SUMMARY

This summary aims to give you an overview of the information contained in this document and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this document. As this is a summary, it does not contain all the information that may be important to you and we urge you to read the entire document carefully before making your investment decision. There are risks associated with any investment. Some of the particular risks in investing in the [**REDACTED**] *are set out in "Risk Factors" in this document. You should read that section carefully before you decide to invest in the* [**REDACTED**]. *Various expressions used in this section are defined in the sections headed "Definitions" and "Glossary of Technical Terms" in this document.*

OVERVIEW

We are a leading innovative oncology molecular diagnostics and testing company in China. The total addressable market size of the oncology molecular diagnostics and testing market in China is projected to reach RMB561.1 billion in 2030, according to Frost & Sullivan. As a market leader, we believe we are well-positioned to capitalize on the enormous growth potential of the oncology molecular diagnostics and testing market in China. Our proprietary technology spans the full spectrum of molecular testing, and we lead the competition in China in adopting a multi-omics approach that enables the comprehensive testing for cancer risk, early detection, therapy selection, and monitoring for cancer relapse. We are the pioneer in developing diagnostic tools for cancer prognosis and monitoring in China, with the largest market share of 36.8% in terms of revenue in NGS-based prognosis and monitoring in 2021, and launched the country's first MRD detection service, Genecast MRD – Lung. Leveraging our deep understanding of the underlying science and insights into the advancement of the global precision oncology space, we have built a comprehensive product and service portfolio comprising 20 commercialized products and services and 16 product candidates and services under development that cover over 20 cancer types. We have established an industry-leading commercial platform, leveraging our close connection with hospitals, KOLs and physicians; our unique one-stop solution; our strong in-house sales and marketing team; and an optimal mix of IVD products and LDT services offered under our two-pronged market-driven business model through our central laboratory and in-hospital business models. As a result, we are a market leader in terms of revenue for NGS-based breast, colorectal and lung cancer diagnostics and testing in China. These three cancer types are currently the top three cancers in terms of number of patients who have used NGS-based therapy selection in China. With our proven and outstanding operational efficiency and sufficient cash, we are well-positioned to become the first company to be profitable among all of the leading players in the NGS-based oncology molecular diagnostics and testing industry in China. Our commercial capability, coupled with our strong research and development capabilities and our long-term business strategy to focus on developing our in-hospital business, have established solid barriers to entry for our competitors, and we believe that in the foreseeable future, we will gain higher market share in the NGS-based oncology molecular diagnostics and testing market in China.

The following diagram summarizes our commercialized product and service portfolio as of the Latest Practicable Date:

Commercialized Products and Services

	Product/Service	Product Name	Indication	Sample Type		Jurisdiction/ Commercialization Rights	Regulatory Approval
				Tissue	Blood		
IVD	Personalized therapy selection reagents	Genecast IVD – KNBP	Colorectal cancer(1)	●		Global	NMPA Class III in 2021 CE Marking in 2022(2)
IVD	One-stop solution	Genecast Genius G1(3)	n.a.	n.a.	n.a.	Global	NMPA Class I in 2021
IVD	One-stop solution	Genecast INTEGRO V1.0 (Equipment including tumor gene testing data management software)(3)	n.a.	n.a.	n.a.	Global	NMPA Class II in 2021
IVD	One-stop solution	Genecast Genius X(3)(6)	n.a.	n.a.	n.a.	Global	NMPA Class II in 2022
LDT	Cancer Testing Reagents/Services – Therapy selection	Genecast Comprehensive	Pan-cancer	●	●	Global	–
LDT	Cancer Testing Reagents/Services – Therapy selection	Genecast Lung	NSCLC	●	●	Global	–
LDT	Cancer Testing Reagents/Services – Therapy selection	Genecast CRC	Colorectal cancer	●	●	Global	–
LDT	Cancer Testing Reagents/Services – Therapy selection	Genecast Focus	Lung cancer, colorectal cancer, esophagus cancer	●	●	Global	–
LDT	Cancer Testing Reagents/Services – Therapy selection	Genecast RNA Fusion Focus	Pan-cancer	●		Global	–
LDT	Cancer Testing Reagents/Services – Therapy selection	Genecast Glioma	Glioma	●		Global	–
LDT	Cancer Testing Reagents/Services – Therapy selection	Genecast Lung TILs	Immunotherapy	●		Global	–
LDT	Cancer Testing Reagents/Services – Therapy selection	Genecast PD-L1	Pan-cancer	●		Global	–
LDT	Cancer Testing Reagents/Services – Therapy selection	Tissue of Origin®(4)	Pan-cancer	●		Global	–
LDT	Cancer Testing Reagents/Services – Therapy selection	Genecast BRCA	Ovarian cancer, breast cancer, pancreatic cancer	●	●	Global	–
LDT	Cancer Testing Reagents/Services – Therapy selection	Genecast Thyroid	Thyroid Cancer	●		Global	–
LDT	Cancer Testing Reagents/Services – Prognosis and monitoring	Genecast MRD – Lung	NSCLC	●	●	Global	–
LDT	Cancer Testing Reagents/Services – Prognosis and monitoring	Genecast MRD – CRC	Colorectal cancer	●	●	Global	–
LDT	Cancer Testing Reagents/Services – Prognosis and monitoring	Genecast MRD – Comprehensive	Multiple types of cancer (except for lung cancer and colorectal cancer)	●	●	Global	–
LDT	Cancer Testing Reagents/Services – Prognosis and monitoring	MammaPrint®(5) ☆	Early-stage invasive breast cancer	●		China	–
LDT	Cancer Testing Reagents/Services – Early screening	Genecast Hereditary (FAM)	Inherited diseases	●	●	Global	–

☆ Licensed-in products

Notes:

(1) Genecast IVD – KNBP was approved by the NMPA for colorectal cancer in February 2021, and is under clinical trial for the indication expansion to melanoma.

(2) Genecast IVD – KNBP obtained CE marking in March 2022. We are in the process of formulating sales and marketing plans for the potential commercialization of Genecast IVD – KNBP in the EU.

(3) Filing or registration with regional branches of NMPA for Class I and Class II medical device.

(4) We acquired all worldwide rights to Tissue of Origin®.

(5) We were granted exclusive commercialization rights in China to MammaPrint®.

(6) Genecast Genius X is the next iteration of Genecast Genius G1.

The following diagrams summarize the development status of our product candidate and service portfolio that are in the research and development stage, including IVD product candidates and LDT services under development, as of the Latest Practicable Date:

IVD Product Candidates in R&D Stage

Product		Product Name	Indication	Sample Type		R&D Stage				Jurisdiction/ Commercialization Rights	Expected Regulatory Approval[1]
				Tissue	Blood	Product Development	Technical Assessment	Clinical Trial/ Assessment	Regulatory Filing & Preview		
Cancer Testing Reagents	Therapy selection	Genecast IVD – KNBP	Melanoma[2]	●						Global	2024
		Genecast IVD – Pan-Cancer Focus[3]	Pan-cancer	●						Global	2024
		Genecast IVD – Comprehensive[3]	Pan-cancer	●	●					Global	2026
		Genecast IVD – RNA Fusion Focus[3]	Pan-cancer	●						Global	2025
		Genecast IVD – ctDNA Focus[3]	Pan-cancer		●					Global	2026
	Prognosis and monitoring	Genecast IVD – MammaPrint ☆	Breast cancer	●						China	2025
		Genecast IVD – MRD Solid Tumors	Pan-cancer	●	●					Global	2026
	Early screening	Genecast IVD – Early Detection Single Cancer	Gastric cancer		●					Global	2025
		Genecast IVD – Early Detection Multi-Cancer	Gastric cancer, liver cancer, lung cancer, colorectal cancer, pancreatic cancer, other cancer types		●					Global	2026
One-stop solution		GCT MiniSeq Dx-CN (High-throughput sequencer)	n.a.	n.a.	n.a.					Global	2023
		GCT SEQ-2000 (High-throughput sequencer)	n.a.	n.a.	n.a.					Global	2024
		Genecast INTEGRO V X.0 (Equipment including tumor gene testing data management software)	n.a.	n.a.	n.a.					Global	2024

☆ Licensed-in products

Notes:

(1) Expected regulatory approval from NMPA.

(2) Genecast IVD – KNBP was approved by the NMPA for colorectal cancer in February 2021, and is under development for the indication expansion to melanoma.

