***This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to* [REDACTED] *in the* [REDACTED]. *There are risks associated with any* [REDACTED]. *Some of the particular risks in* [REDACTED] *in the* [REDACTED] *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* [REDACTED] *in the* [REDACTED].**

OVERVIEW

Deeply rooted in the life sciences industry, we primarily focus on providing comprehensive solutions that are used by our customers from research and development to commercialization of biologics products. We operate two main business lines, namely, (i) bioprocess solutions, through which we offer a broad product portfolio, including reagents, consumables and equipment, that covers all major steps of the bioprocess; and (ii) laboratory products and services, through which we mainly provide products for laboratory R&D, which include reagents, consumables and equipment, and relevant services for bioprocess solutions and laboratory R&D that include technical and development services, testing services and verification services. We primarily serve pharmaceutical companies, contract research organizations (CROs)/contract development manufacturing organizations (CDMOs) and scientific research institutions.

The life sciences industry witnessed strong growth in recent years and promises large market opportunities. It is a broad industry that includes upstream markets such as bioprocess solutions market and laboratory products market, as well as various downstream markets where the biologic drugs market is a major segment. The downstream markets in the life sciences industry are generally served by the products and services from the upstream markets. As an upstream market serving the downstream biologic drugs market, the bioprocess solutions market benefits from the growth of the biologic drugs market since such growth is likely to generate more demand for bioprocess products and services. China's bioprocess solutions market grew rapidly from US$1.0 billion in 2017 to US$5.1 billion in 2021, representing a CAGR of 51.6% from 2017 to 2021, and is expected to continue to increase to US$14.1 billion in 2026, representing a CAGR of 22.9% from 2021 to 2026, compared to a CAGR of 17.8% and 14.4% in the respective period for the global bioprocess solutions market. Correspondingly, the proportion of domestic bioprocess solutions in China's bioprocess solutions market in terms of revenue has increased steadily from 19.2% in 2017 to 26.4% in 2021. According to Frost & Sullivan, China's bioprocess solutions market is fragmented, with only a few players that are able to provide a wide range of products and services. We ranked tenth among all bioprocess solutions providers in China in terms of revenue in 2021, with a market share of approximately 1.6%.

SUMMARY

Having started our journey in bioprocess solution industry with the establishment of a cell culture media development platform, we have since gradually expanded our product and service portfolio to cover all major steps of the bioprocess and laboratory R&D. We will continue to advance the development and commercialization of new products to enhance our integrated solutions to further serve our customers with suitable quality products and services. We serve the entire cycle of biopharmaceutical development. For example, we provide reagents, consumables and equipment covering drug discovery, preclinical, clinical and commercialization stages. In the stage of drug discovery, we provide water purification systems, customized cell culture media and single-use products to various laboratories of biopharmaceutical companies as well as scientific research institutions. In the preclinical and clinical stages, we provide single-use bioreactors, culture media, chromatography resins, filters and other process equipment and single-use products in connection with the GMP production of the corresponding clinical samples. In the commercialization stage, we can adapt our production capacity to meet the demand of CROs/CDMOs and biopharmaceutical companies to provide comprehensive and suitable quality reagents, consumables and equipment for commercial production of biologic drugs. We are able to manage our production scale of a product by batches based on different customer specifications at various stages of drug development.

The following diagram illustrates the main components of our business:

We have continuously expanded our product and service portfolio during the Track Record Period. According to Frost & Sullivan, we were the only Chinese domestic bioprocess solutions provider whose product portfolio covered all major steps of the bioprocess as of the Latest Practicable Date. Major steps of the bioprocess cover the upstream steps that include cell thawing and cell culture, to the downstream steps that include refined purification and filtration. The key products involved in these major steps of bioprocess are cell culture media, bioreactors, filters, chromatograph and single-use products. In terms of revenue of bioprocess solutions products in 2021, we ranked tenth among all bioprocess solutions providers in China,

with a market share of approximately 1.6%. We believe that the wide coverage and diversity of our products and services is the cornerstone for offering one-stop bioprocess solutions, which allows us to cross sell products and services across our different business units.

As an early entrant in China's bioprocess solutions market, we have gained significant first-mover advantages and have also made breakthroughs in the following key product categories of China's bioprocess solutions market, according to Frost & Sullivan:

- *Cell culture media*: We were the first Chinese domestic bioprocess solutions provider to engage in the development and commercialization of serum-free culture media. Among all Chinese domestic cell culture media providers, our cell culture media were used in the highest number of antibody and CGT projects that entered into the BLA stage and commercialization stage as of the Latest Practicable Date.

- *Single-use products*: As of the Latest Practicable Date, we were a leading bioprocess solutions provider in China that owned complete and in-house developed intellectual property rights for, and possess the ability to, manufacture, key components used in the commercialization of single-use products. We ranked fourth among all the single-use products providers in China and second among Chinese domestic single-use products providers in terms of revenue from single-use products in 2021, with a market share of 5.1%.

- *Bioreactors*: We were the first Chinese domestic bioprocess solutions provider to successfully self-develop and manufacture bioreactors necessary for industrialized culturing of cells, breaking the dominance of MNCs with regard to such products in China. As of the Latest Practicable Date, we were also a leading bioprocess solutions provider in the world that are capable of manufacturing both stainless-steel bioreactors and single-use bioreactors.

- *Nano particles preparation systems for drugs*: We were the first bioprocess solutions provider in the world to apply high-pressure homogenizers and nanometer technologies on a large scale in the biologics industry and are a leading provider in the field of nano particles preparation systems for drugs.

- *Chromatography resins*: We were the first Chinese domestic player to acquire the capability of large-scale separation and purification of vaccines and viruses using our proprietary macroporous chromatography resins technology.

- *Laboratory water purification systems*: As of the Latest Practicable Date, we were the first Chinese domestic company that entered the U.S. and European laboratory water purification systems markets and the largest Chinese domestic provider of laboratory water purification systems in China in terms of revenue in 2021.

