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

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

(Stock Code: 2170)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024

The board of directors (the "**Board**") of Suzhou Basecare Medical Corporation Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the "**Group**") for the year ended December 31, 2024, together with comparative audited figures for the same period of 2023.

In this announcement, "we", "us", and "our" refer to the Company (as defined above) and where the context otherwise requires, the Group (as defined above).

FINANCIAL SUMMARY

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Revenue	**299,109**	207,976
Cost of sales	**(162,886)**	(116,625)
Gross profit	**136,223**	91,351
Loss from operations	**(230,965)**	(193,709)
Loss before taxation	**(240,337)**	(196,319)
Loss for the year	**(237,210)**	(193,349)

	As of December 31,	
	2024	2023
	RMB'000	*RMB'000*
Financial Position		
Non-current assets	**690,039**	682,921
Current assets	**979,242**	1,215,166
Non-current liabilities	**332,782**	304,716
Current liabilities	**194,684**	195,265
Net assets	**1,141,815**	1,398,106
Total equity attributable to		
Equity shareholders of the Company	**1,143,066**	1,399,176
Non-controlling interests	**(1,251)**	(1,070)

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

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

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

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

We offer users with one-stop solutions based on our five laboratory scenarios: genetic laboratory ("**Live Browser**"), andrology laboratory ("**Live Morphology**"), embryology laboratory ("**Live View**"), cryopreservation laboratory ("**Live Storage**") and software laboratory ("**Live Intelligence**"). Specifically:

1. Genetic laboratory ("Live Browser")

The genetic laboratory is dedicated to conducting embryonic molecular genetic testing, which is equipped with high-throughput gene sequencers, automated workstations, PCR analyzers, PGT kits and other equipment and consumables. In the genetic laboratory, experts through "Live Browser" can view and analyze genetic testing data while dynamically browsing and filtering data to better understand and analyze specific regions or variants in the genome.

PGT testing can help patients screen chromosomally normal embryos for transfer. According to the data of large-scale clinical trials, PGT-A kits can increase the clinical pregnancy rate to 72% and reduce the miscarriage rate to 6.9%. In addition, PGT-M kits and PGT-SR kits can block the transmission of genetic diseases to the next generation, giving birth to healthy children and safeguarding the quality of the Chinese population.

In September 2023, we obtained the national Class III medical device registration certificate for our localized high-throughput gene sequencer, DA500. In September 2024, we obtained the Class III medical device registration certificate for our DA5000 high-throughput gene sequencer, a latest domestic high-throughput gene sequencing platform, from NMPA (Guo Xie Zhu Zhun 20243221930).

In February 2020, we obtained our first Class III medical device registration certificate for our self-developed PGT-A kit, one of the medical devices of "National Special Approval for Innovative Medical Devices (國家創新醫療器械特別審批)" (Guo Xie Zhu Zhun 20203400181), and we obtained the approval from NMPA for the renewal of the certificate for a period of five years until February 20, 2030 in October 2024, which filled the clinical gap of the third generation IVF genetic testing kit in China. We also participated in the drafting of the industrial guidelines for the technical evaluation of quality control of PGT-A detection reagents, pioneering the commercialization of third generation IVF products.

2. Andrology laboratory ("Live Morphology")

The andrology laboratory, being an indispensable part of reproduction center, focuses on the detection and evaluation of sperms. It evaluates male fertility indicators, including sperm concentration, vitality, morphology, and DNA fragments. According to the Frost & Sullivan's report, the sperm count of Chinese men has decreased by 75% over the past 40 years, and the infertility caused by male factors has been close to 40%. In China, the current practice of sperm test is mainly based on Computer Assisted Sperm Analysis (CASA), and sperms are counted through slide plates, which lacks reliability, repeatability and the ability to assess sperm morphology. To address these problems, our newly-developed intelligent sperm analyzer has broken through the technical limitations through the innovation of hardware technology such as microfluidics enabled by Live Morphology and microscopic imaging, as well as the artificial intelligence big data model trained on more than 500,000 sperm data, which has realized the accurate detection of live sperm concentration, motility and morphology ("**Live Morphology**") for the first time globally, winning the outstanding award of the Disruptive Technology Innovation Competition (顛覆性技術創新大賽優秀項目) sponsored by the National Health Commission.

3. Embryology laboratory ("Live View")

The embryology laboratory is the most core laboratory for the growth and development of embryos in vitro, equipped with incubators, culture media, petri dishes and other equipment and consumables. The equipment and environment of the laboratory directly affect the survival rate of embryos. The equipment and consumables in the embryology laboratory require long R&D cycles and have high technical barriers. Our time-lapse incubator has six independent chambers, each equipped with independent heating, humidity supply, air supply devices and high-definition microscope camera system, which allows for stable cultivation and real-time monitoring of embryos without opening the lid and waiting. Users can observe the growth status of each embryo in real time ("**Live View**") to ensure that the embryos achieve the ideal conditions for growth.

4. Cryopreservation laboratory ("Live Storage")

The cryopreservation laboratory is the fertility preservation center for gametes and embryos, and houses equipment and consumables such as ultra-low temperature storage instruments, liquid nitrogen tanks, transfer tanks, and cryopreservation tubes. According to the Measures for the Administration of Human Assisted Reproduction (《人類輔助生殖管理辦法》), cryopreserved embryos must be stored for at least five years. It is anticipated that there will be ten million new embryos to be cryopreserved in China each year, indicating extremely high market demand.

Currently, reproduction centers need to manually select tubes and record voluminous embryo information. The absence of an information system hampers timely coordination and management, leading to potential mismatches in embryo information and resulting in medical accidents due to misimplantation of test tube babies. With the concept of real-time fertility preservation and location tracking ("**Live Storage**"), we developed the intelligent liquid nitrogen tank, which was the first certified ultra-low temperature storage product in China. We also developed the first automated ultra-low temperature embryo intelligent storage equipment that can store 30,000 to 50,000 gametes. Based on the idea of prompt positioning fertility storage, we layout in the fertility preservation market in China and globally, and provide leading hardware equipment for the fertility preservation industry.

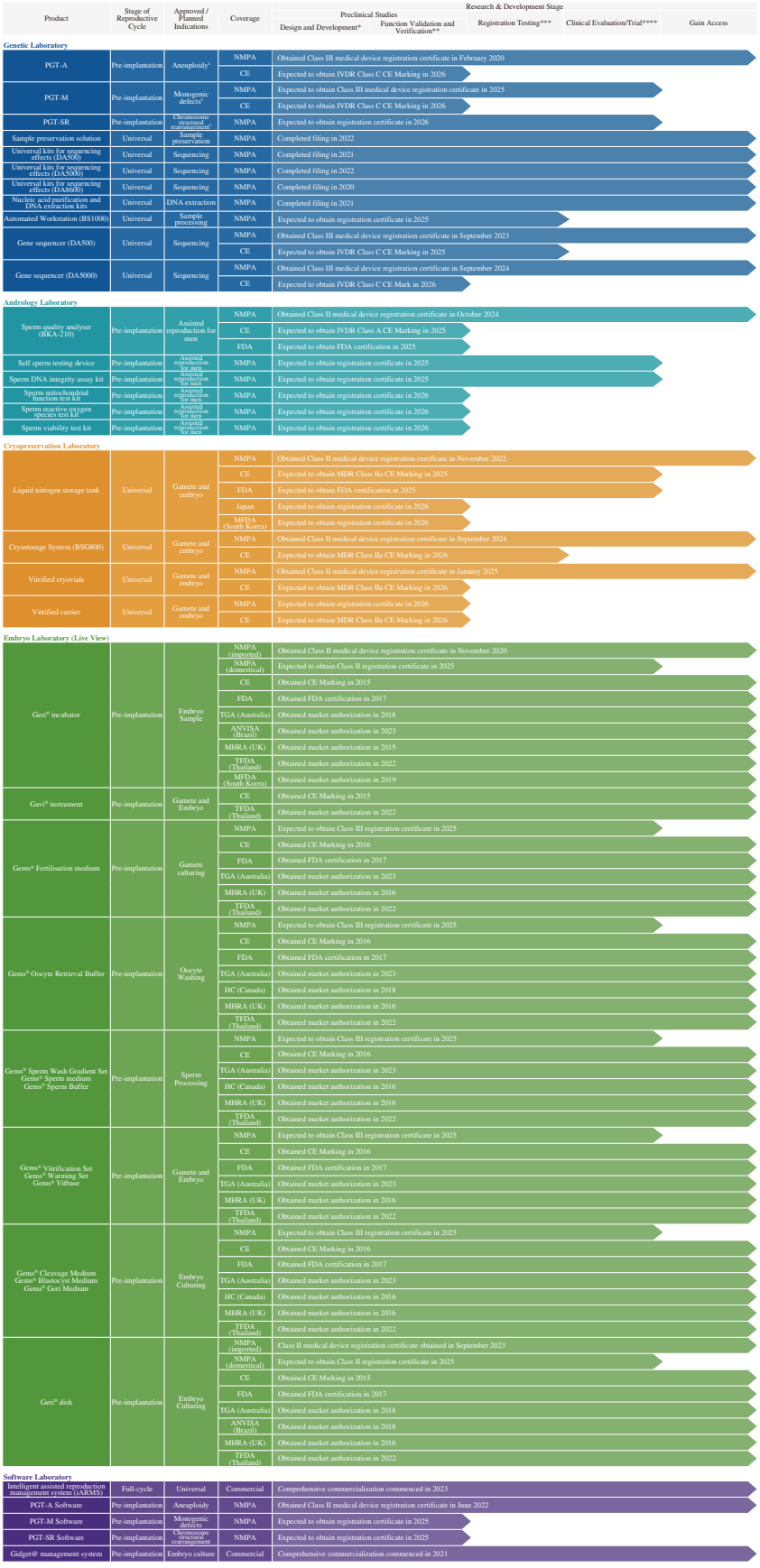
5. Software laboratory ("Live Intelligence")

We build intelligent system for reproduction centers based on the concept of real-time data interconnection in the software laboratory ("**Live Intelligence**"). Our iARMS (Intelligent Assisted Reproduction Management System) provides a new generation of "artificial intelligence + Internet of Things (IoT)" information solutions for the assisted reproduction sector based on the clinical pathway of reproduction, which establishes a multi-dimensional assisted reproduction electronic medical record system that runs through the reproduction cycle and covers patient medical records, medical diagnosis, treatment plans and etc. This system combines the genetic data of our genetic laboratory, the sperm test results of the andrology laboratory, the real-time growth monitoring of embryos in the embryology laboratory, and the sample information of the cryopreservation laboratory to realize the interconnection of data from various laboratories, create intelligent work environment for reproductive centers, improve the work efficiency of reproductive centers, to improve the safety of operations, ultimately improving the success rate of pregnancy.

