related party transactions during the reporting periods:

	2025 RMB'000	2024 RMB'000
Purchases of services		
Entities controlled by Rivercity Kindstar Fund	31,837	38,642
Associates	1,806	3,718
	33,643	42,360
Purchases of reagents		
Entities controlled by Rivercity Kindstar Fund	12,329	5,258
Associates	80	–
	12,409	5,258
Investment in		
Panacea Venture	9,586	16,224
Sales of services		
Entities controlled by Rivercity Kindstar Fund	10,731	7,634
Associates	4,721	4,437
	15,452	12,071
Sales of reagents		
Entities controlled by Rivercity Kindstar Fund	5	143
Associates	719	64
	724	207
Rental services		
Entities controlled by Rivercity Kindstar Fund	1,523	1,792
Purchase of equipment		
Entities controlled by Rivercity Kindstar Fund	18	–
Associates	677	–
	695	–

Notes:

(i) The Purchase Price was Made According to Published Prices and Conditions Agreed by the Group and the Related Parties.

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38. Related Party Transactions (continued)

(c) Other transactions with related parties

Mr. Huang Shi-ang, the legal person of Kindstar Wuhan, provided guarantee in his personal name for the bank loan and credit line granted by Wuhan Branch of Shanghai Pudong Development Bank to Kindstar Wuhan, with a total amount of RMB90 million. The security agreement does not involve collateral and pledge. The agreement stipulates that if the guaranteed person fails to repay in time, Shanghai Pudong Development Bank has the right to directly freeze/deduct the funds of any individual account of Mr. Huang Shi-ang in Shanghai Pudong Development Bank or entrust other financial institutions to freeze and deduct the funds of his account opened under this institution with guarantee period from 4 January 2024 to 31 December 2026.

Secondly, Mr. Huang Shi-ang also provided guarantee in his personal name for bank loans and credit line granted by Wuhan Branch of Industrial Bank to Kindstar Wuhan, with a total amount of RMB200 million with guarantee period from 8 November 2024 to 8 November 2029.

Besides, Mr. Huang Shi-ang provided guarantee in his personal name for bank loans and credit line granted by Wuhan Free Trade Zone Branch of Industrial Bank to Kindstar Zhenyuan, with a total amount of RMB10 million with guarantee period from 28 February 2024 to 8 November 2029.

(d) Outstanding balances with related parties

As disclosed in the statements of financial position, the Group had outstanding balances with related parties at 31 December 2025.

	2025 RMB'000	2024 RMB'000
<i>Due from related parties</i>		
Non-current		
AnchorDx Inc.	–	4,913
Current		
Entities controlled by Rivercity Kindstar Fund	1,935	5,253
Associates	5,535	3,155
	7,470	8,408
Total amounts due from related parties	7,470	13,321
<i>Due to related parties</i>		
Entities controlled by Rivercity Kindstar Fund	17,663	26,442
Associates	2,909	3,484
Total amounts due to related parties	20,572	29,926

The Group's Balances Due from and Due to the Related Companies Are Unsecured, Interest-free and Repayable on Demand, except for the Loans to Key Management and Employees.

38. Related Party Transactions (continued)

(e) Compensation of key management personnel of the Group

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	2,136	2,059
Performance related bonuses	141	183
Pension scheme contributions	177	173
Total amounts due from related parties	2,454	2,415

Further details of Directors' and Chief executive' emoluments are included in Note 10 to the Consolidated Financial Statements.

39. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments of the Group as at the end of each of the Reporting Periods are as follows:

	2025 RMB'000	2024 RMB'000
Financial assets		
Financial assets at FVTPL:		
Investment in unlisted funds	363,586	324,441
Financial assets at amortised cost:		
Trade and bills receivables	384,344	504,211
Due from related parties	7,470	8,408
Financial assets included in prepayments, deposits and other receivables	68,259	68,845
Time deposits (more than 3 months)	1,504,342	1,627,543
Cash and cash equivalents	382,188	381,572
Total	2,346,603	2,590,579

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39. Financial Instruments by Category (continued)

	2025 RMB'000	2024 RMB'000
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and bills payables	143,239	178,018
Amount due to related parties	20,572	29,926
Financial liabilities included in other payables and accruals	207,818	200,682
Interest-bearing bank borrowings	382,651	355,066
Lease liabilities	31,201	43,296
	785,481	806,988

40. Fair Value and Fair Value Hierarchy of Financial Instruments

The fair values of the non-current portion of pledged deposits, interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own nonperformance risk for interest-bearing bank and other borrowings as at 31 December 2025 were assessed to be insignificant.

40. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	As at 31 December 2025		As at 31 December 2024	
	Carrying amount <i>RMB'000</i>	Fair value <i>RMB'000</i>	Carrying amount <i>RMB'000</i>	Fair value <i>RMB'000</i>
Financial assets				
Investment in unlisted funds	363,586	363,586	324,441	324,441

The Group's finance department headed by the financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Reporting Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The Directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group invests in unlisted investments, which represent unlisted funds subscribed by limited partnership allowing the Group to further access a wider variety of participants in the clinical testing industry.

The Group has estimated the unlisted funds by using market method, comparable company method and net asset value of underlying investment method.

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40. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

As at 31 December 2025

	Fair value measurement using			Total <i>RMB'000</i>
	Quoted prices in active markets (Level 1) <i>RMB'000</i>	Significant observable inputs (Level 2) <i>RMB'000</i>	Significant unobservable inputs (Level 3) <i>RMB'000</i>	
Financial assets				
Investment in unlisted funds	–	–	363,586	363,586

As at 31 December 2024

	Fair value measurement using			Total <i>RMB'000</i>
	Quoted prices in active markets (Level 1) <i>RMB'000</i>	Significant observable inputs (Level 2) <i>RMB'000</i>	Significant unobservable inputs (Level 3) <i>RMB'000</i>	
Financial assets				
Investment in unlisted funds	–	–	324,441	324,441

40. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

Fair value hierarchy (continued)

During the reporting periods, there was no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

The movements in fair value measurements within Level 3 during the year are as follows:

	2025 RMB'000
Equity investments at fair value through other comprehensive income	
At 1 January	324,441
Total gains/(losses) recognised in the statement of profit or loss included in other income	33,364
Exchange	(3,805)
Purchases	9,586
	363,586

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025.

Financial assets/ financial liabilities type	Valuation technique	Significant unobservable inputs	Sensitivity of fair value to the input
Unlisted funds	Net asset value of underlying investments	Net asset value	5% increase/decrease in net asset would result in increase/ decrease in fair value by RMB18,179,000

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41. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise interest-bearing bank borrowings, financial liabilities at FVTPL, other interest-bearing loans, and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors' review and agree policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of each of the reporting periods to a reasonably possible change in the RMB and US\$ exchange rate, with all other variables held constant, of the Group's loss before tax.

	2025 RMB'000	2024 RMB'000
RMB/US\$		
Strengthened 5%	57,716	58,567
Weakened 5%	(57,716)	(58,567)

Credit risk

An impairment analysis was performed at 31 December 2025 using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Maximum exposure and year-end staging

the table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit Policy, which is mainly based on ageing information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2025. the amounts presented are gross carrying amounts for financial assets.

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41. Financial Risk Management Objectives and Policies (continued)

Maximum exposure and year-end staging (continued)

At 31 December 2025

	12-month ECLs		Lifetime ECLs		Simplified approach RMB'000	Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000			
Financial assets at FVTPL	363,586	-	-	-	-	363,586
Trade receivables*	-	-	-	-	534,254	534,254
Bills receivables	8,883	-	-	-	-	8,883
Financial assets included in prepayments, deposits and other receivables						
- Normal*	68,259	-	-	-	-	68,259
Amounts due from related parties	7,470	-	-	-	-	7,470
Time deposits	1,249,486	-	-	-	-	1,249,486
Cash and cash equivalents	382,188	-	-	-	-	382,188
	2,079,872	-	-	-	534,254	2,614,126

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41. Financial Risk Management Objectives and Policies (continued)

Maximum exposure and year-end staging (continued)

At 31 December 2024

	12-month ECLs		Lifetime ECLs		Simplified approach	Total
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	RMB'000		
Financial assets at FVTPL	324,441	–	–	–	–	324,441
Trade receivables*	–	–	–	631,805	631,805	631,805
Bills receivables	733	–	–	–	–	733
Financial assets included in prepayments, deposits and other receivables						
– Normal*	68,845	–	–	–	–	68,845
Amounts due from related parties	8,408	–	–	–	–	8,408
Time deposits	1,344,746	–	–	–	–	1,344,746
Cash and cash equivalents	381,572	–	–	–	–	381,572
	2,128,745	–	–	631,805	–	2,760,550

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21 to the Consolidated financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the debtor
- a breach of contract such as a default or past due event
- it is probable that the debtor will enter bankruptcy or another financial reorganisation

41. Financial Risk Management Objectives and Policies (continued)

Maximum exposure and year-end staging (continued)

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different segment.