We adopt a "design-in" approach to provide comprehensive solutions to our customers, which we believe is central to our success as a one-stop comprehensive solution provider. We provide our products and services through establishing collaboration with our customers at an early stage of drug development and actively participating in their R&D and manufacturing processes. We aim to increase the depth of our collaboration with and enhance the stickiness of our customers, and seamlessly extend into the later stages of their business cycle, including pilot testing, clinical trials and commercialization stages. We offer comprehensive solutions to our customers. In addition to our proprietary products, we also sell distributed products that are produced by third-party manufacturers. Revenue from our distributed products accounted for 51.9%, 31.4% and 20.6% of our total revenue for the years ended December 31, 2020, 2021 and 2022, respectively.

We also leverage strategic acquisitions to broaden our product and service portfolio, enhance our technological capabilities and expand our sales channels. We accumulated extensive experience in a series of successful acquisitions and integrations in recent years, which allowed us to efficiently integrate upstream and downstream steps of the bioprocess for comprehensive coverage, and expand our footprint in the laboratory products and services market. Since 2020 and up to the Latest Practicable Date, we successfully acquired and integrated Lianghei Technology, Jinke Filtration, Ximai Testing, ATS Engineering, RephiLe Bioscience, Chubo Biotechnology, Salus Bioscience and Tchuyee Biotechnology. These acquired subsidiaries complemented our capabilities in the entire life sciences industrial value chain by allowing us to integrate new technologies, talents, customers, production lines and other resources, thereby creating synergies for our business.

Our revenue increased from RMB193.3 million in 2020 to RMB596.1 million in 2021, and further increased to RMB798.4 million in 2022. In 2020, 2021 and 2022, our profit for the year amounted to RMB277.8 million, RMB264.7 million and RMB34.6 million, respectively. We believe we would be able to capitalize on the opportunities arising from the changing landscapes in China's life sciences industry to maintain the rapid growth of our business.

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiate us from our competitors: (i) first-mover advantages to capture the opportunities arising from the fast-growing life sciences industry; (ii) China's leading one-stop and integrated platform for the bioprocess solutions market; (iii) strong R&D and manufacturing capabilities driving customer-oriented innovation; (iv) high-quality, loyal and expanding customer base; (v) proven track record of acquisitions and in-depth strategic cooperation that drive considerable and rapid growth; and (vi) dedicated, professional and experienced management team with highly efficient execution capabilities and strong shareholder support.

OUR BUSINESS STRATEGIES

We are rooted in China and aim to be a leader in the global life sciences industry. To achieve our objective, we plan to implement the following key strategies: (i) continue to expand our product and service portfolio and enhance our integrated solutions; (ii) further implement our merger and acquisition strategy; (iii) strengthen our R&D capabilities and continue to invest in technological innovation; (iv) expedite our globalization strategy; and (v) further explore industry-wide collaboration.

OUR PRODUCTS AND SERVICES

Bioprocess Solutions

We are a one-stop bioprocess solutions provider. Our bioprocess solutions cover all major steps of the bioprocess, from the upstream steps that include cell thawing and cell culture, to the downstream steps that include refined purification and filtration. Our products under the bioprocess solutions business can be categorized into reagents and consumables, as well as equipment.

Reagents and Consumables

Our reagents and consumables primarily include (i) cell culture media, which are artificial environments used for culturing cells; (ii) single-use products, which mainly include single-use containers (including dosing bags, reservoir bags and reactor bags) and single-use tubes (including thermoplastic tubes, silicone tubes and linkers); (iii) filters, which are key to the filtration step in the bioprocess; (iv) chromatography resins, which are the media used to capture and polish monoclonal antibodies (mAbs), antibody fragments, vaccines, and other biomolecules using a stationary phase; and (v) other reagents.

Equipment

The equipment we manufacture and sell under our bioprocess solutions business primarily include (i) bioreactors, which are devices that exploit the biological functions of organisms to obtain target products through biochemical reaction or metabolism in vitro or in vivo. The bioreactors we manufacture primarily include single-use bioreactors and stainless-steel bioreactors; (ii) nano particles preparation systems for drugs, including high-pressure homogenizers (equipment in the bioprocessing industry that are used for the extraction of intracellular proteins after fermentation in the bioprocess) liposome extruders (equipment used to execute extrusions, where the liposome suspension is passed through a membrane filter of a defined pore size. They are widely used in the pharmaceutical and biotechnology industry to achieve a specified vesicle size in a reproducible and scalable process) and microjet nano emulsifiers (equipment in the bioprocessing industry that are used for improving the uniformity of distribution and drug particle stability in bioprocess and bioengineering by applying stable ultra-high pressure); and (iii) other systems and instruments.

Laboratory Products and Services

Laboratory Products

In the laboratory products business, we primarily provide reagents, consumables and equipment for laboratory R&D, including, among others, laboratory water purification systems and purification cartridges, single-use shake flasks, fully-automatic CO_2 thermostatic shakers, laboratory bioreactors and distribution pumps.

Services

In respect of our services business, we primarily provide relevant services for our bioprocess solutions and laboratory R&D, which consists of (i) customized technical and development services; (ii) testing services: we test certain quantitative values of the products as specified by customers, including, among others, the amount of components in cell culture media and degree of cleanness of manufacturing equipment; and (iii) verification services: we verify whether the products as specified by customers, including, among others, filters, storage or transportation system and manufacturing equipment, comply with various industry standards. Please refer to the section "Business – Our Products and Services" in this document for further details.

CUSTOMERS

We maintain a high-quality, extensive and loyal customer base. Our customers primarily consist of pharmaceutical companies, CROs/CDMOs and scientific research institutions in China and overseas. According to Frost & Sullivan, as of the Latest Practicable Date, all of the top ten Chinese biologics companies in terms of the revenue in 2021, were our customers. The revenue we generated from these top ten Chinese biologics companies was RMB69.8 million in 2021, accounting for 11.7% of our total revenue in the same year. For the years ended December 31, 2020, 2021 and 2022, the revenue from our five largest customers in each period amounted to RMB97.8 million, RMB238.1 million and RMB251.5 million, respectively, accounting for 50.6%, 39.9% and 31.5% of our total revenue for the same periods. For the years ended December 31, 2020, 2021 and 2022, the revenue from our largest customer in each period, WuXi Biologics Group, amounted to RMB53.3 million, RMB124.5 million and RMB142.2 million, respectively, accounting for 27.6%, 20.9% and 17.8% of our total revenue for the same periods. Please see "Business – Customers" for details.