Leveraging the rapid development of artificial intelligence, iARMS integrates reproduction clinical information system with the concept of clinical auxiliary decision-making, thereby speeding up patient registration, examination, diagnosis and treatment, and breaking the isolated data islands in traditional information system. iARMs ensures the modularization and interconnection of the laboratories, and installs the IoT sample verification system to ensure the information security of each sample. Each module of iARMS is developed independently, allowing for easy upgrade and maintenance. iARMS will significantly improve the operating efficiency and satisfaction of the reproduction centers, serving as the development vision of the reproduction centers for the next two decades.

Currently, our commercialization is in a stable and steady growing stage. The model of independent R&D and mergers and acquisitions has enabled us to accumulate a wide range of customers in China and the global market. With the penetration of our brand and the launches of our new products, we will be able to commercialize various advantageous products through our existing channels and teams, unleash our growth potential in China and the global market, and enable us to rapidly establish a dominant position in market share.

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



Notes:

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

** Includes analytical performance evaluations and stability study

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

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

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

2. For carriers of thalassemia.

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

Business review

Products Portfolio and Product Candidates Pipeline

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

- *PGT-A kit*

  Our PGT-A kit is designed to detect aneuploidy, i.e., an abnormal number of chromosomes, in pre-implantation embryos created in the IVF process. Aneuploidy is a chromosomal disorder frequently associated with implantation failure. By identifying and choosing to avoid aneuploid embryos, clinicians can effectively increase chances for a successful pregnancy. Our product is the only NMPA-approved product for aneuploidy in China, with comprehensive chromosome screening (CCS) capabilities, as compared with conventional technologies, which can only screen a portion of chromosomes at a time. We have developed a proprietary strand displacement whole genome amplification (SDWGA) technology to lower amplification bias, a major clinical challenge, enabling our PGT-A kit to demonstrate 100% sensitivity and specificity in its registration clinical trial. With the help of our PGT-A kit, pregnancy and miscarriage rates from our clinical trial were 72.0% and 6.9%, respectively. By reference, pregnancy and miscarriage rates in IVF without aneuploidy screening were 45.0% and 32.0%, respectively, according to various unrelated studies (Schoolcraft et al. 2010; Wang et al. 2010). Further, due to our technological superiority, our PGT-A kit can generate results within one day, shortening the results turnaround time from the two weeks required by conventional technologies.

  For the year ended December 31, 2024, we recorded revenue of RMB43.3 million from sales of our PGT-A kits with gross profit margin of 68.0%.

- *PGT-M kit*

  Our PGT-M kit is a key project of the 14th Five-Year Plan for National Key Research and Development Program of China (十四五國家重點研發計劃重點專項), which is designed to detect single-gene, or monogenic, defects in pre-implantation embryos, with the potential to cover common genetic-related disorders, including thalassemia, deafness and hereditary cancers. By identifying and choosing to avoid embryos with certain monogenic defects, clinicians can not only help to reduce chances for the baby to be born with or develop the relevant hereditary diseases, but also effectively stop the traits from being passed down to future generations in the patient family, which can be highly significant and encouraging for the patient.

A major challenge in PGT-M is the ability to accurately flag disease-causing genetic mutations with a limited amount of DNA samples. Conventional methods require pre-exam validation to analyze the DNA of parents or other family members in order to select suitable single nucleotide polymorphisms (SNPs), for different genetic disorders, before patient embryos can be tested. The SNPs selected may fail pre-exam validation, requiring re-selection and re-testing that take as long as two to three months and making standardized, mass clinical application difficult.

We have developed a PGT-M kit that leverages highly informative SNPs that we have identified through extensive studies and adopts a cutting-edge multiplex PCR sequencing library by capture, or MSLCap, a technology that allows comprehensively detection of the relevant SNPs in one test with improved sensitivity and specificity. Leveraging this technology, our PGT-M kit eliminates the need for patient-specific pre-exam validation, offering a standardized solution with mass clinical appeal that significantly shortens results turnaround time from approximately two months to less than two weeks and reducing testing costs for patients by about 60%. To date, our PGT-M kit is the first and only product of its kind that has completed NMPA registration testing in China. We completed clinical trials in March 2024, and expect to obtain registration approval from NMPA in 2025.

- *PGT-SR kit*

  Our PGT-SR kit is a key project of the 14th Five-Year Plan for National Key Research and Development Program of China (十四五國家重點研發計劃重點專項), and is designed to detect chromosome structural rearrangements, which are common causes of recurrent miscarriage. By identifying and choosing to avoid embryos with chromosomal structural re-arrangement, clinicians can, similar to the PGT-M scenario, not only help the patient avoid miscarriage and give birth successfully, but also stop this hereditary trait from running in the same family in future generations.

  However, there have been no effective clinical solutions for testing of this kind due to many kinds of potential structural rearrangements occurring on different chromosomes, which requires clinicians to design non-standardized, bespoke tests, making mass clinical application difficult. Our PGT-SR kit may become the first standardized commercial product of its kind in China with potential for mass clinical application, at affordable prices.

  Our PGT-SR kit adopts a proprietary ReTSeq technology that utilizes target capture technologies to focus on sequencing key genomic regions and conduct a haplotype linkage analysis to determine the parent-of-origin of a chromosome and detect carriers of chromosomal translocations. Our PGT-SR kit has high mass market potential, offering one test with broad disease detectability and eliminating the need for patient specific pre-exam validation, which translates to faster result turnaround time, from

several months to just two weeks, and significantly lowers the testing cost. In February 2021, our self-developed patent relating to the PGT-SR kit, a nucleic acid library preparation method and its application in the analysis of pre-implantation embryonic chromosomal structure abnormalities (一種核酸文庫構建方法及其在植入前胚胎染色體結構異常分析中的應用), was registered with China National Intellectual Property Administration (中國國家知識產權局). We completed the NMPA registration test in April 2023 and are currently undergoing clinical trials, and expect to obtain NMPA approval in 2026.

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

  The DA500 high-throughput gene sequencer is a domestic-developed compact and versatile desktop platform with single-slide gene sequencing that provides users with flexible and efficient sequencing options. The sequencer uses advanced biochemical and optical systems and supports two different chip specifications. It is capable of generating 10GB to 150GB sequencing data in a single operation. At the same time, it has the advantages of stable high-intensity signal and low sequencing error rate, which can meet the requirements of customers in terms of sequencing throughput and efficiency under various scenarios. Accompanying with our PGT analysis software, DA500 has realized automated data analysis and complete monitoring solution for gene testing. In September 2023, we obtained the Class III medical device registration certificate for the DA500 high-throughput gene sequencer from NMPA (Guo Xie Zhu Zhun 20233221281) and realized full commercialization.

  The DA5000 high-throughput gene sequencer, as a latest domestic high-throughput gene sequencing platform, is a key project of the 14th Five-Year Plan for National Key Research and Development Program of China (十四五國家重點研發計劃重點專項). The DA5000 high-throughput gene sequencer can provide one-stop genetic laboratory solution for assisted reproductive centers and has strong multi-sample and multi-project parallel processing capabilities. Compared to DA500 high-throughput gene sequencer, DA5000 high-throughput gene sequencer is capable of processing 40–50 embryo samples in a single test, with a throughput increase of more than 4 times. In September 2024, we obtained the Class III medical device registration certificate for the DA5000 high-throughput gene sequencer from NMPA (Guo Xie Zhu Zhun 20243221930).

- *Automated sample preparation system (BS1000C)*

  The BS1000C high-throughput automated sample preparation system is a high-throughput, feature-rich, and flexible desktop multi-function automated workstation that can automate most of the sample preparation process. This workstation is equipped with a 96-channel pipette, a built-in conventional high-throughput sequencing sample preparation process and a nucleic acid extraction process, as well as a fully automated operation design, so that it can achieve long-term unattended operation. Additionally, it can be customized according to customers' requirements, turning out to be an efficient and flexible automated sample preparation system for a wide range of applications.

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

  For the three PGT kits (PGT-A, PGT-M and PGT-SR), we have designed or are designing analysis software associated with sequencers and kits. We obtained the registration certificate for our PGT-A analysis software from NMPA in 2022, and we expected to obtain the registration certificates for our PGT-M analysis software and PGT-SR analysis software from NMPA in 2025. In the field of PGT, we have achieved a closed-loop marketing with kits, high-throughput sequencers and supporting software.

- *Time-lapse incubator (Geri®)*

  The core concept of our Geri® Time-Lapse Incubator is to provide safe and stable culture conditions for embryo culturing. The incubator includes six independent culturing chambers, and every chamber is exclusive for one patient, with independent air supply, humidity supply and heating, which is conducive to stability of embryo growth. Meanwhile, it is the world's first wet type time-lapse incubator, and can offer stable osmotic pressure environment for the development of embryos.