(3) Genecast IVD – Pan-Cancer Focus, Genecast IVD – Comprehensive, Genecast IVD – RNA Fusion Focus and Genecast IVD – ctDNA Focus obtained CE marking in March 2022. We are in the process of formulating sales and marketing plans for the potential commercialization of these products in the EU.

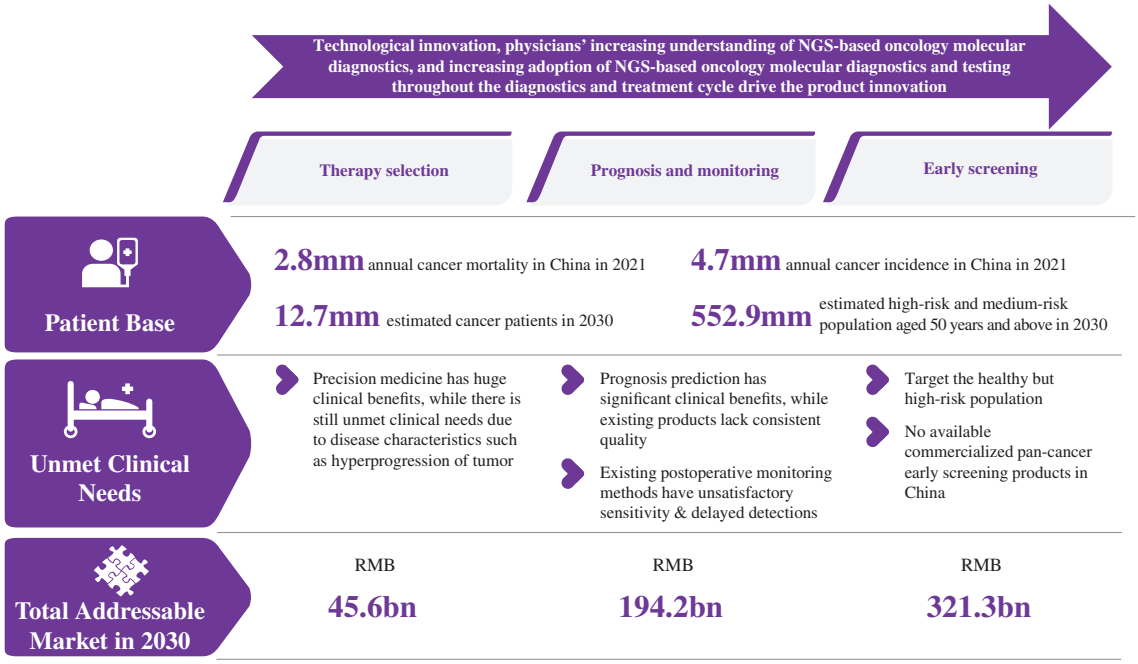
LDT Services in R&D Stage

Product/Service		Product Name	Indication	Sample Type		R&D Stage			Jurisdiction/ Commercialization Rights	Expected Launch
				Tissue	Blood	Technical Research	Assay Development/ Optimization	Technical Validation		
Cancer Testing Reagents/Services	Prognosis and monitoring	Genecast MRD – Monitoring	Late-stage pan-cancer	●	●				Global	2023
	Early screening	Genecast Early Detection Single Cancer 1	Gastric cancer		●				Global	2024
		Genecast Early Detection Single Cancer 2	Undisclosed		●				Global	2024
		Genecast Early Detection Multi-Cancer	7 types of cancer		●				Global	2023

Market Opportunity

The unmet demand for oncology molecular diagnostics and testing is enormous in China. According to Frost & Sullivan, China has the highest cancer incidence and prevalence in the world. In 2021, there were 4.7 million newly diagnosed cases of cancer in China, which is expected to increase to 5.8 million in 2030. The total addressable market for oncology molecular diagnostics and testing in China was RMB271.2 billion in 2021 and is expected to increase to RMB561.1 billion in 2030. The patient penetration rate of NGS-based therapy selection testing in China was 13.4% in 2021 and is expected to reach 68.7% in China by 2030.

The following chart summarizes the market opportunity for therapy selection, prognosis and monitoring, and early screening, the three segments we operate in:



Source: Frost & Sullivan Analysis

Although the market opportunity is immense, the NGS-based oncology molecular diagnostics and testing industry is still at the early stage of development in China, while the industry is highly competitive and the business models are complicated. Major players were established in the last 10 years with most of their revenue currently generated from NGS-based therapy selection products and services. As a leading company in the industry, we have established high barriers in terms of product and service pipeline layout, operational efficiency, R&D strength, commercialization, and qualifications and licenses, through our strong operational capabilities and continuous adaptation to changes in regulations and the business environment, which have set us apart from our competitors and established our leading position in the industry.

As lung cancer was one of the first types of cancer with a large number of biomarkers discovered, 58.9% of NGS-based therapy selection testing in China was performed for lung cancer patients in 2021. With the increasing number of biomarkers being discovered, the penetration rate of NGS-based therapy selection testing in China for other types of cancers such as breast cancer and colorectal cancer is expected to increase.

With the advancement of technology and increasing clinical needs, the market is further expanding to areas such as prognosis and monitoring and early screening. A majority of cancer mortality in China can be attributed to recurrence. The most effective way to reduce such mortality is to conduct MRD testing and select an appropriate treatment. However, MRD levels in early-stage patients after curative surgery may be too small to be detected by NGS methods used for therapy selection purposes. As technology improves, more products and services are launched and physicians' awareness rises, the NGS-based cancer prognosis and monitoring market is expected to grow significantly in the next few years. According to Frost & Sullivan, the NGS-based cancer prognosis and monitoring market is expected to be the fastest growing sub-sector of the oncology molecular diagnostics and testing market from 2023 to 2030.

According to Frost & Sullivan, the high-risk and medium-risk population aged 50 years and above for cancer in China that can benefit from early screening was 433.6 million in 2021 and is expected to grow to at 552.9 million in 2030, indicating an enormous market potential. Emerging technologies such as NGS-based liquid biopsies can detect ctDNA of a tumor before conventional detection methods. However, due to the hurdles of advancement of technologies, test costs, and time requirements to increase public awareness, it is expected that early screening may take longer time to ramp up than prognosis and monitoring. Players with advanced technologies and products may lead the development of the market.

Our Technology, Research and Development Advantages

We are an industry leader in developing innovative oncology molecular diagnostics and testing technology, products and services in China. Our technology has allowed us to diagnose cancer, evaluate and optimize cancer treatment options, detect recurrence of cancer at an earlier stage to improve patients' outcome and quality of life, and detect early-stage cancer for high-risk populations.

We believe we have leading edge NGS technology, which is a massive parallel sequencing technology used to sequence DNA and RNA to indicate genetic variation associated with diseases or other biological phenomena. Our proprietary NGS technology has been optimized through years of continuous research, development, and validation to accurately and sensitively detect genomic alterations and biomarkers, thus enabling the comprehensive testing for cancer risk, early detection, therapy selection, and monitoring for cancer relapse through a multi-omics approach.

Our self-developed innovative oncology molecular diagnostics and testing technologies include:

- *DNA mutation sequencing technology*: DNA mutation sequencing technology detects mutational biomarkers to guide cancer therapy selection. We are one of the first companies in China to commercialize clinical grade cancer therapy selection services based on NGS technology on tumor DNA samples. We are also one of the first companies to conduct liquid biopsy testing in China by sequencing the cfDNA extracted from the blood of late-stage cancer patients whose tumor samples are hardly accessible.

- *RNA extraction and sequencing technology*: RNA extraction and sequencing technology detects gene fusion events and analyzes the quantitative expression of genes related to cancer to guide cancer therapy selection and assess the risk of recurrence of cancer. We developed a proprietary RNA extraction and purification protocol that can produce RNA of significantly higher yield and higher quality than conventional methods from FFPE samples, including low traces of precious clinical FNA specimens. In addition, we have developed, validated, and commercialized Genecast RNA Fusion Focus, an RNA-based NGS test that detects targetable fusion mutations, with superior fusion detection rate over DNA-based fusion detection methods, along with high performance in simultaneous detection of all clinically actionable mutations for targeted therapy selection.

- *MRD technology*: Our MRD technology is built upon our patented MinerVa technology platform and proprietary bioinformatics tools. It is ultra-sensitive, with an LoD as low as 0.008% tumor fraction level, and maintains a high specificity of greater than 99.5% for tracking different quantities of variants in patient plasma samples. Our platform has been clinically validated in LUNGCA, the world's largest lung cancer MRD cohort study, and has been widely used in our commercialized MRD detection services since November 2020.