SUPPLIERS

Our suppliers primarily consist of equipment suppliers, raw materials suppliers and testing and certification service providers. For the years ended December 31, 2020, 2021 and 2022, the purchases from our five largest suppliers amounted to RMB79.3 million, RMB221.3 million and RMB198.5 million, respectively, accounting for 52.8%, 39.6% and 36.1% of our total purchases for the same periods. For the years ended December 31, 2020,

2021 and 2022, the purchases from our largest supplier in each year amounted to RMB54.8 million, RMB116.3 million and RMB95.8 million, respectively, accounting for 36.4%, 20.8% and 17.4% of our total purchases for the same periods. Please see "Business – Suppliers" for details.

INTELLECTUAL PROPERTY

Our efficient and effective R&D team independently develops technologies and know-hows pursuant to our customer-oriented R&D strategy. As of the Latest Practicable Date, we had (i) 101 trademarks; (ii) 55 trademark applications; (iii) 218 issued patents (including five patents jointly held with independent third parties) with a tenure generally ranging from 10 to 20 years, comprising 52 invention patents, seven exterior design patents and 159 utility model patents; (iv) 52 filed patent applications (including seven patents applications jointly applied with independent third parties); (v) 33 software copyrights; and (vi) 17 domain names. See the section headed "Appendix VI – Statutory and General Information – B. Further Information about Our Business – 2. Intellectual property rights of Our Group" in this document for more information of our intellectual property. As of the same date, we self-owned most of our patents and patent applications, and had a few co-owned or co-shared arrangements of our patents and patent applications with third parties. Our proprietary technologies enable us to maintain our competitive advantages in sustainable technological and product innovations in bioprocess solutions market. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any intellectual property infringement claims which had any material adverse impact on our Group. Please see the section headed "Business – Intellectual Property" in this document.

COMPETITION

As of the Latest Practicable Date, we primarily faced competition from other bioprocess solutions providers in China's bioprocess solutions market, including MNCs and Chinese domestic players. According to Frost & Sullivan, China's bioprocess solutions market has grown rapidly in recent years and is expected to continue to experience further growth. China's bioprocess solutions market is fragmented, with only a few players that are able to provide a wide range of products and services. There are relatively high entry barriers to this market, where the players that accumulated technology advantages and enjoyed first-mover advantages, customer stickiness and scale and synergy effects are more likely to obtain the market leading position. From 2017 to 2021, China's bioprocess solutions market had been dominated by MNCs. Please see the section headed "Industry Overview" in this document for details of the global and China's bioprocess solutions market. For more details, please see "Business – Competition" in this document for details.

FACILITIES

As of the Latest Practicable Date, we operated 11 production facilities in China. Our manufacturing complies with the quality standards and product specifications as required by our customers. We endeavor to manufacture and deliver high quality products, which requires us to constantly maintain high technical standards of our production processes. Please refer to "Business – Our Facilities and Production" for details.

SUMMARY FINANCIAL INFORMATION

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

Summary of Consolidated Statements of Profit or Loss

The following table sets forth the components of our consolidated statements of profit or loss for the periods indicated:

	For the year ended December 31,		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	193,256	596,090	798,432
Cost of sales	(122,733)	(321,129)	(445,309)
Gross profit	70,523	274,961	353,123
Profit before tax	334,514	406,114	207,999
Profit for the year	277,752	264,717	34,575
Attributable to:			
Owners of our Company	274,177	233,860	37,550
Non-controlling interests	3,575	30,857	(2,975)

In 2020, 2021 and 2022, our total revenue amounted to RMB193.3 million, RMB596.1 million and RMB798.4 million, respectively. During the Track Record Period, we generated revenue from bioprocess solutions, which refer to the reagents, consumables and equipment used in bioprocess solutions, and laboratory products and services, which refer to the laboratory products provided for laboratory R&D, and relevant services for our bioprocess solutions and laboratory R&D. In 2020, 2021 and 2022, our profit for the year amounted to RMB277.8 million, RMB264.7 million and RMB34.6 million, respectively. The increase in our net profit from 2020 to 2021 was primarily due to the our significant revenue growth in connection with our business expansion. The decrease in our net profit from 2021 to 2022 was primarily due to a combined effects of our increasing operating expenses in connection with our business expansion and additional tax payments we made. See "Financial information – Period to period comparison of results of operations" for more information.

We believe the following items are not directly related to our business performance during the Track Record Period. For the years ended December 31, 2020, 2021 and 2022, we had (i) fair value gain of unlisted investment (net of taxes) of RMB303.0 million and RMB701.7 million and fair value loss of unlisted investment (net of taxes) of RMB15.7 million, respectively; and (ii) share award expenses (net of taxes) of RMB46.0 million, RMB557.8 million and RMB26.8 million, respectively.

The above-mentioned items collectively had a positive impact of RMB257.0 million and RMB143.9 million on our net profit for the years ended December 31, 2020 and 2021, respectively, and a negative impact of RMB42.5 million on our net profit for the year ended December 31, 2022. Similarly, the above-mentioned items collectively had a positive impact of RMB260.2 million and RMB152.1 million on our net profit attributable to the owners of our Company for the years ended December 31, 2020 and 2021, respectively, and a negative impact of RMB42.5 million on our net profit attributable to the owners of our Company for the year ended December 31, 2022.