  Each chamber is equipped with a five-million-pixel high-definition camera component to capture images in 11 focal planes every five minutes, providing more dynamic developmental data for clinical decision-making. Each chamber is also independently equipped with a temperature sensor, a CO_2 sensor and a humidity warning system to monitor inside culturing environment in real time, and can generate real-time warnings for abnormal situations.

  Accompanying with intelligent analysis software, the incubator can automatically identify abnormal developmental patterns directly related to embryo implantation potential, helping embryologists select embryos with higher developmental potential and improving the utilization rate of embryos for patients. We have obtained the registration certificates for Geri® Time-Lapse Incubator issued by NMPA (Guo Xie Zhu Zhun 20202180490), CE, FDA and TGA.

- *Culture media (Gems)*

  Gems' full collection of culture media contains key ingredients that support embryo development and maintain stable cultivating environment (especially maintaining stable osmolality and pH value). The collection includes egg retrieval solution specified for gametes process, sperm gradient centrifugation solutions, sperm culture solutions, and sperm buffer solutions, vitrified solution specified for vitrification, thawing solution and Gavi solution, IVF medium for embryo cultivation, IVM medium, blastocyst medium and full process solution. All of Gems' products contain gentamicin for preventing microorganism contamination and sodium bicarbonate buffer. Saved for egg retrieval solution, all products contain human serum albumin (HSA).

  Since its clinical use in 2013, Gems has entered the market successfully through massive clinical data validation. Up to now, there have been more than ten thousand of babies born globally with the help of Gems. Gems' full collection of culture media products have been on the market for nine years and registered and certified as medical devices by CE, FDA and TGA, and has occupied certain market shares in China through Original Equipment Manufacture (OEM) production and sales by other internationally renowned companies. We expected to complete registration and obtain approval of Gem as our own brand from NMPA in 2025.

- *Liquid nitrogen storage dewar (BCT38)*

  BCT38 liquid nitrogen storage dewar is our liquid nitrogen storage dewar with a digital management system, which was developed based on the conventional liquid nitrogen tank. BCT38 liquid nitrogen storage dewar is the first liquid nitrogen storage dewar product of the world to obtain the medical device registration certificate. It solved problems such as the frequent measurement of liquid gas level for embryo management, difficulty in permission management, and lack of operation logbook, etc. The device features real-time monitoring of tank temperature and alarm system, a double-verification lock, with permission level management, and an automatic operation logbook, ensuring the safety of embryo preservation and the scientificity of experiment management. We received CE certificate for BCT38 liquid nitrogen storage dewar in 2020 and obtained the Class II medical device registration certificate for this device (Su Xie Zhu Zhun 20222221946) from Jiangsu MPA in November 2022.

- *Cryopreservation system (BSG800A and BSG800C)*

  Our self-developed cryopreservation system (BSG800A and BSG800C) is the first innovative device with full-automatic ultra-low temperature storage designed for the field of biological sample storage, which solves problems such as a heavy workload in storage management, space occupied by the storage of liquid nitrogen tanks, and a lack of information-based management. This device achieved automation of embryo storage and liquid nitrogen supply, an intelligence of information entry and retrieval, as well as ultra-low temperature protection throughout the process of sample transfer and storage, which significantly enhances work efficiency, and ensures the safety of long-term biological sample storage at the same time. We have received CE certificate for our cryopreservation system (BSG800A and BSG800C) in 2020, and obtained the Class II medical device registration certificate for this device (Su Xie Zhu Zhun 20242221830) from Jiangsu MPA in September 2024.

- *Sperm quality analyzer (BKA210)*

  The prevailing sperm quality testing method for clinical use can only analyze the concentration and motility of active sperms. As morphology analysis relies on inactive sperms with stain and requires manual cell counting under microscope, it has disadvantages such as complex manual operations, long duration, test results subjectively influenced by human processes, and chances of distorting the sperm morphology during the staining process.

  Our self-developed sperm quality analyzer (BKA210) is the world's first analytical device for unstained active sperms, which performs both static and dynamic analyses by AI of the concentration, motility and morphology for unstained sperms, and maintains the original morphology of sperm in analysis at the same time. It also avoids the change of sperm morphology during the staining process, resulting to an efficient, fast and objective analysis. In October 2023, we completed the registration inspection carried out by NMPA and obtained the Class II medical device registration certificate for sperm quality analyzer (BKA210) from Jiangsu MPA (Su Xie Zhu Zhun 20242222101) in November 2024.

- *Automated vitrification instrument (Gavi)*

  Gavi is the first automated vitrification instrument in the world to be utilized in the process of freezing embryos and eggs in the IVF automated vitrification. By using the Gavi automated vitrification instrument to perform standardized refrigerating operations, the recovery rate of embryos after refrigerating can be improved while standardizing the operating procedures. At the same time, Gavi can also reduce the learning cost of new laboratory personnel and improve the overall management efficiency of the laboratory. We have obtained CE certificate for Gavi and it has been

on the market for nearly seven years. We expect to obtain registration approval from NMPA in 2026.

- *Intelligent assisted reproduction management system (iARMS)*

  iARMS (Intelligent Assisted Reproduction Management System) is based on the reproductive clinical path and provides the new generation of "artificial intelligence + Internet of Things" information solutions in the assisted reproduction field, thereby establishing a multi-dimensional assisted reproduction management system that runs through the reproductive cycle and covers patient medical records, medical diagnosis, and treatment plans, etc.

  Leveraging the rapid development of artificial intelligence, iARMS integrates reproduction clinical information system with the concept of clinical auxiliary decision-making, thereby speeding up patient registration, examination, diagnosis and treatment, and breaking the isolated data islands in traditional information system. iARMs ensures the modularization and interconnection of the laboratories, and installs the IoT sample verification system to ensure the information security of each sample. Each module of iARMS is developed independently, allowing for easy upgrade and maintenance. iARMS will significantly improve the operating efficiency and satisfaction of the reproduction centers, serving as the development vision of the reproduction centers for the next two decades.

Manufacturing

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

R&D

During the Reporting Period, we maintained an active advancement in our R&D endeavors.

In March 2024, we completed the clinical trials for our PGT-M kit. To date, our PGT-M kit is the first and only product of its kind that has completed NMPA registration testing in China.

In September 2024, we obtained the Class II medical device registration certificate for our cryopreservation system (BSG800A and BSG800C) from Jiangsu MPA (Su Xie Zhu Zhun 20242221830). The cryopreservation system (BSG800A and BSG800C) is the first innovative device with full-automatic ultra-low temperature storage designed for the field of biological sample storage. BSG800A is designed for the cryopreservation of embryos and eggs, and BSG800C is designed for the cryopreservation of sperm samples. Each single device is capable of storing approximately 30,000 embryos/eggs/sperm samples.

In September 2024, we obtained the Class III medical device registration certificate for our DA5000 high-throughput gene sequencer from NMPA (Guo Xie Zhu Zhun 20243221930). The DA5000 high-throughput gene sequencer is specially designed for solving a number of clinical problems in reproductive medicine, and can be widely used in pre-pregnancy, prenatal, pre-implantation and neonatal genetic disease screening, covering the entire reproductive cycle, with the features of high efficiency and high precision. Compared to the previous generation medium-throughput platform DA500 (Guo Xie Zhu Zhun 20233221281), DA5000 high-throughput gene sequencer is capable of processing 40–50 embryo samples in a single test, with a throughput increase of more than 4 times.

In October 2024, our self-developed PGT-A test kit (Guo Xie Zhu Zhun 20203400181) received renewal approval from NMPA for its Class III medical device registration certificate for a period of five years until February 20, 2030, which is the first Class III medical device registration certificate in China to obtain the "National Special Approval for Innovative Medical Devices (國家創新醫療器械特別審批)". The PGT-A kit is China's first PGT testing kit with clinical efficacy validated through more than 100,000 clinical samples. Since initiating clinical trials for the PGT-A kit, we have accumulated clinical data from over 100,000 embryo samples at clinical trial sites. This data demonstrated 100% concordance with the PGT-A kit's testing results, proving its effectiveness in meeting current clinical testing requirements.

In November 2024, we obtained the Class II medical device registration certificate for the sperm quality analyzer (BKA210) from Jiangsu MPA (Su Xie Zhu Zhun 20242222101). The BKA210 has been trained and tested on 500,000 clinical sperm samples, allowing it to perform real-time analyses of the concentration, motility, and morphology of dynamic unstained active sperm, with detection accuracies of 98.30%, 97.69%, and 93.29%, respectively. The BKA210 is capable of completing the analyses of the morphology, concentration, and motility of unstained active sperm within 3 minutes, streamlining the diagnostic process and improving patient satisfaction.

Intellectual Property

As of December 31, 2024, we had registered 134 patents, 132 trademarks, 59 software copyrights and 16 domain names in China. We had also registered nine trademarks in Hong Kong and five trademarks in Taiwan. As of the same date, we had submitted 80 patent applications in China.

Commercialization

At present, we have established three major international sales regions covering Europe-Middle East-Africa (EMEA), Asia Pacific (APAC) and North America, forming a strategic framework of "overall planning of China headquarters and efficient coordination of the regional centers (中國總部統籌全局、區域中心高效協同)". Relying on the deep accumulation and R&D advantages of the local market in our China headquarters, we continue to strengthen our international business by providing cutting-edge technology empowerment and strategic decision-making support. With the mature industrial ecology in the field of assisted reproduction of its global operation headquarters in Australia, BMX coordinates production collaboration, the output of technical standards and the training of high-end talent in the international market. As of December 31, 2024, we had a total of over 170 sales personnel around the world. During the Reporting Period, we collaborated with over 48 distributors in Mainland China (including the platform distributors such as ShangPharma Holding Company Limited (上藥控股有限公司) and Sinopharm Holding Company Limited (國藥控股股份有限公司)) and more than 40 other distributors around the world, serving more than 1,000 clinical institutions.