- *DNA methylation sequencing technology*: Our DNA methylation sequencing technology is built upon our THEMIS technology platform, which allows for profiling of epigenetic modifications of human DNA, with clinical applications in cancer early detection. We are among the first players in China to develop cancer early detection technologies based on epigenetic profiling of cfDNA through methylation sequencing. We have developed a targeted cfDNA methylation

sequencing platform with a patented data analysis model based on MFR for quantification of epigenetic alteration levels at cancer-specific genomic locations, as well as a whole methylome sequencing approach coupled with a machine learning algorithm for simultaneous interrogation and integration of multiple types of cancer biomarkers in liquid biopsy samples for pan-cancer early screening.

- *mIHC and digital pathology technology*: mIHC and digital pathology technology determines the presence and localization of multiple immune biomarkers in tumor tissue samples to predict patient response to immunotherapy. Our cutting-edge mIHC platform enables simultaneous staining of multiple protein markers on the same slide, as compared to the conventional one-marker-per-slide practice. Coupled with digital pathology quantification methods, our mIHC technology offers high-resolution, panoramic tumor microenvironment analysis, and has garnered industry-wide recognition with a large number of scientific papers published in high impact journals.

Through years of R&D projects and clinical testing operations in mass, we have established our advantages in the accumulation of a large volume of multi-omics research data and real-world data specific to the Chinese population. These offer unique insights for improving existing tests, designing new products and services and planning clinical trials better tailored to China market. We have sponsored and collaborated in several clinical studies involving biomarker discovery and validation for Chinese population, with results published in high-impact journals. As of the Latest Practicable Date, we had sponsored or collaborated in 14 registered, large-scale clinical studies. Our ongoing clinical study, LUNGCA, involves the world's largest cohort for MRD detection in lung cancer according to data published in *Clinical Cancer Research*. Our ongoing APEX study, involving 34 clinical centers in China, is the first prospective MRD-stratified Phase III trial for EGFR tyrosine kinase inhibitors regimen in NSCLC. Our APEX study aims to provide critical interventional indications to guide almonertinib combined with or without chemotherapy as an adjuvant treatment of EGFR-positive non-squamous NSCLC.

Our overarching R&D strategy is centered around addressing emerging clinical needs in China market, aiming to commercialize cost-effective products and services that offer actionable insights to cancer patients. Members of our R&D teams come from diverse yet complementary clinical medicine and research backgrounds, and possess cross-disciplinary expertise. Our R&D competency is well recognized in the research community, as evidenced by our scientific publications in collaboration with oncology KOLs. As of the Latest Practicable Date, we co-authored and published a total of 150 peer-reviewed articles in leading academic journals, including 141 in SCI journals and nine in Chinese core journals. Our R&D efficiency was one of the highest among our industry peers in China in terms of research and development expenses per product or service launched, according to Frost & Sullivan. The length of time from development to commercialization of our LDT services is approximately six months to one year, and the length of time from development to regulatory approval and commercialization of our IVD products is approximately three to five years. The longer development time frame for genetic testing IVD reagent products is due to our provision of

such tests in the form of LDT services to collect non-clinical data as well as real-world clinical data to improve the sensitivity and specificity of the IVD reagent product candidates, refine and standardize the testing processes, validate the testing results, and then utilize such non-clinical data and real-world clinical data in combination with the clinical data collected through clinical trials, to seek approvals from the regulators for our genetic testing IVD reagent product candidates.

Our Commercialization Capabilities

We are one of the leading players in terms of revenue for NGS-based breast, colorectal and lung cancer diagnostics and testing in China, and are the market leader in commercializing MRD detection services in China. Our leading commercialization capability is attributable to our strong in-house sales and marketing team, close connection with hospitals, KOLs and physicians, building of laboratories, institutional accreditation, initiating, advancing and completing the registration and obtaining regulatory approval of in-hospital IVD products, as well as successful adoption of a two-pronged market-driven business model through our central laboratory and in-hospital business models, in order to continuously meet with and adapt to changes in regulations and market needs. Our ability to provide a comprehensive product and service portfolio and one-stop solution has also laid a solid foundation for the hospital entry, one of our key growth strategies.

We have built a sales and marketing team covering hospitals in 30 provinces in China. Our hospital network and existing sales network will support the commercialization and market promotion of our future product launches. As of the Latest Practicable Date, our in-house sales and marketing team consisted of 343 team members, and key members of the sales and marketing team have an average of over 10 years of pharmaceutical and medical device sales experience. In 2020, 2021 and 2022, our revenue was RMB304.3 million, RMB393.3 million and RMB434.5 million, respectively. In particular, the year-over-year growth of our revenue was 29.2% from 2020 to 2021 and 10.5% from 2021 to 2022, which were among the highest growth rates of leading players in the market during the respective periods. Our products and services are widely recognized by physicians, hospitals, pharmaceutical and medical device companies, and academia, which helps us establish significant advantages for the commercialization of new products and services. Such recognition includes the following:

- As of the Latest Practicable Date, our products and services had been used by 836 hospitals and prescribed by 7,656 physicians in China. In 2022, our products and services were used by 447 hospitals and prescribed by 3,369 physicians in China;

- As of the Latest Practicable Date, we co-authored with KOLs and published a total of 150 peer-reviewed articles in leading academic journals, including 141 articles in SCI journals and nine articles in Chinese core journals. Such renowned peer-reviewed medical journals include *The Lancet, Advanced Science*, *Clinical Cancer Research*, *Journal of Thoracic Oncology*, *Journal of Hematology & Oncology* and *Thoracic Cancer*; and

- We have strategic business collaborations with top international and Chinese pharmaceutical and medical device companies, such as Agendia, Perkin Elmer, Inc., Jiangsu Hengrui Pharmaceuticals Co., Ltd., CSPC Pharmaceutical Group Limited and Innovent Biologics, Inc.

The oncology molecular diagnostics and testing industry in China is in an early stage of development. Currently, oncology molecular diagnostics and testing companies generate a majority of their revenue through the provision of LDT services to large hospitals under the central laboratory business model as such business model is more mature and had preceded the in-hospital business model by several years. However, since 2018, the NMPA has approved 17 reagent kits that use NGS technology for precision medication guidance of targeted drugs, which has led to the formation of the in-hospital business model to provide IVD products to hospitals. Therefore, it is a common practice for all the leading players in the industry to focus on the R&D of IVD product candidates, and to highly rely on the use of LDTs under the central laboratory business model to collect the relevant clinical and non-clinical data and to further validate testing processes, according to Frost & Sullivan.

We adopt a two-pronged market-driven business model through our central laboratory business model and in-hospital business model, which serves as efficient and complementary distribution channels to maximize our commercialization potentials while complying with PRC regulatory requirements. We have achieved initial scale for our central laboratory business model and are currently strengthening our in-hospital business model, which has a shorter operating history but is growing rapidly. Our long-term business strategy is to focus on developing our in-hospital business as we develop more of our LDTs in the form of NMPA-approved IVDs, develop more IVD equipment and software products for our one-stop solution and scale up our in-hospital business. As of the Latest Practicable Date, we had nine IVD product candidates based on our LDT services and three IVD equipment and software product candidates under development.

- **Central laboratory business model**: We offer LDT services under our central laboratory business model based in our high quality and certified laboratory in Wuxi. Under the central laboratory model, physicians order our tests for their cancer patients during the diagnostic process and have the patients' liquid biopsy or tissue samples shipped to our central laboratory. We receive payments from patient customers and recognize revenue after delivering our test results. Our central laboratory had a testing capacity of 96,000 tests in 2022, which created economies of scale while ensured quality control. According to Frost & Sullivan, we had a market share of 9.0% in terms of sales revenue of the NGS-based oncology molecular diagnostics LDT market in China in 2021. As of the Latest Practicable Date, our laboratory had processed tests for over 88,000 patients from 825 hospitals across China. Revenue from our central laboratory model has accounted for a majority of our revenue during the Track Record Period, and will continue to grow in absolute amount in the foreseeable future. However, we expect revenue from our central laboratory model will gradually decrease as a percentage of our total revenue due to our long-term strategy to focus on developing our in-hospital business.