The following table sets forth revenue by product category attributable to each of our two business lines for the periods indicated:

	For the year ended December 31,					
	2020		2021		2022	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Bioprocess solutions:						
Reagents/consumables						
– Single-use products	57,113	29.6	190,839	32.0	200,532	25.1
– Filters	36,241	18.8	117,478	19.7	87,434	11.0
– Cell culture media	20,211	10.5	37,615	6.3	88,005	11.0
– Chromatography resins	2,177	1.1	1,626	0.3	18,948	2.4
Equipment						
– Bioreactors	50,988	26.4	125,759	21.1	117,083	14.7
– Nano particles preparation systems for drugs	–	–	23,454	3.9	97,630	12.2
– Other systems and instruments[(1)]	984	0.5	30,471	5.1	58,581	7.3
Sub-total	167,714	86.8	527,242	88.5	668,213	83.7
Laboratory products and services:						
Laboratory products						
– Reagents and consumables	8,964	4.6	16,360	2.7	9,827	1.2
– Equipment	15,591	8.1	40,016	6.7	96,462	12.1
Services	987	0.5	12,472	2.0	23,930	3.0
Sub-total	25,542	13.2	68,848	11.5	130,219	16.3
Total	**193,256**	**100.0**	**596,090**	**100.0**	**798,432**	**100.0**

Note:

(1) Mainly include tube sealers and completeness testers.

The following table sets forth the revenue and gross profit of our products by nature for the periods indicated:

	For the year ended December 31,					
	2020		2021		2022	
	Revenue	Gross Profit	Revenue	Gross Profit	Revenue	Gross Profit
	RMB'000		*RMB'000*		*RMB'000*	
Proprietary products	92,890	49,222	408,843	230,243	633,763	317,398
Distributed products	100,366	21,301	187,247	44,718	164,669	35,725
Total	**193,256**	**70,523**	**596,090**	**274,961**	**798,432**	**353,123**

The following table sets forth the revenue by geographical area for the periods indicated:

	For the year ended December 31,					
	2020		2021		2022	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Bioprocess solutions:						
– Mainland China	167,708	86.8	527,227	88.5	656,057	82.2
– Overseas	6	*	15	*	12,156	1.5
Laboratory products and services:						
– Mainland China	25,542	13.2	68,848	11.5	105,716	13.2
– Overseas	–	–	–	–	24,503	3.1
Total	**193,256**	**100.0**	**596,090**	**100.0**	**798,432**	**100.0**

* Less than 0.1%

We primarily serve pharmaceutical companies, CROs/CDMOs and scientific research institutions by offering numerous and diversified products and services. In addition, we also sell a small portion of our products and services to distributors. Our distributors generally do not further classify end customers by type. Revenue contributed by our pharmaceutical company, CRO/CDMO and scientific research institution and other customers accounted for approximately 46.0%, 27.7% and 21.9% of our total revenue for the year ended December 31, 2022, respectively.

The following table sets forth the revenue contributed by our organic growth and acquired subsidiaries for the periods indicated.

	For the year ended December 31,		
	2020	**2021**	**2022**
		(RMB'000)	
Revenue from organic growth	**179,986**	**389,121**	**378,777**
Revenue from acquired subsidiaries[(1)]	**13,270**	**206,969**	**419,655**
Lianghei Technology	9,323	128,781	137,774
Jinke Filtration	3,947	41,021	21,759
Ximai Testing	–	9,896	12,633
ATS Engineering	–	27,545	96,516
Chubo Biotechnology	–	–	19,023
RephiLe Bioscience	–	–	55,719
Salus Bioscience	–	–	5,357
Tchuyee Biotechnology	–	–	76,278
Less: Intercompany elimination	–	(274)	(5,404)
Total	**193,256**	**596,090**	**798,432**

Note:

(1) Represent revenue contributed by our acquired subsidiaries since their respective acquisition by us.

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	589,589	922,539	2,261,374
Total current assets	221,908	1,543,946	1,194,512
Total Assets	**811,497**	**2,466,485**	**3,455,886**
Total non-current liabilities	273,391	187,782	857,389
Total current liabilities	123,905	788,162	818,287
Total Liabilities	**397,296**	**975,944**	**1,675,676**
Net Current Assets	**98,003**	**755,784**	**376,225**
Net Assets	**414,201**	**1,490,541**	**1,780,210**
Non-controlling Interests	1,713	4,502	3,530

Our net current assets amounted to RMB98.0 million, RMB755.8 million and RMB376.2 million as of December 31, 2020, 2021 and 2022, respectively. Our net current assets increased from RMB98.0 million as of December 31, 2020 to RMB755.8 million as of December 31, 2021, primarily due to (i) an increase in cash and cash equivalents mainly from increased cash generated from the disposal of our equity interest in Shanghai Lepure, which is an unlisted company, and the proceeds obtained from the Series C financing activity we completed in November 2021; (ii) an increase in financial assets at FVTPL as we purchased structured deposits by using the surplus funds from the disposal of our equity interest in Shanghai LePure,

an unlisted company in China that is primarily engaged in the RPD, production and sales of single-use products and equipment for the biopharmaceutical industry, and the Series C Financing; (iii) an increase in trade and bills receivables mainly due to our increased sales; (iv) an increase in inventories mainly because we increased our production of our proprietary products, partially offset by (i) an increase in other payables and accruals mainly due to an increase in put option over non-controlling interests involving Jinke Filtration and Qizhi Bioengineering; (ii) an increase in tax payable as a result of a large amount of income generated from the disposal of a portion of our equity interest in Shanghai LePure in December 2021; (iii) an increase in trade and bills payables mainly because we increased the procurement of raw materials and components; and (iv) an increase in lease liabilities primarily due to increased leasing in the production facilities and offices resulting from the expansion of our production.

Our net current assets decreased from RMB755.8 million as of December 31, 2021 to RMB376.2 million as of December 31, 2022, primarily attributable to (i) a decrease in financial assets at FVTPL (current portion), which primarily reflected our redemption of a significant amount of wealth management products when they matured; (ii) a decrease in cash and cash equivalents as we made cash investment in renovation and expansion of our production facilities to increase the production capacity of our cell culture media and single-use products and funded our acquisitions of Chubo Biotechnology, RephiLe Bioscience and Tchuyee Biotechnology; (iii) an increase in interest-bearing bank and other borrowings as we took out additional bank loans to fund our working capital; and (iv) an increase in contract liabilities as generally in line with the increased sales of our products, partially offset by a decrease in other payables and accruals resulting from the short-term put option over non-controlling interests in connection with our acquisitions of Qizhi Bioengineering and Jinke Filtration. See "Financial information – Description of Certain Key Items from Our Consolidated Statement of Financial Position – Current Assets and Current Liabilities" for more information.