One of our key strategies is to deeply explore and expand key customers. In September 2024, Genea Biomedx Pty Ltd. ("**Genea Biomedx**"), a wholly owned subsidiary of BMX, entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") with Gattaca Genomics LLC ("**Gattaca**"), a trailblazer in reproductive health, pursuant to which Genea Biomedx was expected to sell Gattaca Geri® TimeLapse Incubators, the world's first wet type time-lapse incubator, as well as the related consumables and software over a two-year period. For further details on the Sale and Purchase Agreement, please refer to the announcement of the Company dated September 26, 2024. In December 2024, we entered into a strategic cooperation agreement (the "**Strategic Cooperation Agreement**") with Shanghai Jinghua Medical Management Co., Ltd. (上海菁華醫療管理股份有限公司) ("**Jinghua Medical**"), a PRC-based limited liability company specializing in the field of assisted reproduction medical services, pursuant to which we were expected to provide Jinghua Medical with one-stop multi-scenario solutions based on artificial intelligence technology, covering areas such as andrology testing, embryo culture, cryopreservation, and complex genetic diseases. For further details on the Strategic Cooperation Agreement, please refer to the announcement of the Company dated December 24, 2024.

Developing overseas business is our unshakable strategic core, and it is also the only way to break through industry competition and define future standards. In overseas markets, relying on a global channel network of more than 600 reproductive center customers, our core products are accelerating their penetration in an internationalized manner. PGT test kits (Genie), gene sequencers (Genie Sequencer), sperm quality analyzers (Glimmer Semen Analyser), liquid nitrogen storage dewar (Gelida 47), cryopreservation system (Gelida 800) and smart laboratory management systems (Guardian) have begun to fully penetrate high-end markets in Europe, the Middle East, Asia Pacific, the Americas, etc., and have simultaneously started international certifications such as CE and FDA to promote global compliance access of products.

Important Events after the End of the Reporting Period

Appointment and Re-election of Directors

At the EGM, Ms. JIANG Junchao was re-elected as an executive Director and Mr. ZHAO Ye was appointed as a non-executive Director.

Change of Registered Address, Business Scope and the Corresponding Amendments to the Articles of Association

At the EGM, the Shareholders have approved the proposals in respect of the change of registered address, business scope and the corresponding amendments to the Articles of Association in order to meet the actual needs of business development.

For details, please refer to the Company's circular dated December 30, 2024 and the poll results announcement dated January 21, 2025, respectively.

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

Outlook and Strategies

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

(i) In-depth breakthroughs in the entire industry chain: to build industry barriers with the PGT technology matrix

As an innovative leader in China's assisted reproductive field, the Company takes PGT technology as its core and takes the lead in completing the closed-loop layout of the entire industry chain. The Company's independently developed PGT-A test kit (Guo Xie Zhu Zhun 20203400181), China's first third-generation IVF product, has been verified by more than 100,000 clinical samples, building a strong technical barrier. Currently, the Company is accelerating the full certification of the PGT-M analysis software and the PGT-SR analysis software, aiming to create a "PGT full-series technology matrix" that covers the entire cycle of solutions from basic screening to intervention for complex genetic diseases.

In September 2024, we obtained the Class III medical device registration certificate for our DA5000 high-throughput gene sequencer from NMPA (Guo Xie Zhu Zhun 20243221930), which is the core equipment for PGT testing. The DA5000 high-throughput gene sequencer is capable of processing 40–50 embryo samples in a single test, with a throughput four times higher than the previous generation DA500 high-throughput gene sequencer, and a detection accuracy of 99.99%, making it the world's first ultra-high-throughput sequencing platform designed specifically for reproductive medicine. Coupled with the DA500 high-throughput gene sequencer (Guo Xie Zhu Zhun 20233221281), the Company has built an integrated testing system of "reagents + equipment + data analysis", realizing the standardization of the entire process from sample processing to result output, significantly reducing the complexity of clinical operations.

In addition, relying on two major national projects of the 14th Five-Year Plan (that is, independent research and development of assisted reproductive medical products and research on new technologies for embryo diagnosis of genetic diseases), the Company has taken the lead in formulating three industry standards, covering PGT technical specifications, experimental quality and software systems, having formed a moat of "technology patenting, patent standardization, and standard industrialization". In the future, the Company will further consolidate its absolute advantage in genetic laboratory scenarios through certification of a series of PGT products, and promote China's assisted reproduction from "experience-driven" to "precision medicine".

(ii) Andrology and cryopreservation laboratory innovations: AI empowers a new paradigm in fertility management

The Company has achieved milestone breakthroughs in the field of andrology and cryopreservation laboratories. The BKA210 intelligent sperm analyzer (Su Xie Zhu Zhun 20242222101), powered by an AI deep-learning model trained on 500,000 sperm samples, is the world's first device to achieve millisecond-level real-time detection of live sperm morphology, motility and concentration, with accuracy rates of 98.30%, 97.69%, and 93.29%, respectively. The device overturns the traditional staining detection method, directly analyzes dynamic unstained sperm, and completes the full evaluation in 3 minutes. It was evaluated as "a revolutionary innovation in the field of sperm testing" by the Computational and Structural Biotechnology Journal, one of the top international journals, and promoted the standard innovation of WHO sperm quality assessment methodology.

In the field of fertility preservation, the BSG800 cryopreservation system (Su Xie Zhu Zhun 20242221830) leads the world with its intelligent and fully automatic design. Its gas-phase liquid nitrogen storage system can accommodate 30,000 samples, realizing the unmanned operation of the entire process including single tube picking, temperature monitoring, and sample traceability. The equipment has been recognized as the first "major equipment" in Jiangsu Province. Its technical parameters are benchmarked against the US Chart MVE series, with costs reduced by 30%. In 2024, China's first intelligent sperm bank was officially opened in Guangdong Provincial Fertility Hospital, using BSG800 to achieve zero errors in sample storage, pushing China's fertility preservation into the "intelligent era".

The Company is also developing its "comprehensive health" ecological business, and has joined hands with 18 top domestic institutions to establish the "Multi-center Research Alliance on AI in Sperm Testing" to explore cutting-edge fields such as sperm DNA fragmentation rate analysis and oxidative stress assessment, and to build full-chain solutions from andrological testing, intervention to fertility preservation.

(iii) Key customer strategy: domestic substitution accelerates high-end market penetration

The Company takes "focusing on the top and setting service benchmarks" as its core strategy and has in-depth cooperation with 80 top reproductive centers in China. In 2024, the Company has been promoting the Geri® Time-Lapse Incubator (Guo Xie Zhu Zhun 20202180490). As the world's only time-lapse imaging system capable of humidified culture, the device is equipped with a 5-megapixel microscope lens and 6 independent culture chambers. Clinical verification has shown that it can increase the embryo live birth rate by 5.8%. Currently, the registration certificate for the Geri® Time-Lapse Incubator is being accelerated, and it is expected that the "transition from commodity imports to domestic production" will be realized in 2025, by which time the cost can be reduced by more than 30%.

The matching Gems embryo culture medium series (11 types of assisted reproductive fluids including fertilization culture fluid, egg retrieval fluid, sperm gradient separation fluid, sperm washing culture fluid, sperm buffer, vitrification freezing fluid, vitrification thawing fluid, egg and embryo processing fluid, cleavage embryo culture fluid, blastocyst culture fluid, and embryo culture fluid) is about to become the first full range of domestically produced culture fluids in China. In 2024, the Company's 70,000-sq.m. global headquarters base in Suzhou has been officially put into use. The introduction of fully automatic filling production lines will greatly improve product yield and enable us to become a domestic high-end supplier of assisted reproductive medical devices.

The NMPA Announcement No. 30 of 2025 further simplifies the localization process for imported medical devices. The Company is leveraging this opportunity to advance the dual strategy of "quality of imported products + efficiency of local production (進口品質+本土效率)" and is working with platform distributors such as ShangPharma Holding Company Limited (上藥控股有限公司) and Sinopharm Holding Company Limited (國藥控股股份有限公司) to accelerate the goal of increasing the penetration rate of domestic reproductive centers and the domestic substitution rate of core consumables.

(iv) Global supply chain layout: APEC market becomes a new growth engine

With the strategy of "intelligent manufacturing in China + global delivery (中國智造+全球交付)", the Company completed the construction of its production base in Thailand in 2024. GERI incubators and intelligent liquid nitrogen tanks (Gelida 47) have been mass-produced in Thailand to be supplied to emerging markets such as Southeast Asia and South America. During the same period, the Company reached a strategic cooperation with Singapore's Rhea Labs to jointly build smart IVF clinics and provide one-stop services of "equipment + consumables + training". Relying on three major production bases in Suzhou, Melbourne and Thailand, the Company has successfully built a cross-regional global supply chain. By 2024, the Company's overseas sales network has covered more than 1,000 clinics in 30 countries.

In terms of policies, China's "Belt and Road" medical cooperation initiative has released synergistic effects with Thailand's "Eastern Economic Corridor" plan. Through technology exports and localized production, the Company has been deeply integrated into the regional industrial chain. In 2024, the proportion of overseas revenue increased to 35%, and the globalized "dual circulation" pattern is beginning to emerge.