The Group has established a policy to perform an assessment, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Management makes periodic collective assessments for financial assets included in prepayments, deposits and other receivables as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The Group recognised allowance for financial assets other than trade receivables based on 12-month ECLs and adjusts for forward-looking macroeconomic data. Trade receivables to which the Group applies the simplified approach for impairment based on lifetime ECLs.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flows from operations and bank borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group's financial liabilities as at the end of each of the reporting periods, based on the contractual undiscounted payments, was as follows:

2025	Less than				Total RMB'000
	On demand RMB'000	1 year RMB'000	1 to 3 years RMB'000	Over 3 years RMB'000	
Trade and bills payables	-	143,239	-	-	143,239
Financial liabilities included in other payables and accruals	207,818	-	-	-	207,818
Interest-bearing bank borrowings	-	171,101	-	-	171,101
Amounts due to related parties	20,572	-	-	-	20,572
Lease liabilities	-	12,718	7,787	12,928	33,433
	228,390	327,058	7,787	12,928	576,163

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41. Financial Risk Management Objectives and Policies (continued)

Liquidity risk (continued)

2024	On demand <i>RMB'000</i>	Less than 1 year <i>RMB'000</i>	1 to 3 years <i>RMB'000</i>	Over 3 years <i>RMB'000</i>	Total <i>RMB'000</i>
Trade and bills payables	–	178,018	–	–	178,018
Financial liabilities included in other payables and accruals	200,682	–	–	–	200,682
Interest-bearing bank borrowings	–	286,566	–	–	286,566
Amounts due to related parties	29,926	–	–	–	29,926
Lease liabilities	–	17,777	9,693	15,826	43,296
	230,608	482,361	9,693	15,826	738,488

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the reporting periods.

The asset-liability ratios as at the end of each of the reporting periods are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Adjusted capital	3,754,518	3,774,866
Capital and net debt	968,756	950,508
Gearing ratio	26%	25%

Note: Asset-liability Ratio is Calculated by Dividing Total Liabilities by Total Assets and Multiplying the Product by 100%.

42. Events After the Reporting Period

On 2 February 2026, the Group acquired 40% interest in Huaxi Kindstar from an independent third party for total cash consideration of approximately RMB12.40 million. After acquisition, the Group holds 100% ownership and control of Huaxi Kindstar.

On 4 February 2026, the Group contributed a portfolio of patents with a total fair value of approximately RMB64.35 million to Guangzhou Shengrui Health Technology Co., Ltd., in exchange for a 55% equity interest in the Company. The transaction resulted in the Group obtaining significant influence over Guangzhou Shengrui Health Technology Co., Ltd.,.

On 17 March 2026, the Group completed the acquisition of 90% equity interest in Shanghai Pillar Biotech Co., Ltd. at a total amount of approximately RMB20.5 million. After acquisition, the Group holds control of Pillar Biotech Co., Ltd.

43. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the Reporting Period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Other long-term assets	131,394	131,394
Investments in subsidiaries	519,157	456,078
Amount due from a subsidiary	–	4,913
Financial assets at FVTPL	147,256	81,764
Total non-current assets	797,807	674,149
CURRENT ASSETS		
Prepayments, deposits and other receivables	106	108
Amount due from a subsidiary	1,657,206	1,694,901
Cash and cash equivalents	1,155,981	1,170,999
Total current assets	2,813,293	2,866,008
CURRENT LIABILITIES		
Other payables and accruals	99,821	98,578
Total current liabilities	99,821	98,578
Total non-current liabilities	–	–
Net Assets	3,511,279	3,441,579
DEFICIENCY IN EQUITY		
Share capital	1,621	1,513
Treasury shares	76	76
Reserves	3,509,582	3,439,990
Total equity	3,511,279	3,441,579

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43. Statement of Financial Position of the Company (continued)

Note:

A summary of the Company's equity is as follows:

	Share capital RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Share- based payment reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	1,543	59	5,895,244	108,569	327,588	(2,953,737)	3,379,266
Profit for the year	-	-	-	-	-	62,716	62,716
Final 2023 dividend paid	-	-	(24,549)	-	-	-	(24,549)
Exchange differences on translation of financial statements	-	-	-	-	48,239	-	48,239
Shares issued upon exercise of share options	3	-	271	(275)	-	-	(1)
Repurchase of ordinary shares	(33)	17	(24,076)	-	-	-	(24,092)
At 31 December 2024	1,513	76	5,846,890	108,294	375,827	(2,891,021)	3,441,579
Profit for the year	-	-	-	-	-	102,342	102,342
Final 2024 dividend paid	-	-	-	-	-	(22,430)	(22,430)
Exchange differences on translation of financial statements	-	-	-	-	(70,776)	-	(70,776)
Shares issued upon exercise of share options	2	-	3,113	(3,115)	-	-	-
Equity-settled share option arrangements	-	-	-	2,906	-	-	2,906
Shares issued	106	-	57,552	-	-	-	57,658
Repurchase of ordinary shares	-	-	-	-	-	-	-
At 31 December 2025	1,621	76	5,907,555	108,085	305,051	(2,811,109)	3,511,279