In addition, as of December 31, 2020, 2021 and 2022, our net assets amounted to RMB414.2 million, RMB1,490.5 million and RMB1,780.2 million, respectively. Our net assets increased from RMB414.2 million as of December 31, 2020 to RMB1,490.5 million as of December 31, 2021, primarily reflecting (i) profit for the year of RMB264.7 million in 2021; (ii) share-based payments of RMB557.8 million in 2021 as we granted additional share awards to our employees to support our business expansion; and (iii) capital contribution from owners of RMB843.5 million in 2021, partially offset by (i) acquisition of non-controlling interests of negative RMB293.0 million in 2021, which was in connection with our non-controlling interests in Qizhi Bioengineering, Lianghei Technology and Jinke Filtration; and (ii) put option over non-controlling interests of RMB296.9 million in 2021, which was in connection with our acquisitions of Qizhi Bioengineering and Jinke Filtration.

Our net assets increased from RMB1,490.5 million as of December 31, 2021 to RMB1,780.2 million as of December 31, 2022, primarily reflecting (i) capital contribution from owners of RMB590.3 million in the year ended December 31, 2022; (ii) acquisition of non-controlling interests of RMB106.8 million in the year ended December 31, 2022; and (iii)

acquisition of subsidiaries of RMB96.5 million, partially offset by put option over non-controlling interests of RMB563.3 million in the year ended December 31, 2022, which was in connection with our acquisition of Chubo Biotechnology.

Summary of Consolidated Statements of Cash Flows

	For the year ended December 31,		
	2020	**2021**	**2022**
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows (used in)/generated from operating activities	14,759	(123,638)	113,346
Net cash flows (used in)/generated from investing activities	(46,645)	275,699	(749,220)
Net cash flows provided by financing activities	46,064	363,189	299,253
Net increase/(decrease) in cash and cash equivalents	**14,178**	**515,250**	**(336,621)**
Cash and cash equivalents at beginning of year	35,333	49,513	563,973
Exchange (losses)/gains on cash and cash equivalents	2	(790)	(2,128)
Cash and cash equivalents at end of year/period	**49,513**	**563,973**	**225,224**
Cash and cash equivalents as stated in the statement of financial position	49,513	572,035	305,224
Time deposits with original maturity of more than three months	–	(8,062)	(80,000)

In 2021, our net cash used in operating activities was RMB123.6 million. This net cash outflow in operating activities was primarily attributable to (i) negative movements in working capital; (ii) negative total adjustments before movements in working capital; and (iii) income tax paid, which was partially offset by our profit before tax. See "Financial information – Liquidity and Capital Resources – Cash Flow Analysis" for more information.

KEY FINANCIAL RATIOS

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

	As of/for the year ended December 31,		
	2020	**2021**	**2022**
Current ratio[(1)] (times)	1.8	2.0	1.5
Quick ratio[(2)] (times)	1.3	1.7	1.0
Interest coverage ratio[(3)] (times)	889.8	837.2	41.3
Gearing ratio[(4)]	1.9%	N/A	25.0%

Notes:

(1) Current ratio equals our current assets divided by current liabilities as of the end of the year.

(2) Quick ratio equals our current assets less inventories divided by current liabilities as of the end of the year.

(3) Interest coverage ratio equals profit before interest and tax for the year divided by interest on bank and other borrowings for the same year.

(4) Gearing ratio equals total debt as of the end of the year divided by total equity as of the end of the same year. Total debt includes all interest-bearing borrowings.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Wang was directly interested in 85,876,923 Shares, representing approximately 24.49% of the total issued share capital of our Company. As (i) the sole general partner of each of Shanghai Duoshi and Shanghai Duohua and (ii) the shareholder of Perennial Health with indirect interest of 69.98%, Mr. Wang is deemed to be interested in a total of 41,676,426 Shares held by Shanghai Duoshi, Shanghai Duohua and Perennial Health (which are our Employee Shareholding Platforms), representing approximately 11.89% of the total issued share capital of our Company. As of the Latest Practicable Date, Mr. Wang, Shanghai Duoshi, Shanghai Duohua and Perennial Health held a total of 127,553,349 Shares, representing approximately 36.38% of the total issued share capital of our Company, and are therefore a group of our Controlling Shareholders. Immediately following the completion of the [**REDACTED**], our group of Controlling Shareholders will be interested in [**REDACTED**] Shares, representing approximately [**REDACTED**]% of our total issued share capital (assuming the [**REDACTED**] is not exercised) or approximately [**REDACTED**]% of our total share capital (assuming the [**REDACTED**] is exercised in full). Please refer to "Relationship with Our Controlling Shareholders" in this document for details.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the [**REDACTED**] of the Stock Exchange for the granting of the [**REDACTED**] of, and permission to [**REDACTED**], our H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] (including any additional H shares that may be [**REDACTED**] pursuant to the exercise of the [**REDACTED**]) and the H shares to be [**REDACTED**] from the Domestic Shares and the Unlisted Foreign Shares on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue of RMB798.4 million (equivalent to approximately HK$887.8 million) for the year ended December 31, 2022, which exceeds HK$500 million; and (ii) our expected market capitalization at the time of [**REDACTED**], which, based on the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per [**REDACTED**]), exceeds HK$4 billion.

EFFECTS OF THE COVID-19 PANDEMIC ON OUR RESULTS OF OPERATIONS

Impact of Covid-19 Pandemic on Our Group

Since December 2019, there has been an outbreak of the novel coronavirus, COVID-19, across the world. On January 30, 2020, the World Health Organization declared that the outbreak of COVID-19 constitutes a Public Health Emergency of International Concern. In February and March 2020, an increasing number of additional cases were confirmed around the world. In March 2020, the World Health Organization declared the coronavirus disease, or COVID-19, as a global pandemic. The outbreak of the COVID-19 pandemic has endangered the health of many people and significantly disrupted travel and global and local economy.