(v) AI-driven future: to create an intelligent ecosystem for reproductive medicine

The Company has been using artificial intelligence as its core engine to promote intelligent upgrades in all scenarios of assisted reproduction. As the world's first FDA-certified AI analysis software, the EEVA embryo assessment system can accurately predict the embryo's developmental potential based on dynamic time-lapse imaging and deep learning models based on more than 100,000 embryo models. Clinical data show that it can increase the efficiency of high-quality embryo screening by 40%.

In the future, the Company will, based on the global IVF clinic data integrated by its subsidiary Genea Biomedx, build an AI analysis matrix covering embryos, sperm and eggs, achieve dynamic monitoring of sperm quality and personalized intervention, and use AI to generate intelligent embryo transplantation plans based on EEVA and iARMS electronic medical records. The Company's vision is to become the world's first "AI+reproduction" platform company and redefine the technological boundaries of assisted reproduction.

Cautionary statement required under Rule 18A.08(3) of the Listing Rules: We cannot guarantee that we will ultimately develop or market our Core Product and other products in our product portfolio successfully.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2024

	Note	For the year ended December 31,	
		2024	2023
		RMB'000	*RMB'000*
Revenue	*5*	**299,109**	207,976
Cost of sales		**(162,886)**	(116,625)
Gross profit		**136,223**	91,351
Other net income	*6*	**45,811**	54,243
Selling and distribution costs		**(111,731)**	(103,876)
Administrative expenses		**(164,657)**	(105,425)
Research and development expenses		**(135,259)**	(129,566)
Other operating expenses		**(1,352)**	(436)
Loss from operations		**(230,965)**	(193,709)
Finance costs	*7(a)*	**(9,372)**	(2,610)
Loss before taxation	*7*	**(240,337)**	(196,319)
Income tax	*8*	**3,127**	2,970
Loss for the year		**(237,210)**	(193,349)
Attributable to:			
Equity shareholders of the Company		**(237,029)**	(191,685)
Non-controlling interests		**(181)**	(1,664)
Loss per share	*9*		
Basic and diluted *(RMB)*		**(0.9)**	(0.7)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2024

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Loss for the year	**(237,210)**	(193,349)
Other comprehensive income for the year, net of nil tax		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**(19,081)**	(1,941)
Other comprehensive income	**(19,081)**	(1,941)
Total comprehensive income for the year	**(256,291)**	(195,290)
Attributable to:		
Equity shareholders of the Company	**(256,110)**	(193,626)
Non-controlling interests	**(181)**	(1,664)
Total comprehensive income for the year	**(256,291)**	(195,290)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2024

	Note	As of December 31, 2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	*10*	**380,691**	346,665
Right-of-use assets		**15,587**	19,938
Intangible assets		**99,601**	118,301
Goodwill	*11*	**137,570**	147,990
Financial assets measured at fair value through profit or loss ("**FVPL**")	*12*	**37,532**	33,573
Other non-current assets		**18,710**	16,035
Deferred tax assets		**348**	419
		690,039	682,921
Current assets			
Inventories	*13*	**92,404**	94,109
Trade and other receivables	*14*	**200,279**	173,966
Other current assets		**564**	2,882
Time deposits		**111,884**	—
Restricted cash		**1,362**	993
Cash and cash equivalents		**572,749**	943,216
		979,242	1,215,166
Current liabilities			
Trade and other payables	*15*	**163,881**	179,727
Contract liabilities		**1,663**	47
Bank loans	*16*	**24,358**	10,500
Lease liabilities		**4,408**	4,686
Income tax payable		**374**	305
		194,684	195,265
Net current assets		**784,558**	1,019,901
Total assets less current liabilities		**1,474,597**	1,702,822

	Note	As of December 31, 2024	2023
		RMB'000	*RMB'000*
Non-current liabilities			
Bank loans	*16*	**296,207**	259,632
Lease liabilities		**3,447**	7,099
Deferred tax liabilities		**29,863**	35,465
Other non-current liabilities		**3,265**	2,520
		332,782	304,716
NET ASSETS		**1,141,815**	1,398,106
CAPITAL AND RESERVES			
Share capital		**273,526**	273,526
Reserves		**869,540**	1,125,650
Total equity attributable to equity shareholders of the Company		**1,143,066**	1,399,176
Non-controlling interests		**(1,251)**	(1,070)
TOTAL EQUITY		**1,141,815**	1,398,106

Notes

1 General Information

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

The Company and its subsidiaries (together, the "**Group**") are principally engaged in the research and development, manufacturing and sales of testing kits, testing devices, instruments and consumables, and provision of leasing services.

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

2 Statement of Compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 4 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

3 Basis of preparation of the financial statements

The consolidated financial statements for the year ended December 31, 2024 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the assets are stated at their fair value.

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

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

4 Changes in accounting policies

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group:

- Amendments to IAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current ("**2020 amendments**")*

- Amendments to IAS 1, *Presentation of financial statements — Non-current liabilities with covenants ("**2022 amendments**")*

- Amendments to IFRS 16, *Leases — Lease liability in a sale and leaseback*

- Amendments to IAS 7, *Statement of cash flows and IFRS 7, Financial instruments: Disclosures — Supplier finance arrangements*

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

5 Revenue and segment reporting

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

(a) Disaggregation of revenue

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products and service lines		
— Sales of testing kits	**121,863**	115,001
— Sales of testing devices, instruments and consumables	**159,157**	83,324
— Others	**18,089**	9,651
	299,109	207,976
Disaggregated by timing of revenue recognition		
— Point in time	**287,726**	202,138
— Over time	**11,383**	5,838
	299,109	207,976
Disaggregated by geographical location of customers		
— The PRC	**201,897**	163,276
— Europe	**58,431**	23,920
— Asia (excluding the PRC)	**21,328**	13,731
— Others	**17,453**	7,049
	299,109	207,976

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

(b) Information about major customers

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

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Customer A	**33,738**	N/A*
Customer B	**N/A***	28,460
	33,738	28,460

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

(c) Segment reporting

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

- The PRC
- Australia

	For the year ended December 31,					
	2024			2023		
	The PRC	**Australia**	**Total**	The PRC	Australia	Total
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Disaggregated by timing of revenue recognition						
Point in time	**201,949**	**85,777**	**287,726**	163,194	38,944	202,138
Over time	**—**	**11,383**	**11,383**	—	5,838	5,838
Revenue from external customers	**201,949**	**97,160**	**299,109**	163,194	44,782	207,976
Inter-segment revenue	**—**	**51,067**	**51,067**	—	17,361	17,361
Reportable segment revenue	**201,949**	**148,227**	**350,176**	163,194	62,143	225,337
Reportable segment loss before taxation	**(193,583)**	**(32,880)**	**(226,463)**	(162,515)	(25,370)	(187,885)
Interest income from bank deposits	**25,205**	**65**	**25,270**	38,308	201	38,509
Interest expense	**9,149**	**224**	**9,373**	2,566	44	2,610
Depreciation and amortisation for the year	**19,630**	**16,147**	**35,777**	11,396	8,445	19,841
Impairment loss recognised/ (reversed) on trade and other receivables	**19,452**	**(895)**	**18,557**	6,339	(779)	5,560
Reportable segment assets	**1,407,115**	**350,691**	**1,757,806**	1,559,660	354,586	1,914,246
Additions to non-current segment assets during the year	**54,395**	**2,368**	**56,763**	152,217	1,466	153,683
Reportable segment liabilities	**465,988**	**133,443**	**599,431**	420,708	91,127	511,835

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

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**350,176**	225,337
Elimination of inter-segment revenue	**(51,067)**	(17,361)
Consolidated revenue *(Note 5(a))*	**299,109**	207,976
Profit or loss		
Total reportable segments' loss before taxation	**226,463**	187,885
Elimination of inter-segment transaction	**9,633**	3,759
Unallocated expenses	**4,241**	4,675
Consolidated loss before taxation	**240,337**	196,319
Assets		
Total reportable segments' assets	**1,757,806**	1,914,246
Elimination of inter-segment balance	**(88,525)**	(16,159)
Consolidated total assets	**1,669,281**	1,898,087
Liabilities		
Total reportable segments' liabilities	**599,431**	511,835
Elimination of inter-segment balance	**(71,965)**	(11,854)
Consolidated total liabilities	**527,466**	499,981

6 Other net income

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Government grants [(i)]	**7,926**	4,559
Interest income from bank deposits	**25,270**	38,509
Net realised and unrealised gains/(losses) on financial assets measured at FVPL	**2,898**	(2,404)
Net foreign exchange gains	**8,657**	11,855
Others	**1,060**	1,724
	45,811	54,243

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

7 Loss before taxation

(a) Finance costs

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Interest on bank loans	**11,090**	6,572
Interest on lease liabilities	**471**	238
Total finance costs on financial liabilities not at FVPL	**11,561**	6,810
Less: borrowing costs capitalised into properties under construction	**(2,189)**	(4,200)
	9,372	2,610

(b) Staff costs

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**168,940**	139,035
Contributions to defined contribution retirement plan [(i)]	**16,511**	14,825
	185,451	153,860

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

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

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

(c) Other items

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**19,365**	8,756
Depreciation of right-of-use assets	**5,562**	5,309
Amortisation of intangible assets	**10,850**	5,776
Total amortisation and depreciation	**35,777**	19,841
Less: depreciation expense of land use rights capitalised into properties under construction	**(91)**	(274)
Amortisation and depreciation charged directly to profit or loss	**35,686**	19,567
Impairment losses on trade and other receivables	**18,557**	5,560
Auditors' remuneration		
— audit services	**3,329**	3,305
— non-audit services	**1,100**	1,249
Research and development expenses [(i)]	**135,259**	129,566
Cost of inventories [(ii)]	**140,295**	107,002
Donations	**581**	220

(i) During the year ended December 31, 2024, research and development expenses include staff costs and depreciation expenses of RMB70,307,000 (2023: RMB62,400,000), which amounts are also included in the respective total amounts disclosed separately above.