- **In-hospital business model**: We offer cancer precision diagnostics testing services to hospitals, as well as the sales of IVD reagent kits, equipment and software to hospitals under our in-hospital business model. China's large-scale hospitals prefer to have their in-house capabilities to run diagnosis and tests. However, they encounter multiple hurdles in setting up such capabilities for NGS-based tests. Our fully automated and easy-to-use one-stop solution not only helps hospitals to tackle the challenges, but also integrates with broader hospital information and analytics systems to empower hospitals' precision oncology decision capabilities. In addition, hospitals in China will evaluate whether a testing provider has a broad portfolio of high-quality testing products and services which cover various hospital departments, such as oncology, pathology and laboratory departments. We have established dedicated key accounts sales and supporting technical teams who help our hospital customers establish their in-house laboratories, install equipment and systems and provide ongoing training and support. With these laboratories, equipment and systems in place, we sell hospital customers reagent kits on a recurring basis. We had developed a total of 65 hospital customers under our in-hospital business as of the Latest Practicable Date. While revenue from our in-hospital model, as well as its proportion of total revenue, are still relatively small during the Track Record Period, we are investing substantially to expand our in-hospital business as a long-term strategy and expect it to become an increasingly important segment of our overall business mix in the foreseeable future.

In addition, we build long-term collaborations with leading pharmaceutical companies worldwide and provide R&D service support for new drug development. Based on our technologically advanced therapy selection products and services, our pharmaceutical customers can accelerate the R&D process and improve R&D efficiency in the development of targeted and immunotherapy drugs. Due to relatively limited market potential and typically lower gross margin from such services, we will provide R&D services to pharmaceutical companies on a selected basis so that we can focus on the core central laboratory and in-hospital business models.

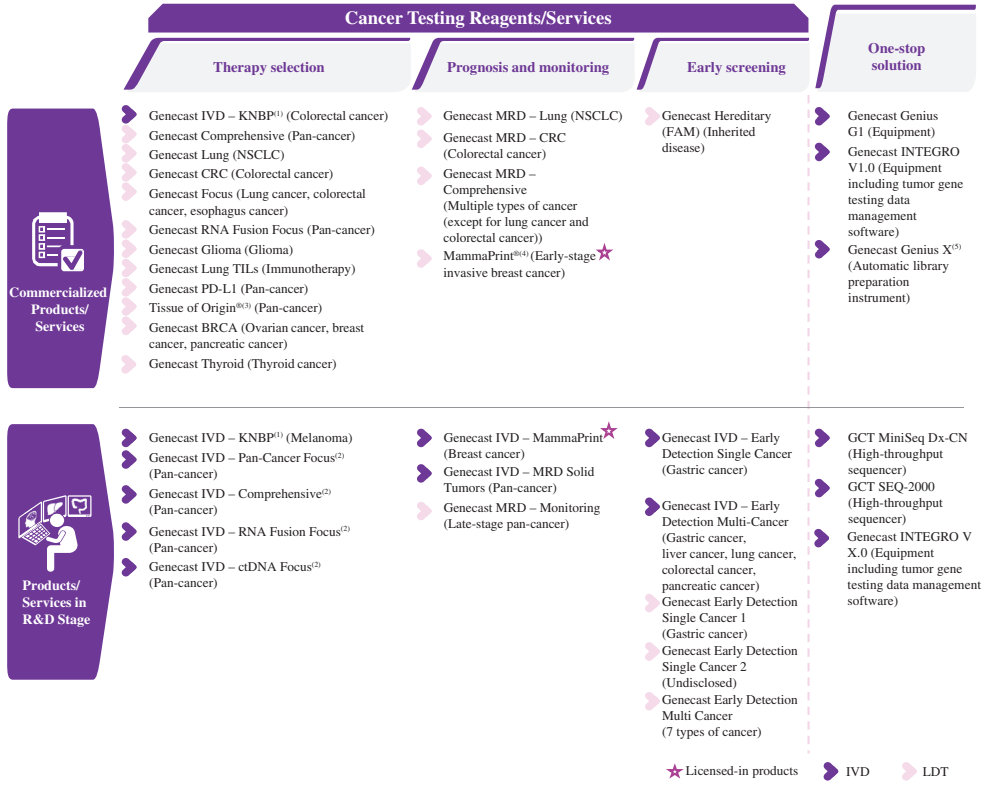
Operating Results

We provided diagnostics and testing services for 20,585, 27,304 and 31,312 cancer patients in 2020, 2021 and 2022, respectively. Although we have a shorter history of commercialization compared to other leading players, since we first recognized revenue in 2016 with full year revenue of approximately RMB5 million, we have achieved one of the highest revenue growth rates among leading players in the oncology molecular diagnostics and testing industry in China. In particular, the year-over-year growth of our revenue was 29.2% from 2020 to 2021, the highest growth rate among leading players in the market from 2020 to 2021. In 2020, 2021 and 2022, we recorded revenue of RMB304.3 million, RMB393.3 million, and RMB434.5 million, respectively. According to Frost & Sullivan, our operating efficiency was one of the highest in the industry in China in terms of operating expense ratio. Furthermore, our R&D efficiency was one of the highest among our industry peers in China in terms of research and development expenses per product and service launched. According to Frost & Sullivan, for the year ended December 31, 2022, our loss for the period was one of the lowest among leading industry players in China.

OUR PRODUCTS AND SERVICES

Leveraging our deep understanding of the oncology molecular diagnostics market, we have built a forward-looking product and service portfolio that anticipates future patient needs. To meet physicians and patients' needs, we are one of the few companies to successfully build a comprehensive and multi-dimensional product and service portfolio targeting over 20 cancer types covering the entire cycle of cancer early detection and screening, diagnosis, treatment selection and monitoring. As of the Latest Practicable Date, our product and service portfolio comprised 20 commercialized products and services, including one IVD product, 16 commercialized LDT services and three commercialized IVD equipment and software products; and 16 product candidates and services under development, including nine IVD product candidates, four LDT services under development and three IVD equipment and software product candidates.

The following diagram is a brief summary of our comprehensive product and service portfolio:



Notes:

(1) Genecast IVD – KNBP was approved by the NMPA for colorectal cancer in February 2021, and is under clinical trial for the indication expansion to melanoma. Genecast IVD – KNBP obtained CE marking in March 2022.

(2) Genecast IVD – Pan-Cancer Focus, Genecast IVD – Comprehensive, Genecast IVD – RNA Fusion Focus and Genecast IVD – ctDNA Focus obtained CE marking in March 2022.

(3) We acquired all worldwide rights to Tissue of Origin®.

(4) We were granted exclusive commercialization rights in China to MammaPrint®.

(5) Genecast Genius X is the next iteration of Genecast Genius G1.

- **Therapy selection**: In the cancer therapy selection market, we have developed the ability to continuously and successfully launch new products and services. Since 2016, we have successfully launched Genecast IVD – KNBP and 10 LDT services to meet the various needs of patients for therapy selection. Our self-developed Genecast IVD – KNBP is the first NGS companion diagnostic kit indicated only for colorectal cancer commercialized in China, which was approved by the National Medical Products Administration of the PRC (the "**NMPA**") in February 2021, and the second NGS companion diagnostic kit indicated only for colorectal cancer commercialized worldwide, according to Frost & Sullivan. We plan to seek NMPA approval to expand the indication of Genecast IVD – KNBP to the treatment of melanoma as the detection of mutations in KRAS, NRAS, BRAF and PIK3CA genes also can be applied to melanoma. Due to Genecast IVD – KNBP's high sensitivity and specificity for mutation detection and accurate test results, it has become the cornerstone of our IVD automated one-stop solution, which enables us to provide hospitals with fully automated molecular diagnostic testing.

  In March 2022, we received CE marking for our Genecast IVD – KNBP and our four therapy selection IVD product candidates, namely Genecast IVD – Pan-Cancer Focus, Genecast IVD – Comprehensive, Genecast IVD – RNA Fusion Focus and Genecast IVD – ctDNA Focus. Obtaining CE marking confirms the high quality of Genecast IVD – KNBP and these IVD product candidates, and allows us to commercialize Genecast IVD – KNBP and these IVD product candidates in countries of the European Economic Area.

  We are one of the first oncology molecular diagnostics and testing companies in China to develop comprehensive immunotherapy efficacy prediction services. Our self-developed multidimensional tumor assessment LDT service, Genecast Comprehensive, covers 769 genes, which is one of the largest number of genes detected by a therapy selection LDT service in China, including all genes and loci associated with target therapy and immunotherapy drugs for solid tumors approved by the FDA and the NMPA and recommended under the NCCN guidelines, and drug candidates under clinical development according to databases of ongoing clinical trials. In addition, our Genecast Lung TILs and Genecast — PD-L1 provide cancer patients with immunotherapy support.