In order to mitigate the risks of the COVID-19 pandemic, we implemented various precautionary measures during the pandemic to maintain a safe and hygienic environment for our staff, including but not limited to (i) measuring the temperature of every person who enters into our offices and production facilities; (ii) recording the health codes (健康碼) and travel codes (行程碼) of the visitors; (iii) arranging nucleic acid tests and quarantines for travelling staff as necessary; (iv) promoting vaccination among employees; and (v) disinfecting public areas.

Despite the fact that the COVID-19 pandemic had caused temporary suspension of business and social activities in China and abroad, including the suspension of manufacturing activities and global logistics and trade, it nevertheless brought about the rapid growth of, and new opportunities in, the biologics industry and the bioprocess solutions market in which we operate, including increased investments in new drug and COVID-19-related drug development, as the outbreak elevated public awareness of healthcare management and disease control. Drug manufacturers were also in the process of testing and applying for approval/authorization for emergency use for oral antiviral prescription drugs to treat COVID-19 symptoms. Accordingly, our business relating to the manufacturing and distribution of vaccines by third-party biopharmaceutical companies, including the diagnosis and treatment of COVID-19, had grown in 2020 and 2021. In addition, according to Frost & Sullivan, the development of COVID-19 pandemic drives customer demand for COVID-19-related vaccines. The number of COVID-19-related vaccinations in China decreased in 2022 compared to that of 2021, which reflected a decrease in the demand for COVID-19-related vaccines. Production activities of COVID-19-related vaccines involve the use of certain of bioprocess solutions products. The decrease in the demand for COVID-19-related vaccines could negatively affect the manufacturers of COVID-19 related vaccines and further negatively affected their demand for certain of our products, including bioreactors, filters and single-use products. However, the revenue contribution from our sales to the manufacturers of COVID-19 related vaccines to our total revenue during the Track Record Period was relatively insignificant and is expected to be relatively insignificant in the future which we believe would not adversely affect our financial performance. Please see the section headed "Financial Information – Impact of COVID-19 Outbreak" for the impact the COVID-19 pandemic on our financial performance.

Since late May 2021 until the Latest Practicable Date, new regional COVID-19 outbreaks have affected certain areas in China, which subsequently spread to other cities, such as Shanghai, Shenzhen, Beijing, Chengdu and Guangzhou. For instance, since March 2022, there was a large-scale outbreak of COVID-19 pandemic linking to the highly transmissible Omicron variant in various provinces across the PRC, particularly in Shanghai, which had been largely contained in June 2022. To contain the spread of COVID-19, local governments reimposed certain quarantine and other restrictive measures on business and social activities, including travel restrictions, temporary city lock-down and mandate of temporary shutdown of business operations and public traffic control across certain regions. Due to the outbreak of Omicron variant, major cities in China announced a series of temporary lockdowns in the first half year of 2022. During the lockdown in Shanghai where our headquarters and certain production facilities are located, certain of our employees in our headquarters in Shanghai were requested to work remotely from March 28 to May 30, 2022 to ensure the continuation of our business operations. We also implemented closed-loop management of our factories in Shanghai to ensure our production capability was normal from mid-March to June 1, 2022. During the suspension, we scaled down our manufacturing activities. In particular, our Lianghei Technology Single-use Products Factory I and Lianghei Technology Single-use Products Factory II suspended their operations for 13 working days in April 2022, our ATS Engineering Nanometer Technology Factory suspended its operations for 24 working days from April to May 2022, and our Jinke Filtration Filters Factory suspended its operations for 47 working days from April to June 2022, as required by the local government of the district in which each factory is located. The idle working days of the suspended factories accounted for 5.2%, 9.6% and 18.8% of their respective total working days in the year ended December 31, 2022.

In early May 2022, the local government in Shanghai allowed companies to gradually resume work and production. Our headquarters and factories in Shanghai resumed normal operations on June 1, 2022. In June 2022, the PRC government began to ease the pandemic control measures, including shortening required quarantine time and easing travel restrictions. Furthermore, starting in December 2022, the PRC government further eased restrictive measures on business and social activities. China re-opened the borders and eliminated mandatory quarantine requirements after it relaxed the restrictions of COVID-19 control on January 8, 2023. Please refer to the section "Business – Effects of the Covid-19 Pandemic on Our Results of Operations" in this document for further information on the impact of COVID-19 on our business and operations. There had been a rapid progression of the COVID-19 infections in China during the period from November 2022 to January 2023. Consequently, we announced "work-from-home" policy from December 2022 to January 2023 to contain the spread of infections in our offices. We also did not experience large-scale COVID-19 related sick leaves from the staff in our production facilities during the same period. Therefore, we continued to maintain normal business operations and production. By the end of January 2023, the surge of COVID-19 infections in the cities where a majority of our employees are located has largely stabilized and our employees have been recovering and returning to work. Our Directors confirmed, and the Joint Sponsors concurred, that from November 2022 to the Latest Practicable Date, the recent COVID-19 outbreaks in China had no material adverse effect on our business, results of operations and financial condition.

We are closely monitoring the development of the COVID-19 pandemic and are continuously evaluating any potential impact on our business, results of operations and financial condition. For further details of the risk associated with the COVID-19 pandemic, please see the sections headed "Risk Factors – Risks Relating to Our Business, Operations, Financial Performance and Prospects – We face risks related to unforeseeable events, such as outbreak of contagious diseases, including COVID-19, occurrence of force majeure events, regulatory changes and/or natural disasters, which could significantly disrupt our operations" in this document.

Our Directors confirmed, and the Joint Sponsors concurred, that we had not experienced any significant disruption and quality issues on supply chain during the Track Record Period, except during the period of the temporary lock-down of Shanghai in the second quarter of 2022 in connection with the COVID-19 pandemic. As of the Latest Practicable Date, our production, sales, supply chain, services and business operations remained stable and normal. Furthermore, on the basis of actions taken to date, our Directors believe that we have demonstrated our ability to respond swiftly in these emergency circumstances.