(ii) During the year ended December 31, 2024, cost of inventories includes staff costs and depreciation expenses of RMB7,297,000 (2023: RMB7,232,000), which amounts are also included in the respective total amounts disclosed separately above.

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

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

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Current tax — other overseas countries	**77**	234
Over-provision in respect of prior years	**—**	(1,382)
Deferred tax	**(3,204)**	(1,822)
Total	**(3,127)**	(2,970)

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

	2024	2023
	RMB'000	*RMB'000*
Loss before taxation	**(240,337)**	(196,319)
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned [(i)]	**(64,203)**	(50,999)
Effect of preferential tax rate [(ii)]	**16,372**	18,823
Effect of additional deduction on research and development expenses	**(18,055)**	(13,020)
Tax effect of other non-deductible expenses	**381**	234
Tax effect of tax losses not recognised	**59,761**	42,980
Tax effect of deductible temporary differences not recognised	**2,617**	394
Over-provision in respect of prior years	**—**	(1,382)
Actual tax expense	**(3,127)**	(2,970)

(i) Statutory tax rate

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

Pursuant to the income tax rules and regulations of Australia, the Group's subsidiaries in Australia are subject to the Australian Income Tax at a rate of 30%. No provision for Australian Income Tax was made for the Group's subsidiaries in Australia, as these subsidiaries did not have assessable profits for Australia Income Tax for the year ended December 31, 2024.

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

(ii) Preferential tax

Under the CIT Law of the PRC and its relevant regulation, entities that qualified as high-technology enterprise are entitled to a preferential income tax rate of 15%. Suzhou Basecare Medical Device Co., Ltd. obtained its renewed certificate of high-technology enterprise on November 6, 2023 and is subject to income tax at 15% for a three-year period.

Under the CIT Law of the PRC and its relevant regulation, an additional 100% of qualified research and development expenses incurred would be allowed to be deducted from the taxable income for the year ended December 31, 2024.

9 Loss per share

The calculation of basic loss per share for the year ended December 31, 2024 is based on the loss attributable to equity shareholders of the Company of RMB237,029,000 (2023: loss of RMB191,685,000) and the weighted average of 273,526,000 ordinary shares (2023: 273,526,000) in issue.

There were no potential dilutive ordinary shares for the year ended December 31, 2024 and 2023 and therefore dilutive loss per share are the same as the basic loss per share.

10 Property, plant and equipment

	Buildings *RMB'000*	Office equipment, furniture and fixtures *RMB'000*	Motor vehicles *RMB'000*	Medical equipment and instruments *RMB'000*	Construction in progress *RMB'000*	Leasehold improvements *RMB'000*	Total *RMB'000*
Cost:							
At January 1, 2023	—	4,682	1,270	53,878	165,771	7,587	233,188
Additions	—	1,012	912	19,938	120,888	1,213	143,963
Additions through acquisition of subsidiaries	—	132	—	4,706	621	—	5,459
Transfers	—	34	—	4,201	(5,586)	1,351	—
Disposals	—	(8)	(920)	(1,234)	—	—	(2,162)
Exchange adjustment	—	(15)	—	(194)	(19)	(10)	(238)
At December 31, 2023 and January 1, 2024	—	5,837	1,262	81,295	281,675	10,141	380,210
Additions	—	2,644	45	11,402	40,791	250	55,132
Transfers	249,022	37,050	—	—	(286,072)	—	—
Disposals	—	(10)	—	(2,761)	—	—	(2,771)
Exchange adjustment	—	15	—	197	(2)	—*	210
At December 31, 2024	249,022	45,536	1,307	90,133	36,392	10,391	432,781
Accumulated depreciation:							
At January 1, 2023	—	(1,484)	(543)	(17,000)	—	(7,048)	(26,075)
Charge for the year	—	(906)	(407)	(6,429)	—	(1,014)	(8,756)
Written back on disposals	—	8	505	590	—	—	1,103
Exchange adjustment	—	9	—	164	—	10	183
At December 31, 2023 and January 1, 2024	—	(2,373)	(445)	(22,675)	—	(8,052)	(33,545)
Charge for the year	(5,604)	(3,389)	(222)	(10,150)	—	—	(19,365)
Written back on disposals	—	6	—	1,183	—	—	1,189
Exchange adjustment	—	(33)	—	(336)	—	—*	(369)
At December 31, 2024	(5,604)	(5,789)	(667)	(31,978)	—	(8,052)	(52,090)
Net book value:							
At December 31, 2024	243,418	39,747	640	58,155	36,392	2,339	380,691
At December 31, 2023	—	3,464	817	58,620	281,675	2,089	346,665

* This represents an amount less than RMB500.

11 Goodwill

	RMB'000
Cost:	
At January 1, 2023	—
Addition through acquisition	148,774
Exchange adjustment	(784)
At December 31, 2023 and January 1, 2024	147,990
Exchange adjustment	(10,420)
At December 31, 2024	137,570

Impairment tests for cash-generating units containing goodwill

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

	2024	2023
	RMB'000	*RMB'000*
Australia	**137,570**	147,990

The recoverable amount of the CGU is determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use cash flow projections based on financial budgets approved by management covering a six-year period. The key assumptions used in estimating the recoverable amount are as follows:

	At December 31, 2024	At December 31, 2023
Annualised revenue growth rate during the budget period	**14.87%–50.68%**	13.00%–59.22%
Gross profit margin	**52.87%–55.43%**	48.52%–59.04%
Steady growth rate used in the extrapolation after budget period	**1.90%**	1.70%
Pre-tax discount rate	**20.85%**	20.06%

The recoverable amount of the CGU is estimated to exceed the carrying amount of the CGU at December 31, 2024.

12 Financial assets measured at FVPL

	As of December 31,	
	2024	2023
	RMB'000	*RMB'000*
Non-current assets		
Unlisted fund investment [(i)]	**5,533**	3,250
Derivative financial instrument [(ii)]	**11,407**	13,155
Unlisted equity investment [(ii)]	**20,592**	17,168
	37,532	33,573

(i) On August 10, 2022, the Group entered into a subscription agreement with an independent third party pursuant to which the Group agreed to subscribe the limited partnership interest in TruMed Health Innovation Fund LP, a Cayman Islands exempted limited partnership (the "**Fund**") represented by a total commitment of USD1,500,000 (equivalent to approximately RMB10,783,000). The Fund principally makes equity and equity-related investments in healthcare industry.

As at December 31, 2024, the Group has contributed USD776,000 (equivalent to approximately RMB5,578,000) (December 31, 2023: USD585,000 (equivalent to approximately RMB3,997,000)) to the fund, representing 1.1% (December 31, 2023: 1.0%) of the total size of the fund. As at December 31, 2024, the Group recognised the fair value changes of RMB764,000 in unrealised gain on financial assets measured at FVPL (2023: unrealised loss of RMB898,000).

(ii) As at December 31, 2024, the unlisted equity investment and the derivative financial instrument represent the Group's equity interests in Zhejiang Cellpro Biotech Corporation Limited ("**Cellpro Biotech**") and a put option granted by Cellpro Biotech and its original shareholders, which were recognised as financial asset measured at FVPL.

13 Inventories

	As of December 31,	
	2024	2023
	RMB'000	*RMB'000*
Raw materials	**24,331**	20,588
Finished goods	**18,180**	21,721
Devices and instruments	**31,060**	41,314
Others	**18,833**	10,486
	92,404	94,109

14 Trade and other receivables

	As of December 31,	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**227,024**	196,129
Less: losses allowance on trade receivables	**(61,645)**	(43,088)
Trade receivables, net	**165,379**	153,041
Bill receivables	**2,471**	2,904
Trade and bill receivables, net	**167,850**	155,945
Prepayments to suppliers	**22,117**	12,495
Deposits	**2,523**	2,496
Interest receivables	**2,746**	981
Other receivables	**5,043**	2,049
Trade and other receivables, net	**200,279**	173,966

(a) Ageing analysis of trade and bill receivables

As of the end of the reporting period, the ageing analysis of the Group's trade and bill receivables, based on the invoice date and net of losses allowance, is as follows:

	As of December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**161,280**	104,285
6 ~ 12 months	**5,363**	44,341
12 ~ 18 months	**1,207**	4,727
18 ~ 24 months	**—**	2,125
Over 2 years	**—**	467
	167,850	155,945

Trade receivables are generally due within 60 to 360 days from the date of billing.

15 Trade and other payables

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

	As of December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**21,670**	30,340
3 ~ 6 months	**2,431**	3,631
6 ~ 9 months	**1,228**	4,355
9 ~ 12 months	**157**	37
Over 1 year	**2,135**	2,370
Trade payables	**27,621**	40,733
Payroll payables	**23,698**	20,989
Interest payables	**456**	410
Payables for purchases of property, plant and equipment	**61,487**	88,039
Other payables and accruals	**50,619**	29,556
	163,881	179,727

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

16 Bank loans

(a) The analysis of the repayment schedule of bank loans is as follows:

	As of December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year or on demand	**24,358**	10,500
More than 2 years but less than 5 years	**246,799**	130,000
After 5 years	**49,408**	129,632
	320,565	270,132

(b) The analysis of the carrying amount of bank loans is as follows:

	As of December 31,	
	2024	2023
	RMB'000	*RMB'000*
Secured bank loans [(i)]	**197,065**	140,132
Unsecured bank loans [(ii)]	**123,500**	130,000
	320,565	270,132

(i) As at December 31, 2024, the secured bank loans were pledged by the Group's land use right of RMB7,154,000 (2023: RMB7,428,000) and property, plant and equipment of RMB243,418,000 (2023: RMB271,199,000) with an interest at 3.30%–3.90% per annum (2023: 3.90%–4.00%).