- **Prognosis and monitoring**: We are the first company in China to launch prognosis and monitoring services and had the largest market share in terms of revenue in NGS-based prognosis and monitoring in China in 2020 and 2021. We help patients assess the risk of recurrence after curative surgery while tumor burden is low and timely intervention may lead to prolonged patient survival. Due to the long product development cycle for prognosis and monitoring products, we developed the most comprehensive service coverage in this area through a combination of collaboration with partners and in-house development. As prognosis and monitoring is an emerging market in China with few products and services available, we pursued

collaboration opportunities to position ourselves as a leader in the industry. We partnered with Agendia as early as in 2018 with respect to the exclusive rights to commercialize MammaPrint® in China. MammaPrint® targets breast cancer, a highly prevalent cancer type, and was the first prognosis and monitoring service to be launched in China for breast cancer. In the meantime, we concurrently started the in-house development of our MRD detection services. The launch of these services through collaboration demonstrates our partners' recognition of our R&D capabilities and technology advantages in prognosis and monitoring, where the commercialization of products and services also requires the support of a strong technology platform.

In November 2020, we launched our self-developed Genecast MRD – Lung, the first commercialized MRD detection service in China. It utilizes our patented MinerVa platform and unique algorithms to provide MRD detection for NSCLC. We are also the first company to conduct a MRD clinical study on lung cancer in China. LUNGCA, the clinical trial by which Genecast MRD – Lung was validated, began patient enrollment in 2017 and has the largest cohort in the world for MRD studies in lung cancer, according to data published in *Clinical Cancer Research*. In addition to Genecast MRD – Lung, we further expanded our MRD detection services coverage by launching Genecast MRD – CRC for colorectal cancer in February 2022 and Genecast MRD – Comprehensive for multiple types of cancer (except for lung cancer and colorectal cancer) in June 2022.

- **Early screening**: In cancer early screening, we are dedicated to providing clinical benefits to genetically high-risk populations. We have launched our genetic screening LDT service Genecast Hereditary (FAM), an NGS-based multi-gene test covering over 50 types of hereditary cancer syndromes in 25 solid tumors, to provide cancer risk assessment for high-risk populations.

  Early on, we recognized the enormous long term market potential of early screening. As the development of early screening products and services is a lengthy process, we invested in the research and development of our DNA methylation technologies and bioinformatics algorithm models as early as 2018.

  We expect potential growth in the cancer early screening market may take several years to ramp up due to current limitations in technology, high costs, lack of public awareness and motivation of healthy individuals to obtain early screening. We are developing five early screening products and services to capture market share in the steadily growing early market. We believe our early screening products and services, including our pan-cancer early screening and our single-cancer early screening products and services, will be affordable and provide substantial clinical value for high-risk populations, improve survival rates of cancer patients and help us capture market opportunities.

We also provide hospitals with our one-stop solution ranging from testing reagents to hardware and software, including Genecast Genius G1 automated sample processing system, Genecast Genius X automated sample processing system, Genecast INTEGRO V1.0 fully automated bioinformatics analysis machine including tumor gene detection data management software, Genecast INTEGRO V X.0 fully automated bioinformatics analysis machine including tumor gene detection data management software, GCT MiniSeq Dx-CN high-throughput sequencer and GCT SEQ-2000 high-throughput sequencer. Our one-stop platform enables hospitals to utilize fully automated and user friendly one-stop solution throughout the entire testing process from sample preparation to report generation, which significantly improves sequencing efficiency, cost and quality control, and testing time.

We adopt a combination of in-house development and collaboration approach to build a comprehensive and forward looking product pipeline. Our experience in the industry and R&D approach based on clinical needs enables us to identify areas with high unmet clinical needs, and has led to successful collaborations with global leading diagnostics companies. In 2021, we acquired all worldwide rights of Tissue of Origin® to strengthen our product and service offerings in therapy selection. As the cancer prognosis and monitoring market is at an early stage of development, we strategically developed our product and service portfolio in this sector since as early as 2018, and also successfully collaborated with Agendia to launch MammaPrint® to position ourselves as a leader in the industry. The introduction of high quality products and services through collaborations not only complements our in-house developed product and service pipeline, but also allows us to enhance our commercialization capabilities.

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success:

- Outstanding operational efficiency and well-capitalized cash position to lead to profitability;

- A pioneer and market leader in prognosis and monitoring/MRD with the largest market share in China, successfully building multidimensional entry barriers including technology, R&D and clinical data, and commercialization;

- Market leader in the oncology molecular diagnostics and testing industry in China, with a rich and forward-looking product and service pipeline built on strategic vision to precisely capture clinical needs and rigorous assessments of technological trends;

- Most comprehensive and advanced NGS-based diagnostics and testing technology platform in the industry;

- Proven and strong commercialization capabilities, two-pronged central laboratory and one-stop in-hospital solution recognized by top hospitals and KOLs; and

- Industry leading, first-class and visionary founders and management team backed by support from renowned investors.

OUR STRATEGIES

We are committed to leading the technological innovation in precision oncology in China, and providing cancer patients with optimal diagnostic solutions and post-treatment management throughout the disease cycle. We plan to implement the following strategies to achieve these goals:

- Precisely capture clinical needs and quickly expand our product and service pipeline;
- Optimize technology platforms and analytical models to enhance core technical barriers;
- Continue to develop the in-hospital market and form a complete and systematic channel for hospitals;
- Enhance brand awareness and recognition and maintain a leading position in the market; and
- Explore cooperation with the insurance companies to break through the payment bottleneck.

RESEARCH AND DEVELOPMENT

Our research and development team possesses global vision and rich industry experience. As of the Latest Practicable Date, our research and development team consisted of 304 members based in China, of which 157 members of our research and development staff possessed a master's or doctorate degree.

Through our research and development efforts, we have developed and launched one commercialized IVD product, 16 LDT services and three IVD equipment and software. We focus our research and development efforts on six platforms: (i) NGS panel and bioinformatics, (ii) multi-omics assays and machine learning algorithms, (iii) automation and software integration, (iv) IVD product development and clinical registration, (v) digital solutions of cancer clinical and genomics data collection, integration, sharing, visualization, analysis, and evidence generation and (vi) digital solutions of clinico-genomics data and AI-based decision support systems for oncology. For more details, see "Business — Research and Development — Research and Development Platforms" in this document.

INTELLECTUAL PROPERTY RIGHTS

We have built a comprehensive intellectual property portfolio in China and overseas to protect our technologies, inventions and know-how and ensure our future success with commercializing our products and services. As of the Latest Practicable Date, we had 72 granted patents in China, 263 registered trademarks in China, one registered trademark in the

U.S. and two registered trademarks in Hong Kong, as well as 28 pending patent applications in China, seven pending patent applications in the U.S., five active PCT patent applications and 86 pending trademark applications in China. We believe there is no material legal impediment for us to obtain the approvals for these pending patents and trademarks. During the Track Record Period and up to the Latest Practicable Date, our Directors confirm that we were not involved in any material proceedings in respect of, and we had not received notice of any material claims of infringement of, any intellectual property rights that are threatened or pending, in which we may be a claimant or a respondent. For more details, see "Business — Intellectual Property Rights" in this document.

TESTING CAPACITY

As of the Latest Practicable Date, we had 83 testing personnel. In 2020, 2021 and 2022, we had a testing capacity of 72,000 tests, 96,000 tests and 96,000 tests, respectively, actual testing volume of 53,578 tests, 68,650 tests and 69,112 tests, respectively, and utilization rates of 74.4%, 71.5% and 72.0%, respectively, for our LDT services in our testing laboratory in Wuxi. As of the Latest Practicable Date, we had one certified laboratory to perform LDTs located in Wuxi, China, with an aggregate GFA of approximately 1,400 sq.m., and three other laboratories for research and development in Beijing, Wuhan and Wuxi with an aggregate GFA of approximately 1,059 sq.m., 2,171 sq.m. and 373 sq.m., respectively. We perform LDTs on FFPE tissue and liquid biopsy samples in our NCCL-certified, EMQN EQA-certified, A2LA ISO15189 accredited and CAP-accredited laboratory in Wuxi, China. Our Wuxi laboratory has conducted registrations and obtained licenses as applicable, and is authorized to perform PCR amplification and NGS method examination for clinical use. In addition, our Wuxi laboratory obtained ISO15189 accreditation in June 2022. To ensure quality, our clinical laboratory has passed 76 EQA tests during the Track Record Period.

For more details, see "Business — Testing Capacity" in this document.