Impact on Our Profitability During the Track Record Period

The COVID-19 outbreaks in China and elsewhere in the world had adversely affected, and may continue to adversely affect the global and domestic economies, which in turn may have a material adverse impact on our business and operations. Although we resumed normal business operations as of the Latest Practicable Date, the COVID-19 outbreaks and the restrictive measures implemented by the local government authorities to combat these outbreaks and control the spread of the disease, especially those in the first half of 2022, had impacted our financial performance during the Track Record Period. We primarily incurred expenses related to the COVID-19 prevention materials and services, which mainly included masks, non-contact infrared forehead thermometers, disinfectant alcohol and nucleic acid testing services. For the years ended December 31, 2020, 2021 and 2022, we recorded approximately RMB23,400, RMB23,200 and RMB343,500 of expenses related to the COVID-19 prevention materials and services, respectively.

RECENT DEVELOPMENTS

Subsequent to the Track Record Period and up to the date of this document, our business and operation have remained stable, which was in line with our past trends and expectations. In January 2023, we entered into a State-owned construction land use right transfer agreement with the relevant local government authority in Fengxian District of Shanghai. Pursuant to this agreement, we will acquire the land use rights of a parcel of land where we intend to establish and construct our new global headquarters, a R&D center, a new technology application center and other ancillary facilities.

Implication of the Executive Order Signed by President Biden of the United States to Launch a National Biotechnology and Biomanufacturing Initiative

On September 12, 2022, President Joseph R. Biden of the United States issued an executive order outlining new federal biotechnology and manufacturing goals (the "Executive Order"). Under the Executive Order, President Biden announced that the Biden-Harris administration will, among other actions, (i) bolster and coordinate federal investment in biotechnology and manufacturing R&D; (ii) improve and expand domestic biomanufacturing capability; (iii) train and support a diverse and skilled leadership and workforce pool; (iv) clarify and streamline regulations; (v) elevate biological risk management, including by providing for research and investment in applied biosafety and biosecurity innovation; (vi) employ a "forward looking, proactive approach" to assess and anticipate threats and vulnerabilities; (vii) partner with the private sector and other stakeholders to mitigate risks to protect technology leadership and economic competitiveness; and (viii) engage the international community to increase technological cooperation. The Executive Order laid out a strategy for the United States to bolster domestic biomanufacturing and reduce reliance on China for new medicines, chemicals and other products, considering the trend of migration of high-tech production from the United States to overseas in recent years and the competition in biotechnology and biomanufacturing between the United States and China.

On March 22, 2023, the Biden-Harris Administration of the United States published an announcement, which aimed to advance biotechnology and biomanufacturing of the United States, and as response to the Executive Order to help strengthen the domestic bioeconomy of the United States, rebuild its domestic supply chains and support the innovation ecosystem of the United States. The announcement primarily included (i) harnessing biotechnology and biomanufacturing R&D to further societal goal; (ii) establishing biomanufacturing priorities for the Department of Defense of the United States; and (iii) assessing the economic value of the nation's bioeconomy.

According to Frost & Sullivan, the proportion of domestic bioprocess solutions in China's bioprocess solutions market in terms of revenue was 26.4% in 2021. Accordingly, there still exists a large growth potential of Chinese domestic bioprocess solutions in the future. CDMO is an important downstream customer in the bioprocess solution industry. In 2021, the proportion of China-based biologics CDMOs in the global market was 11.7%. In 2020 and 2021, we did not sell any of our products, directly or indirectly, to the United States. In 2022, we sold RMB18.5 million of products to the United States, accounting for 2.3% of our total revenue. Please see the section headed "Risk Factors – Risks Relating to Our Industry – The Executive Order signed by President Biden of the United States to launch a national biotechnology and biomanufacturing initiative may have an adverse effect on our business and expansion plans" in this document. Please refer to the section "Business – Implication of the Executive Order Signed by President Biden of the United States to Launch a National Biotechnology and Biomanufacturing Initiative" in this document for further information.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position since December 31, 2022 (being the date on which the latest consolidated financial information of our Group was prepared) and there is no event since December 31, 2022 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this document.

USE OF [**REDACTED**]

The estimated [**REDACTED**] of the [**REDACTED**] which we will receive after deduction of [**REDACTED**] fees and commissions and estimated expenses payable by us in connection with the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), will be approximately HK$[**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] (being the mid-point of the [**REDACTED**]).

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

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to expand our production capacity of certain products in Jiangsu Province and overseas. In particular: (i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to establish a manufacturing base of equipment and components in Nanjing, Jiangsu Province; (ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to establish overseas production lines to strengthen our global production capabilities; and (iii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to expand our production capacity of liquid cell culture media and chromatography resins by purchasing additional manufacturing equipment and/or recruiting additional production staff.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to selectively pursue strategic acquisitions and equity investments that can enrich our product and service portfolio, enhance the technologies involved in our business, expand our sales channels and further entrench our global footprint.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to enhance our R&D capabilities, thereby bolstering the technical barriers associated with our products and services. Specifically: (i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to establish a global R&D center in Shanghai and an overseas R&D center to develop new technologies that can be widely applied in our various business units and advanced products; (ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to establish two bioprocess application laboratories in China and abroad to research and develop new applications and design-in approaches of our products in various fields; and (iii)

approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to upgrade our existing R&D equipment and expand our business-unit-specific R&D teams for cell culture media, bioreactors, single-use products, chromatography resins and nano particles preparation systems for drugs.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and general corporate purposes to support our business operation and growth.

Please refer to "Future Plans and Use of [**REDACTED**]" in this document for details.

DIVIDENDS

No dividend had been paid or declared by our Company during the Track Record Period.