(ii) As at December 31, 2024, the unsecured bank loans represent the utilised bank facilities of RMB123,500,000 (2023: RMB130,000,000) with an interest at 3.45% per annum (2023: 3.55%) for the acquisition of subsidiaries.

17 Dividends

No dividends were paid or declared by the Company or any of its subsidiaries during the reporting period (2023: nil).

FINANCIAL REVIEW

Revenue

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

Our revenue increased by 43.8% from RMB208.0 million for the year ended December 31, 2023 to RMB299.1 million for the year ended December 31, 2024. The increase was primarily due to: (i) after the BMX Acquisition, the Group achieved international sales of domestically developed products with the help of its global sales network, driving the Group's global sales revenue growth, (ii) the Group successfully developed important customer relationships during the Reporting Period. For example, in North America, the Group has entered into a Sale and Purchase Agreement with Gattaca to sell the Geri® Time-Lapse incubator; and in China, the Group has signed a Strategic Cooperation Agreement with Shanghai Jinghua Medical Management Co., Ltd. to sell products covering andrology testing, embryo culture and cryopreservation; and (iii) during Reporting Period, the Group obtained medical device registration certificates for its cryopreservation system (BSG800A and BSG800C), the DA5000 high-throughput gene sequencer and the sperm quality analyzer (BKA210), further enriching the Group's product pipeline and promoting the market penetration and sales growth of the Group's products.

Cost of Sales

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

Our cost of sales increased by 39.7% from RMB116.6 million for the year ended December 31, 2023 to RMB162.9 million for the year ended December 31, 2024, mainly due to (i) the increase in cost of sales in line with increase in sales; and (ii) the consolidation of cost of sales after the BMX Acquisition.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, the gross profit of the Group increased by 49.0% from RMB91.4 million for the year ended December 31, 2023 to RMB136.2 million for the year ended December 31, 2024. Gross profit margin is calculated as gross profit divided by revenue. The overall gross profit margin of the Group increased from 43.9% for the year ended December 31, 2023 to 45.5% for the year ended December 31, 2024, primarily due to cost optimization and an increase in the sales share of high-margin products.

Other Net Income

Our other net income decreased by 15.5% from RMB54.2 million for the year ended December 31, 2023 to RMB45.8 million for the year ended December 31, 2024, primarily due to (i) a decrease in exchange gains arising from exchange rate fluctuations; and (ii) a decrease in interest income from bank deposits.

Selling and Distribution Costs

Our selling and distribution costs increased by 7.5% from RMB103.9 million for the year ended December 31, 2023 to RMB111.7 million for the year ended December 31, 2024, primarily due to the increase in the selling and distribution costs consolidated after the completion of the BMX Acquisition and increased marketing activities for the full deployment of new products.

Administrative Expenses

Our administrative expenses increased by 56.3% from RMB105.4 million for the year ended December 31, 2023 to RMB164.7 million for the year ended December 31, 2024, primarily due to the increase in the administrative expenses consolidated after the completion of the BMX Acquisition, amortization resulting from the acquired assets and the accrued impairment losses on trade and other receivables.

R&D Expenses

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

	For the year ended December 31,			
	2024		2023	
	RMB'000	***Percentage of revenue***	*RMB'000*	*Percentage of revenue*
Staff costs	**63,437**	**21.2%**	58,825	28.3%
Clinical trial expenses	**43,944**	**14.7%**	42,128	20.3%
Consumables expenses	**17,875**	**6.0%**	18,920	9.1%
Depreciation expenses	**6,870**	**2.3%**	5,612	2.7%
Others	**3,133**	**1.0%**	4,081	2.0%
Total	**135,259**	**45.2%**	129,566	62.3%

Our R&D expenses increased by 4.4% from RMB129.6 million for the year ended December 31, 2023 to RMB135.3 million for the year ended December 31, 2024, primarily due to (i) the increase in product registration fee and staff costs to promote access to global compliance systems; and (ii) the increase in the continued investment in clinical trials and related consumables as the progress of product research and development progresses.

Finance Costs

Our finance costs consist of (i) interest on interest-bearing bank loans, and (ii) interest on lease liabilities. We recorded financial costs of RMB2.6 million and RMB9.4 million for the year ended December 31, 2023 and December 31, 2024, respectively. The increase in finance costs for the year ended December 31, 2024 was mainly due to interest on new bank loans.

Income Tax

We recorded income tax credit of RMB3.0 million for the year ended December 31, 2023 and income tax credit of RMB3.1 million for the year ended December 31, 2024.

Inventories

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

Our inventories decreased by 1.8% from RMB94.1 million as of December 31, 2023 to RMB92.4 million as of December 31, 2024, primarily due to the Company's continued promotion of lean inventory management, the establishment of a dynamic safety inventory model, and the implementation of a linkage mechanism between demand forecasting and procurement planning.

Trade and Other Receivables

Our trade and other receivables increased by 15.1% from RMB174.0 million as of December 31, 2023 to RMB200.3 million as of December 31, 2024, primarily due to the expansion of new customers near the end of the Reporting Period, which led to higher trade receivables compared to the end of 2023.

Foreign Exchange Risk

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

Trade and Other Payables

Our trade and other payables decreased by 8.8% from RMB179.7 million as of December 31, 2023 to RMB163.9 million as of December 31, 2024, primarily due to the settlement of the payables for the construction costs of the Group's headquarters and the accelerated settlement cycle of trade payables. In addition, other payables and accruals increased due to the expansion of business scale, but overall they remained on a downward trend.

Financial Resources, Liquidity and Capital Structure

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

Our current assets decreased by 19.4% from RMB1,215.2 million as of December 31, 2023 to RMB979.2 million as of December 31, 2024, primarily due to the expansion of the business operations of the Group and the settlement of the payables for the construction costs of our headquarters.

As of December 31, 2024, we had unsecured bank loans of RMB123.5 million, all of which had a floating interest rate of 3.45% per annum (as determined by LPR). As of the same date, we had secured bank loans of RMB197.1 million with an interest rate of 3.30%–3.90% per annum (as determined by LPR). The secured bank loans were pledged by the Group's land use right and certain property, plant and equipment. Our unsecured and secured bank loans were all denominated in RMB.

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

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

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

Significant Investments, Material Acquisitions and Disposals

During the Reporting Period, we did not make any significant investments or material acquisitions or disposals of subsidiaries, associates and joint ventures.

Future Plans for Material Investments or Capital Assets

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

Contingent Liabilities

As of December 31, 2024, we did not have any contingent liabilities.

Capital Commitments

Capital commitments outstanding as of December 31, 2024 and December 31, 2023 not provided for in the consolidated financial statements were as follows:

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Authorised and contracted for		
— Property, plants, and equipment	**56,327**	10,236
— Subscription of limited partnership interest in the fund	**5,205**	6,648
Total	**61,532**	16,884

Charge on Assets

Save for the secured bank loans of RMB197.1 million pledged by the Group's land use rights and certain property, plant and equipment, there was no charge on assets of the Group as of December 31, 2024.

Gearing Ratio

Gearing ratio is calculated by using interest-bearing borrowings and lease liabilities less cash and cash equivalents, divided by total equity and multiplied by 100%. As of December 31, 2024, the Company was in a net cash position and thus, gearing ratio is not applicable.

Employees and Remuneration

As of December 31, 2024, the Group had 497 employees (as of December 31, 2023: 586). The number of employees employed by the Group varies depending on our business requirement. The remuneration package of our employees includes salary, bonus and equity-settled share-based payment, which are generally determined by their qualifications, industry experience, position and performance. The Group makes contributions to social insurance and housing provident funds for its employees in Mainland China as required by the PRC laws and regulations, and makes contributions to relevant employee benefits for employees outside Mainland China as required by the relevant requirements of other regions in the PRC and other countries.

The total remuneration cost incurred by the Group for the year ended December 31, 2024 was approximately RMB185.5 million, as compared to RMB153.9 million for the year ended December 31, 2023. The increase is primarily attributable to an increase in overseas senior management personnel as a result of the Company's strategic adjustments.

During the year ended December 31, 2024, the Group did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations, or any difficulty in recruiting employees.

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

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

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

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

OTHER INFORMATION

Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and enhance its corporate value. The Company has adopted the CG Code as its own code of corporate governance since the Listing Date. The Company has complied with all applicable code provisions as set out in the CG Code for the year ended December 31, 2024, except for a deviation from the code provision C.2.1 of part 2 of the CG Code, the roles of chairman of the Board and general manager of the Company are not separate and are both performed by Dr. Liang.