MANUFACTURING CAPACITY

As of the Latest Practicable Date, we had 20 manufacturing personnel with extensive experience at our Taizhou manufacturing facilities. In 2020, 2021 and 2022, we had production capacity of 4,950 kits, 4,950 kits and 4,950 kits, respectively, actual production volume of 940 kits, 2,377 kits and 2,237 kits, respectively, and utilization rate of 19.0%, 48.0% and 45.2%, respectively, for reagent kits. The utilization rate of our original Taizhou manufacturing facility increased significantly from 2020 to 2021 as a result of our rapid business growth, including the commercialization of Genecast IVD – KNBP indicated for CRC in 2021. However, due to COVID-19 related travel constraints and the suspension of regular patient admissions in hospitals to prevent the cross-infection of COVID-19 resulting in less patients visiting hospitals for oncology molecular diagnostics and testing and decreased customer demand, the utilization rate of our original Taizhou manufacturing facility was slightly lower in 2022 compared to 2021. We expect customer demand to increase as the PRC government has lifted many of the COVID-19 related constraints and as hospitals return to their normal mode of operation.

We conduct all of the manufacturing process of our IVD in-hospital products and reagent kits in-house. As of the Latest Practicable Date, we had two manufacturing facilities located in Taizhou, China, which were primarily used for the production of reagent kits. Our original Taizhou manufacturing facility has an aggregate GFA of approximately 1,908 sq.m., an annual production capacity of 4,950 reagent kits. We have implemented quality management systems as part of our manufacturing processes. Our original Taizhou manufacturing facility obtained YY/T0287-2017 idt ISO 13485:2016 certification in December 2018, which was renewed in December 2021. Our new Taizhou manufacturing facility commenced operations in July 2022. It has an aggregate GFA of approximately 6,496 sq.m. and annual production capacity of over 10,500 reagent kits.

For more details, see "Business — Manufacturing Capacity" in this document.

SALES, MARKETING AND PRICING

We have built a strong in-house sales and marketing team to expand our hospital network and customer base. As of the Latest Practicable Date, we had a sales and marketing team of 343 team members in China. As of the Latest Practicable Date, we primarily sold and marketed Genecast IVD – KNBP and three IVD equipment and software products, and performed 16 LDT services in China.

We employ a strategic marketing model to promote and sell our products and services. Under this model, we promote our products and services to hospitals in China through collaboration with pharmaceutical companies and equipment companies, and through academic marketing, by establishing research and clinical collaboration and training relationships with hospitals and by leveraging our network with KOLs.

We offer LDT services to individual patient customers directly as prescribed by physicians and to hospital customers commissioned by patients, as well as sell IVD products, including reagent kits and equipment and software, to hospitals. Therefore, hospitals and physicians' recognition are essential for our sales and marketing performance. We established a robust sales network, covering 30 provinces in China as of the Latest Practicable Date. As of the Latest Practicable Date, our sales network covered 836 hospitals in China, which we provide our (i) therapy selection, (ii) prognosis and monitoring, (iii) early screening and (iv) IVD hardware and software products and services of our one-stop solution. We plan to expand our sales and marketing team and utilize our established relationships with hospitals and doctors to increase sales of our products and services.

As of the Latest Practicable Date, we had one commercialized IVD product, 16 LDT services and three IVD equipment and software products in the market, and there was no tender or bidding process or guidance price set by relevant PRC government authorities on our product or services. In terms of pricing strategy, in general, we will determine the prices for our products and services based on arm's length business negotiations on a case by case basis

between us and hospitals or medical institutions. We will consider factors such as the estimated demand for our products and services, the prices of products and services offered by our competitors and local market potential.

For more details, see "Business — Sales and Marketing" in this document.

OUR CUSTOMERS

During the Track Record Period, we derived our revenues primarily from the provision of the cancer precision diagnostics testing services to individual patient customers performed in our laboratories under our central laboratory business, and from the sales of products and services to hospitals under our in-hospital business. In 2020, 2021 and 2022, the aggregate sales to our five largest customers were RMB34.9 million, RMB61.4 million and RMB74.4 million, respectively, representing 11.4%, 15.7% and 17.1% of our revenue, respectively.

For more details, see "Business — Our Customers" in this document.

OUR SUPPLIERS AND RAW MATERIALS

During the Track Record Period, our major suppliers primarily consisted of (i) suppliers of laboratory equipment, reagents, consumables and maintenance and repair services, (ii) foreign trade agency service providers, (iii) rental property providers, (iv) testing service providers and (v) technical equipment and service providers. In 2020, 2021 and 2022, purchases (excluding VAT) from our five largest suppliers in aggregate amounted to RMB53.7 million, RMB85.7 million and RMB102.5 million, respectively, representing 20.2%, 22.8% and 23.0% of our total purchases, respectively.

For the production of our IVD products, our principal raw materials are chemical reagents, packaging and labeling materials. For the provision of our LDT services, our principal raw materials are reagents and consumables. In 2020, 2021 and 2022, our costs of raw materials and consumables used under cost of sales amounted to RMB54.4 million, RMB84.2 million and RMB114.5 million, respectively, and our costs of raw materials and consumables used under research and development expenses amounted to RMB30.7 million, RMB31.2 million and RMB44.9 million, respectively.

For more details, see "Business — Our Suppliers and Raw Materials" in this document.

OVERLAPPING CUSTOMER AND SUPPLIER

During the Track Record Period, Customer C was our overlapping customer and supplier. Our Directors confirmed that all of our sales to and purchases from Customer C were conducted on arm's length basis and separately negotiated based on market practice, were incidental transactions, were not inter-conditional, inter-related or otherwise considered as one transaction. For details, see "Business — Our Customers" in this document.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

This summary of key financial information set forth below has been derived from, and should be read in conjunction with, our consolidated audited financial statements, including the accompanying notes, set forth in the Accountants' Report set out in Appendix I to this document, as well as the information set forth in the section headed "Financial Information."

Summary Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table summarizes our consolidated statements of profit or loss and other comprehensive income for the years indicated:

	Year Ended December 31,		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	304,325	393,258	434,522
Cost of sales	(95,496)	(130,252)	(160,952)
Gross profit	208,829	263,006	273,570
Selling and marketing expenses	(186,959)	(252,593)	(280,064)
Administrative expenses	(98,493)	(123,847)	(160,131)
Research and development expenses	(137,366)	(176,187)	(250,183)
Other operating income	4,496	7,097	6,037
Other operating expenses	(1,347)	(3,590)	(5,968)
Operating loss	(210,840)	(286,114)	(416,739)
Other income and gains	11,035	49,561	24,619
Finance costs	(16,632)	(1,155)	(6,642)
Other expenses	(254)	(2,015)	(556)
[**REDACTED**]	–	[**REDACTED**]	[**REDACTED**]
Share of loss of an associate	(3,787)	–	–
Fair value losses on financial liabilities at fair value through profit or loss ("FVTPL")	(360,407)	(159,221)	(17,641)
Loss before tax	(580,885)	(406,829)	(428,694)
Income tax (expense)/credit	–	(103)	103
Loss for the year	(580,885)	[**REDACTED**]	[**REDACTED**]

The following table reconciles our adjusted net loss presented to our loss for the years indicated:

	Year Ended December 31,		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Loss for the year	(580,885)	(406,932)	(428,591)
Adjustment for:			
Fair value losses on financial liabilities at FVTPL	360,407	159,221	17,641
Share-based payments expenses	60,309	57,764	112,368
[**REDACTED**]	–	[**REDACTED**]	[**REDACTED**]
Gain resulting from transfer of an investment in an associate to financial assets designated at FVTOCI	–	(17,333)	–
Adjusted net loss	(160,169)	[**REDACTED**]	[**REDACTED**]

During the Track Record Period, all of our revenue was generated from contracts with customers, including central laboratory business, in-hospital business and the provision of other services in Mainland China. In 2020, 2021 and 2022, we recorded revenue of RMB304.3 million, RMB393.3 million and RMB434.5 million, respectively. During the same periods, we recorded operating losses of RMB210.8 million, RMB286.1 million and RMB416.7 million, and net losses of RMB580.9 million, RMB406.9 million and RMB428.6 million, respectively. Our net losses mainly resulted from (i) operational expenses, primarily including selling and marketing expenses, research and development expenses and administrative expenses, (ii) share-based payments expenses, and (iii) non-operational expenses, primarily including fair value losses on financial liabilities at fair value through profit or loss ("**FVTPL**"), which were related to our preferred shares and were one-off and non-operational in nature. For more details, see "Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income" in this document.