We currently do not have any dividend policy. Our Board may declare dividends in the future after taking into consideration our results of operations, financial conditions, cash availability/requirements and other factors deemed relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Companies Law. Any proposed distribution of dividends shall be determined by our Board and must be approved by our shareholders at a general meeting. In addition, we may declare interim dividends as our Board considers to be justified by our profits and overall financial requirements. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the discretion of our Board and subject to the approval of Shareholders' meeting. Please refer to the section headed "Financial Information – Dividends" in this document for more information.

[**REDACTED**]

Our [**REDACTED**] mainly include [**REDACTED**] fees and commissions, professional fees paid to legal advisers and service providers for their services rendered in relation to the [**REDACTED**] and other fees and expenses incurred in connection with the [**REDACTED**]. We expect to incur a total of HK$[**REDACTED**] of [**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**], being the mid-point of the indicative [**REDACTED**] between HK$[**REDACTED**] and HK$[**REDACTED**], and assuming that the [**REDACTED**] is not exercised) until the completion of the [**REDACTED**], including (i) [**REDACTED**] commission of HK$[**REDACTED**]; and (ii) non-[**REDACTED**] related expenses of HK$[**REDACTED**], which consist of fees and expenses of legal advisors and Reporting Accountant of HK$[**REDACTED**] and other fees and expenses of HK$[**REDACTED**]), which accounts for [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**]. [**REDACTED**] of RMB[**REDACTED**] were incurred on or before December 31, 2022, of which RMB[**REDACTED**] was charged to our consolidated income statements, while [**REDACTED**] amount of RMB[**REDACTED**] was directly attributable to the [**REDACTED**] of our H Shares to the [**REDACTED**] and will be deducted from equity. We estimate that we will further incur additional [**REDACTED**] of RMB[**REDACTED**] after December 31, 2022, of which

RMB[**REDACTED**] will be charged to our consolidated income statements, and the remaining amount of RMB[**REDACTED**] is expected to be directly attributable to the [**REDACTED**] of our H Shares to the [**REDACTED**] and will be deducted from equity upon the [**REDACTED**]. The [**REDACTED**] above are the best estimate as of the Latest Practicable Date and for reference only and the actual amount may differ from this estimate.

Assuming an [**REDACTED**] of HK$[**REDACTED**], HK$[**REDACTED**] and HK$[**REDACTED**], unaudited [**REDACTED**] adjusted consolidated net tangible asset value was HK$[**REDACTED**], HK$[**REDACTED**] and HK$[**REDACTED**], respectively. See "Appendix II – Unaudited [**REDACTED**] Financial Information" for details.

[**REDACTED**] STATISTICS(1)

	Based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**]	Based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**]	Based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**]
[**REDACTED**] of our Shares upon completion of the [**REDACTED**](2)	HK$[**REDACTED**]	HK$[**REDACTED**]	HK$[**REDACTED**]
[**REDACTED**] of our H Shares upon completion of the [**REDACTED**](3)	HK$[**REDACTED**]	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited [**REDACTED**] adjusted consolidated net tangible asset value [**REDACTED**](4)	HK$[**REDACTED**]	HK$[**REDACTED**]	HK$[**REDACTED**]

Notes:

(1) All statistics in this table are presented based on the assumption that the [**REDACTED**] are not exercised.

(2) The calculation of [**REDACTED**] is based on [**REDACTED**] Shares expected to be in [**REDACTED**] immediately following the completion of the [**REDACTED**].

(3) The calculation of [**REDACTED**] is based on [**REDACTED**] H Shares expected to be in [**REDACTED**] immediately following the completion of the [**REDACTED**].

(4) The unaudited [**REDACTED**] adjusted consolidated net tangible asset value [**REDACTED**] is calculated after the adjustments referred to in "Appendix II – Unaudited [**REDACTED**] Financial Information" to this document and on the basis of [**REDACTED**] Shares expected to be in [**REDACTED**] and outstanding immediately following the completion of the [**REDACTED**].

LEGAL PROCEEDINGS AND NON-COMPLIANCE

From time to time, we may be subject to legal proceedings, investigations and claims incidental to the conduct of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been, and were not a party to any material legal, arbitral or

administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or any of our Directors, which, in the opinion of our management, could have a material adverse effect on our business operations or financial condition.

During the Track Record Period and up to the Latest Practicable Date, we had certain historical non-compliance incidents involving our business operations. For details of these non-compliance incidents, please see the section headed "Business – Legal Proceedings and Compliance" in this document. In addition, for risks associated with these non-compliance incidents, please see the sections headed "Risk Factors – Risks Relating to Our Business Operations, Financial Performance and Prospects" in this document.

In the opinion of the Directors, such non-compliance incidents, taken as a whole, are not likely to have a material and adverse effect on our business, financial condition or results of operations.

SUMMARY OF MATERIAL RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors" in this document. As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to invest in the [**REDACTED**]. Some of the major risks that we face include: (i) if we fail to improve the quality of our products or expand our product offerings, our business and results of operations may be adversely impacted; (ii) our products and services are highly complex, we may not be able to consistently manufacture our equipment and consumables to the necessary specifications or in quantities sufficient to meet customer demand at a reasonable cost or at an acceptable performance level; (iii) we are dependent on our customers' demand for and spending on our products and services, a reduction of which could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects; (iv) if we lose any of the Major Customers or our business relationship with any of the Major Customers is materially undermined in any way, our business and results of operations may be materially and adversely affected; (v) our future success depends on our ability to increase penetration in our existing markets and establish our presence in the global markets; (vi) if we fail to identify suitable acquisition targets, complete any pending or future acquisitions or successfully integrate any new or previous acquisitions, or mitigate any historical issues associated with them, there may be a material adverse effect on our business development; (vii) our inability to protect our intellectual property rights from unauthorized use could reduce the value of our products and harm our business and competitive position; (viii) unstable or unsatisfactory supply of raw materials and components that are necessary for our production could harm our business and our relationship with the Major Customers; (ix) we may encounter difficulties in maintaining and developing our manufacturing capabilities; (x) we may face goodwill impairment risks in connection with our acquisitions; and (xi) if we determine our intangible assets (other than goodwill) or contract costs to be impaired, our results of operations and financial condition may be adversely affected.