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

Use of Proceeds from the Global Offering

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

The table below sets out the planned applications of the net proceeds:

Use of Proceeds	Planned applications *HK$ in million*	Percentage of total Proceeds	Actual amount of proceeds utilized as of January 1, 2024 *HK$ in million*	Actual amount of proceeds unutilized as of December 31, 2024 *HK$ in million*	Actual amount of proceeds utilized as of December 31, 2024 *HK$ in million*	Percentage of proceeds from the Global Offering expected to be used in 2025	Expected timeframe for fully utilization of unutilized net proceeds
Core Product — PGT-A kit	**379.7**	**20%**	**235.2**	**75.5**	**304.2**	**4.0%**	**Within the next one to two years**
Ongoing sales and marketing activities of our PGT-A kit and planned commercialization in China, in order to expand our sales channels, continue market coverage expansion, conduct patient education and clinical knowledge of physicians and increase the penetration rate of our PGT-A kit	151.9	8%	125.0	21.9	130.0	1.2%	
Optimizing the production process of our PGT-A kit by upgrading our existing manufacturing machinery and equipment, as well as procuring and installing new automated operational equipment and instruments to increase our production efficiency for PGT-A kit, and optimizing and upgrading our and PGT-A kits	227.8	12%	110.2	53.6	174.2	2.8%	
Clinical trial, registration filing and commercialization of our PGT-M kit	**189.9**	**10%**	**105.3**	**47.1**	**142.8**	**2.5%**	**Within the next one to two years**
Clinical trial and registration filing of our PGT-M kit (including the relevant labor and consumables costs)	132.9	7%	86.1	18.2	114.7	1.0%	
Commercialization, sales and marketing activities of our PGT-M kit	57.0	3%	19.2	28.9	28.1	1.5%	

Use of Proceeds	Planned applications *HK$ in million*	Percentage of total Proceeds	Actual amount of proceeds utilized as of January 1, 2024 *HK$ in million*	Actual amount of proceeds unutilized as of December 31, 2024 *HK$ in million*	Actual amount of proceeds utilized as of December 31, 2024 *HK$ in million*	Percentage of proceeds from the Global Offering expected to be used in 2025	Expected timeframe for fully utilization of unutilized net proceeds
Development, clinical trials, registration filings and commercialization of our other products	**569.6**	**30%**	**377.3**	**47.1**	**522.5**	**2.5%**	**Within the next one to two years**
Development, clinical trials, registration filings and commercialization of our other genetic test kit products	227.8	12%	178.5	2.8	225.0	0.2%	
Research, development, manufacturing and commercialization of our genetic testing devices and instruments	341.8	18%	198.8	44.3	297.5	2.3%	
Improving our R&D capabilities and enhancing our technologies, including (i) introducing and acquiring new technologies in businesses upstream and downstream of genetic testing, to expand our product portfolio; (ii) recruiting talent in genetic testing, particularly senior R&D personnel with a high level of influence in the industry and with extensive international R&D and product development experience; (iii) funding our collaborations with academic and research institutions on joint research projects	**284.8**	**15%**	**197.3**	**30.7**	**254.1**	**1.6%**	**Within the next one to two years**
Constructing and decorating of our R&D center and expanding the manufacturing plant for our test kit products, testing devices and instruments	**189.9**	**10%**	**70.4**	**93.9**	**96.0**	**4.9%**	**Within the next one to two years**
Working capital and general corporate purposes	**284.8**	**15%**	**246.1**	**3.9**	**280.9**	**0.2%**	**Within the next one to two years**
Total	**1,898.7**	**100%**	**1,231.6**	**298.2**	**1,600.5**	**15.7%**	

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

Directors' and Supervisors' Securities Transactions

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

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

Company's Compliance with Relevant Laws and Regulations

During the Reporting Period and up to the date of this announcement, the Group had complied with the laws, regulations and regulatory requirements of the places where the Group operates in all material respects, including the requirements under the Companies Ordinance, the Listing Rules, the SFO and the CG Code for, among other things, the disclosure of information and corporate governance.

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

Final Dividends

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2024. (2023: nil).

Proposed Amendments to the Articles of Association

The Board is pleased to announce that during the meeting of the Board dated March 28, 2025, the Directors have considered, and resolved to approve the proposed amendments to the Articles of Association.

On February 17, 2023, the State Council of the People's Republic of China and the CSRC issued the "Decision of the State Council to Repeal Certain Administrative Regulations and Documents" and the "Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies", respectively, and related guidelines (collectively, the "**New PRC Regulations**"), which came into effect on March 31, 2023. On the same date as the New PRC Regulations took effect, the "Mandatory Provisions for the Articles of Association of Companies Listed Overseas" and the "Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies" were repealed. The Stock Exchange has made certain consequential amendments to the Listing Rules, which came into effect on August 1, 2023. In light of the above, among other matters, holders of domestic shares and H shares of a PRC-established company are no longer deemed as different class of shareholders, and the class meeting requirement applicable to holders of domestic shares and H shares is no longer necessary under the New PRC Regulations.

The Board resolved to amend the Articles of Association for the purposes of (i) reflecting the updates in the New PRC Regulations and the Listing Rules, and (ii) making other appropriate and housekeeping amendments. The proposed amendments to the Articles of Association are subject to the approval of the Shareholder by way of special resolution(s) at each of the 2024 annual general meeting of the Company (the "**AGM**"), the class meeting for holders of H Shares (the "**2025 First Class Meeting for Holders of H Shares**") and the class meeting for holders of domestic Shares and Unlisted Foreign Shares (the "**2025 First Class Meeting for Holders of Domestic Shares and Unlisted Foreign Shares**").

AGM and the Relevant Class Meetings

The Board hereby announces that the Company will hold (i) the AGM; and (ii) the 2025 First Class Meeting for Holders of H Shares; and (iii) the 2025 First Class Meeting for Holders of Domestic Shares and Unlisted Foreign Shares on Thursday, June 5, 2025. A circular containing further information of the resolutions for the Shareholders' consideration and approval, together with the respective notices of the AGM and the relevant class meetings and proxy forms, will be despatched (if requested) to the Shareholders in accordance with the Listing Rules and the Articles of Association.

Closure of Register of Members

For the purpose of determining the list of holders of H Shares who are entitled to attend the AGM and the 2025 First Class Meeting for Holders of H Shares, the register of members of H Shares will be closed from Monday, June 2, 2025 to Thursday, June 5, 2025 (both days inclusive), during which period no transfer of H Shares will be registered. In order to qualify for attending and voting at the AGM and the 2025 First Class Meeting for Holders of H Shares, all transfer documents accompanied by the relevant share certificates should be lodged for registration with Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, May 30, 2025.

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

During the Reporting Period, there was no issue of Shares by the Company, and neither the Company nor any of its subsidiaries purchased, sold or redeemed any other listed securities of the Company (including any sale or transfer of treasury shares (as defined in the Listing Rules) (2023: nil).

As of December 31, 2024, the Company did not hold any Shares as treasury shares.

Scope of Work of the Auditor

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out herein have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

Review of Annual Results by Audit Committee

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

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Company and the audited consolidated financial statements for the year ended December 31, 2024.

Publication of Annual Results and Annual Report

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.basecare.cn). The annual report for the year ended December 31, 2024 containing all the information in accordance with the requirements under the Listing Rules will be despatched (if requested) to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

Appreciation

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

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

Suzhou, PRC, March 28, 2025

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

"Articles of Association"	articles of association of our Company, as amended from time to time
"Audit Committee"	the audit committee of the Board
"Basecare Investment"	Suzhou Basecare Investment Management Enterprise (Limited Partnership) (蘇州貝康投資管理企業(有限合夥)), a limited partnership established on May 23, 2016, through which, certain former employees, employees and advisors of our Group were indirectly beneficially interested in approximately 13.19% of the equity interests in our Company as of the date of this announcement. Basecare Investment is one of our Controlling Shareholders
"BMX"	BMX Holdco Pte. Ltd., a company incorporated in Singapore and a wholly owned subsidiary of the Company as of the date of this announcement
"BMX Acquisition"	the acquisition of BMX and its seven subsidiaries by the Company, which was completed on June 21, 2023
"Board"	the board of directors of the Company
"CE"	European conformity (conformité européenne)
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "the PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Company"	Suzhou Basecare Medical Corporation Limited (蘇州貝康醫療股份有限公司)
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Dr. Liang and/or Basecare Investment
"Core Product"	has the meaning ascribed to it in Chapter 18A of the Listing Rules; for the purposes of this announcement, our Core Product refers to our PGT-A kit

"CSRC"	the China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company
"Domestic Shares"	ordinary shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by domestic investors
"Dr. Liang"	Dr. LIANG Bo (梁波), our founder, executive Director, chairman of the Board, general manager and Controlling Shareholder
"EGM"	the 2025 first extraordinary general meeting of the Company held on January 21, 2025
"FDA"	The United States Food and Drug Administration
"Global Offering"	the offer of H Shares for subscription as described in the Prospectus
"GMP"	Good Manufacturing Practice, guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (《中華人民共和國藥品管理法》) as part of quality assurance which aims to minimize the risks of contamination, cross contamination, confusion and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use
"Group", "we" or "us"	the Company and its subsidiaries
"H Shares"	overseas listed shares in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards

"IVDR"	*in vitro* Diagnostic Regulation (2017/746) in the European Union
"IVF"	*in vitro* fertilization, a process where the egg and sperm are incubated together to a fertilized embryo in an in vitro system to achieve pregnancy
"IVM"	*in vitro* maturation
"Jiangsu MPA"	Jiangsu Medical Products Administration
"Listing Date"	February 8, 2021, being the date on which dealings in our H Shares first commence on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"LPR"	Loan Prime Rate
"MDR"	Medical Device Regulation (2017/745) in the European Union
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"NMPA"	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
"PGT"	pre-implantation genetic testing, a test performed before the implantation of an embryo to screen and diagnose the DNA from embryos for determining genetic abnormalities. These include PGT for aneuploidy (PGT-A), PGT for monogenic defects (PGT-M) and PGT for chromosomal rearrangements (PGT-SR)
"Prospectus"	the prospectus in relation to the Global Offering issued by the Company dated January 27, 2021
"R&D"	research and development

"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the year ended December 31, 2024
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Shareholder(s)"	holder(s) of the Shares
"Share(s)"	shares in the share capital of our Company, with a nominal value of RMB1.00 each, comprising our Domestic Shares, Unlisted Foreign Shares and H Shares
"sq.m."	square meter(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the supervisor(s) of the Company
"TGA"	The Therapeutic Goods Administration of Australia
"Unlisted Foreign Share(s)"	unlisted ordinary Share(s) issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for in a currency other than RMB
"%"	per cent