Non-IFRS Financial Measures

In addition to the IFRS measures in our consolidated financial statements, we also use the non-IFRS financial measures of adjusted net loss to evaluate our operating performance. We believe that these non-IFRS measures provide useful information to investors in understanding and evaluating our consolidated results of operations in the same manner as our management and in comparing financial results across accounting periods on a like-for-like basis.

From time to time in the future, there may be other items that we may exclude in reviewing our financial results. The use of adjusted net loss has material limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for or superior to analysis of, the results of operations or financial condition as reported under IFRS. In addition, the non-IFRS financial measures may be defined differently from similar terms used by other companies and therefore may not be comparable to similar measures presented by other companies.

We derive adjusted net loss from loss for the year by eliminating the impacts of fair value losses on financial liabilities at FVTPL, share-based payments expenses, [**REDACTED**] and gain resulting from transfer of an investment in an associate to financial assets designated at FVTOCI, which were non-operational or primarily related to non-recurring events during the Track Record Period.

Fair value losses on financial liabilities at FVTPL were recorded to reflect the fair value change in our issued preferred shares, which were one-off and non-operational in nature. The preferred shares shall be converted into the same number of ordinary shares of the Company immediately before the completion of the [**REDACTED**]. For details, see Note 28 to the Accountants' Report in Appendix I to this document. Share-based payments expenses were related to our share option scheme and restricted stock scheme for the purpose of providing incentives and reward to eligible participants who contribute to the success of our operations, which were non-cash and non-operational in nature. For details, see Note 30 to the Accountants' Report in Appendix I to this document. [**REDACTED**] were mainly in relation to our proposed [**REDACTED**], which were non-recurring in nature. Gain resulting from transfer of an investment in an associate to financial assets designated at FVTOCI mainly represented the difference between the fair value of the shares of Beijing Zhenzhi Medical Technology Co., Ltd. held by our Group and the book value as measured under equity method on the date of the loss of significant influence, which was non-recurring in nature. For details, see Note 17 to the Accountants' Report in Appendix I to this document. As a result, we do not consider these items to be related to our ordinary course of business or indicative of our ongoing core operating performance and exclude these items in reviewing our financial results.

Summary Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	79,095	143,682	133,951
Total current assets	1,290,232	1,054,768	958,866
Total assets	1,369,327	1,198,450	1,092,817
Total non-current liabilities	4,132	11,826	2,791,144
Total current liabilities	2,656,035	2,827,200	347,064
Net current (liabilities)/assets	(1,365,803)	(1,772,432)	611,802
Total liabilities	2,660,167	2,839,026	3,138,208
Net liabilities	(1,290,840)	(1,640,576)	(2,045,391)
Equity attributable to owners of the parent			
Share capital	–	–	84
Reserves	(1,290,840)	(1,640,576)	(2,045,475)
Total deficit	(1,290,840)	(1,640,576)	(2,045,391)

For more details, see "Financial Information — Discussion of Certain Selected Items From the Consolidated Statements of Financial Position" in this document.

Summary Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the years indicated:

	Year Ended December 31,		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Cash flows used in operating activities before movements in working capital	(119,188)	(199,482)	(271,682)
Changes in working capital	(19,648)	(56,401)	(1,954)
Interest received	189	507	6,467
Income taxes paid	–	–	–
Net cash flows used in operating activities	(138,647)	(255,376)	(267,169)
Net cash flows (used in)/from investing activities	(1,089,576)	257,169	758,611
Net cash flows from/(used in) financing activities	1,258,629	(22,857)	128,269
Net increase/(decrease) in cash and cash equivalents	30,406	(21,064)	619,711
Cash and cash equivalents at beginning of the year	8,339	38,745	17,681
Effect of foreign exchange rate changes, net	–	–	9,845
Cash and cash equivalents at end of the year	38,745	17,681	647,237

For more details, see "Financial Information — Liquidity and Capital Resources" in this document.

KEY FINANCIAL RATIO

The following table sets forth our key financial ratio as of the dates indicated:

	As of December 31,		
	2020	2021	2022
Current ratio[(1)]	0.5	0.4	2.8
Quick ratio[(2)]	0.5	0.4	2.6

Notes:

(1) Current ratio represents current assets divided by current liabilities as of the same date. If eliminating the impacts of the financial liabilities at FVTPL, which were related to our preferred shares and non-recurring and non-operational in nature, the "adjusted current ratio" would be 13.9, 10.0 and 2.8 as of December 31, 2020, 2021 and 2022, respectively.

(2) Quick ratio represents current assets less inventories and divided by current liabilities as of the same date.

For more details, see "Financial Information — Key Financial Ratio" in this document.

RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks are set out in the section headed "Risk Factors" in this document. Some of the major risks we face include: (i) we may be adversely affected by the uncertainties and changes in the laws and regulations in the PRC with respect to the oncology molecular diagnostics and testing industry, particularly those in relation to the Laboratory Developed Test ("LDT") business model. Any lack of requisite approvals, permits, registrations or filings in relation to our business may have a material adverse effect on our business, results of operations and prospects; (ii) we have a relatively limited experience in marketing and sales of our products and services, particularly our IVD products under our in-hospital business model and our MRD detection services. There can be no assurance that we will be able to successfully commercialize our products and services; (iii) our success depends on our ability to provide reliable, high-quality data and analysis and to rapidly evolve to meet our customers' needs. If our products and services, or similar oncology molecular diagnostics and testing services and products available in the market in general, do not meet the expectations of customers, our operating results, reputation and business could suffer; (iv) our future growth depends substantially on the successful development of our product candidates and services under development. If we are unable to successfully complete clinical development, obtain regulatory approval, commercialize our product candidates or services under development, or keep up with industry and technology developments, or if we experience significant delays in doing so, our business will be materially harmed; (v) if clinical trials of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory

authorities or do not otherwise produce positive results in a timely manner or at all, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates; (vi) the regulatory approval processes are lengthy, expensive and inherently unpredictable. If we are not able to obtain, or experience delays in obtaining, required regulatory approvals, we will not be able to commercialize our product candidates, and our ability to generate revenue will be materially impaired; (vii) we face substantial competition and rapid market changes, which may result in others discovering, developing or commercializing competing products and services before or more successfully than we do, or respond and adapt to the market changes more quickly and effectively; and (viii) our operations and business plans may be adversely affected by natural disasters, epidemics and pandemics, civil and social disruption and other outbreaks, in particular the COVID-19 outbreak.

Given the high risks involved in our business and our industry in general, you may lose substantially all your investments in us. You should read the entire section headed "Risk Factors" in this document before you decide to invest in the [**REDACTED**].

PRE-[REDACTED] INVESTMENTS

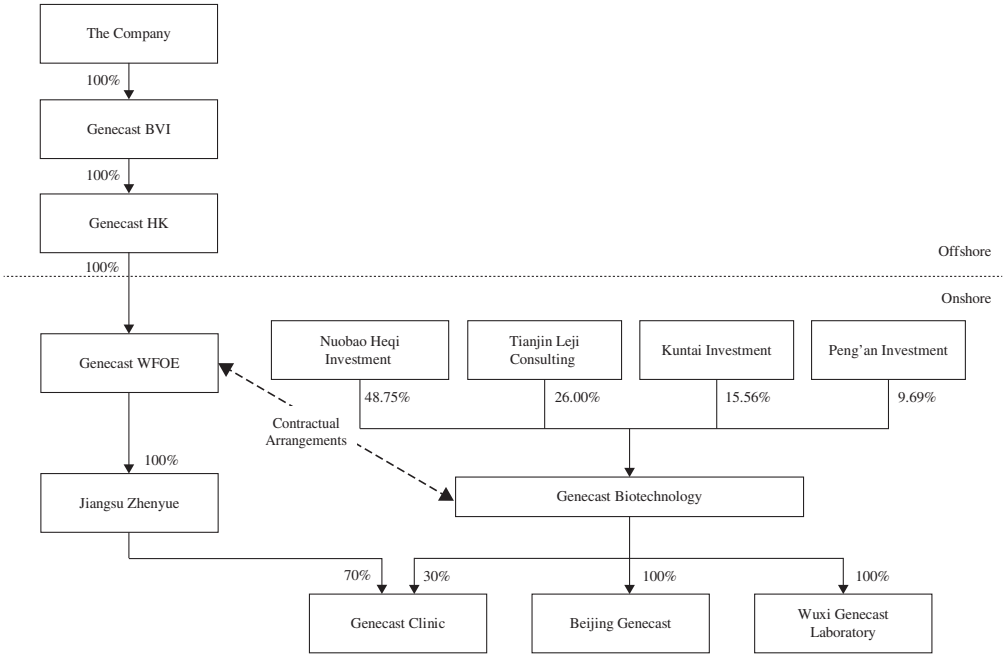
We have received several rounds of Pre-[**REDACTED**] Investments since the establishment of our Group. Our Pre-[**REDACTED**] Investors include investors focusing on investment in biotech and healthcare industry. For more details, see "History, Reorganization and Corporate Structure — Pre-[**REDACTED**] Investments" in this document.

OUR CONTROLLING SHAREHOLDERS

Upon completion of the [**REDACTED**], Mr. Du will be entitled to exercise voting rights attached to the Shares representing approximately [33.53]% of the total issued share capital of our Company (assuming the [**REDACTED**] is not exercised). Mr. Du, Genecast Holding, DB Genecast Holding Limited and DB Eva Holding Limited will be considered as the Controlling Shareholders of our Company upon [**REDACTED**]. Upon [**REDACTED**], Mr. Du will not exercise the voting rights attached to any unvested Shares under the Share Award Plan. Moreover, in the event where any underlying Shares are vested or released pursuant to the Share Award Plan, the grantees shall delegate the voting rights attached to such Shares to Mr. Du. For more details, see "Relationship With Our Controlling Shareholders" and "D. Share Award Plan" in Appendix IV in this document.

CONTRACTUAL ARRANGEMENTS

Due to foreign ownership restrictions under PRC laws and regulations, our Company is unable to own or hold 100% equity interest in the Consolidated Affiliated Entities primarily engaged in (a) provision of oncology clinic services and (b) the research, development and/or provision of oncology diagnostics and testing services. Rather, we control the 30% equity interest in Genecast Clinic and 100% equity interests in Genecast Biotechnology, Beijing Genecast and Wuxi Genecast Laboratory through Contractual Arrangements, through which we are able to consolidate substantially all the economic benefits from the Consolidated Affiliated Entities. For more details, see "Contractual Arrangements" in this document. The following simplified diagram illustrates the flow of economic benefits from the Consolidated Affiliated Entities to our Company under the Contractual Arrangements:



Notes:

(1) "——▶" denotes direct legal and beneficial ownership in the equity interest.

(2) "◀---▶" denotes contractual relationship.

DIVIDEND

No dividend have been declared or paid by entities comprising our Group. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not have any dividend policy to declare or pay any dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by our board of directors and subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including the successful commercialization of our products as well as our earnings, capital requirements, overall financial condition and contractual restrictions. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Adviser, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there had been no material adverse change in our business, financial condition and results of operations, and there had been no event that would materially affect the information as set out in the Accountants' Report included in Appendix I to this document, since December 31, 2022, being the latest balance sheet date of our consolidated financial statements as set out in the Appendix I to this document, and up to the date of this document.

[REDACTED]

[**REDACTED**] STATISTICS

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

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]**
Our Company's [**REDACTED**] upon completion of the [**REDACTED**]	HK$[**REDACTED**] million	HK$[**REDACTED**] million
[**REDACTED**] adjusted consolidated net tangible assets per Share[(1)]	HK$[**REDACTED**]	HK$[**REDACTED**]

Note:

(1) The [**REDACTED**] adjusted consolidated net tangible assets per Share has been arrived at after adjustments referred to in "[**REDACTED**] Financial Information" in Appendix II to this document.

[**REDACTED**]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**] million, after deducting [**REDACTED**] commissions, fees and estimated expenses payable by us in connection with the [**REDACTED**], and assuming the [**REDACTED**] being not exercised and an [**REDACTED**] of HK$[**REDACTED**] per Share, which is the mid-point of the indicative [**REDACTED**] range stated in this document.

We currently intend to apply these net [**REDACTED**] for the following purposes:

Amount of the estimated net [REDACTED]	**Intended use of net [REDACTED]**
[**REDACTED**]%, or HK$[**REDACTED**] million	For further development and commercialization of Genecast IVD – KNBP, including: • [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**] million, will be used to fund the further research and development for Genecast IVD – KNBP; and • [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**] million, will be used for the sales and marketing activities in relation to Genecast IVD – KNBP.

Amount of the estimated net [REDACTED]	**Intended use of net [REDACTED]**
[**REDACTED**]%, or HK$[**REDACTED**] million	For enhancing our other product offerings to strengthen our product and service portfolio
[**REDACTED**]%, or HK$[**REDACTED**] million	For investing in technology to strengthen core competencies
[**REDACTED**]%, or HK$[**REDACTED**] million	For strengthening our commercialization capabilities
[**REDACTED**]%, or HK$[**REDACTED**] million	For our working capital and general corporate purposes

For more details, see "Future Plans and [**REDACTED**]" in this document.

[REDACTED]

[**REDACTED**] to be borne by us are estimated to be approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) (including [**REDACTED**] commission), at the [**REDACTED**] of HK$[**REDACTED**] per Share, and assuming the [**REDACTED**] is not exercised. As of December 31, 2022, we incurred a total of RMB[**REDACTED**] million (HK$[**REDACTED**] million) in [**REDACTED**], among which RMB[**REDACTED**] million were recognized in our consolidated statements of profit or loss, and RMB[**REDACTED**] million were capitalized. We estimate that additional [**REDACTED**] of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) (including [**REDACTED**] commissions of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million), assuming the [**REDACTED**] is not exercised and based on the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], will be incurred by our Company, approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) of which is expected to be capitalized. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

IMPACT OF COVID-19 PANDEMIC

Since December 2019, the outbreak of a novel strain of coronavirus causing coronavirus disease 2019 ("**COVID-19**") has materially and adversely affected the global economy. As of the Latest Practicable Date, the spread of COVID-19 continued to affect many countries and regions in the world, including Mainland China. Since late July 2021, the COVID-19 has recurred in the form of the Delta variant in China and overseas, and since November 2021, another variant designated as Omicron has also been discovered in many cases over the globe. The COVID-19 resurgences have created more uncertainties for our business operations, especially our abilities to conduct offline sales and marketing activities. As of the Latest Practicable Date, China had still been affected by the COVID-19 pandemic, and PRC government had taken measures such as restrictions on mobility to contain the spread of the virus until December 2022. As the promotion and sales of our products and services generally require physical access to hospitals and offline meetings with physicians and cancer patients, lockdowns and limitation on mobility have affected our operations and financial performance. In particular, in 2022, the COVID-19 resurgences in major cities in China, such as Shanghai,

Xi'an and Changchun, and the stringent disease control measures taken by the PRC government nationwide, had a negative impact on our business, as some of our major hospital customers are located in those affected cities. In addition, our supply chain and clinical trials may also be affected by the COVID-19 pandemic. In relation to the supply chain, we expect that we may experience delay in the import of raw materials due to the COVID-19 pandemic, and in some cases, such delay may affect the quality of certain imported reagents. In relation to the research and development schedule, the patient enrollment and data analyses for our clinical trials in certain areas may be interrupted by the regional COVID-19 resurgences from time to time due to the government restriction policies.

However, we believe the impact of the COVID-19 pandemic on our business operations is temporary and we expect a gradual recovery in markets in China, primarily as the COVID-19 related restrictive measures in China have been gradually lifted in various regions in China since December 2022 pursuant to new measures announced by the Chinese government, given that the resurgences are less severe in terms of the lower mortality rate and higher curability rate than the COVID-19 outbreak in early 2020. The expected development progress of our product candidates and services under development has taken into account the temporary delays and disruptions on our ongoing clinical trials caused by the COVID-19 resurgences in China.

Our Directors have carried out a holistic review of the impact of the COVID-19 pandemic on our operations and confirmed that as of the Latest Practicable Date, COVID-19 had not had any long-term material adverse impact on our operations. However, we cannot be entirely certain as to whether and when the COVID-19 pandemic will be fully contained. There remain significant uncertainties surrounding the COVID-19 outbreak and its further development as a global pandemic, considering the situation outside China and the occasional regional resurgence of COVID-19 cases and the stringent disease control measures taken by the PRC government in certain areas in China. We are closely monitoring the development of the COVID-19 pandemic and continuously evaluating any potential impact the pandemic may have on our business, results of operations and financial condition.

For more details, see "Financial Information — Impact of the COVID-19 Pandemic" and "Risk Factors — Key Risks Relating to Our Business and Industry — Our operations and business plans may be adversely affected by natural disasters, epidemics and pandemics, civil and social disruption and other outbreaks, in particular the COVID-19 outbreak" in this document.