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*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 6667)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (the “**Director(s)**”) of Mega Genomics Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”).

In this announcement, “we”, “us” and “our” refer to the Company and, where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the prospectus of the Company dated 10 June 2022.

### **BUSINESS REVIEW AND OUTLOOK**

#### **Business Review**

##### *Overview*

As a leading genetic testing platform company in China, we focus on consumer genetic testing services and ancillary services and cancer screening services and ancillary services. As of 31 December 2024, we had performed a total of over 23 million genetic tests.

According to Frost & Sullivan, we were the largest consumer genetic testing platform in China in terms of the cumulative number of tests administered as of 31 December 2021, and we were the largest genetic testing platform for cancer screening in China as measured by the number of tests administered in 2020.

\* *For identification purpose only*

## **Business**

During the Reporting Period, the Company's operating revenue amounted to RMB164.2 million, representing a year-on-year increase of 8.5% as compared to RMB151.3 million for the same period in 2023; and net profit amounted to RMB45.0 million, representing a year-on-year increase of 50.0% as compared to RMB30.0 million for the same period in 2023, primarily due to the fact that the Company insisted on product design innovation, continuously enriched its product matrix and optimized its product structure, while also adopted a proactive market expansion strategy and built a diversified sales system by continuously exploring more sales scenarios and channels and constantly tapping into potential market demands and sales opportunities, thereby further enhancing customers' service experience and driving steady growth of revenue and net profit.

During the Reporting Period, we covered healthcare institutions in more than 340 cities in China. Our sales and marketing network allows us to deliver genetic testing services to a large portion of the Chinese population. In addition, we cooperate with various e-commerce and online healthcare platforms to expand and enhance our sales and marketing network.

## **Financial Highlights**

	For the year ended 31 December		
	2024	2023	Year-on-year change
	RMB'000	RMB'000	
Revenue	<b>164,226</b>	151,300	8.5%
Consumer genetic testing services and ancillary services	<b>159,594</b>	108,381	47.3%
Cancer screening services and ancillary services	<b>4,632</b>	42,919	(89.2%)
Gross profit	<b>119,348</b>	88,296	35.2%
Gross profit margin	<b>72.7%</b>	58.4%	14.3 percentage points
Net profit	<b>45,045</b>	30,038	50.0%
Net profit margin	<b>27.4%</b>	19.9%	7.5 percentage points

## **Revenue**

For the year ended 31 December 2024, our total revenue amounted to RMB164.2 million, representing an increase of RMB12.9 million, or 8.5%, as compared to RMB151.3 million for the same period in 2023. The revenue generated from consumer genetic testing services and ancillary services and cancer screening services and ancillary services for the year ended 31 December 2024 amounted to RMB159.6 million and RMB4.6 million, respectively. The year-on-year increase in revenue was primarily due to the fact that the Company insisted on product innovation, continuously enriched its product matrix and optimized its product structure, while also built a diversified sales network by proactively expanding its sales channels, thereby driving steady revenue growth.

## **Gross Profit and Gross Profit Margin**

For the year ended 31 December 2024, our consolidated gross profit amounted to RMB119.3 million, representing a year-on-year increase of 35.2% as compared to RMB88.3 million for the same period in 2023, of which RMB116.5 million and RMB2.8 million of gross profit were attributable to consumer genetic testing services and ancillary services and cancer screening services and ancillary services, respectively. The year-on-year increase in gross profit was driven by our continuous enrichment of product matrix, optimization of product structure and our ability to effectively control costs.

For the year ended 31 December 2024, our consolidated gross profit margin was 72.7%, representing a year-on-year increase of 14.3 percentage points as compared to 58.4% for the same period in 2023. For the year ended 31 December 2024, the gross profit margin for our consumer genetic testing services and ancillary services was 73.0%, representing a year-on-year increase of 20.1 percentage points as compared to 52.9% for the same period in 2023, driven by the optimization of our product and service portfolio and our ability to effectively control costs. The gross profit margin for our cancer screening services and ancillary services was 61.1%, representing a year-on-year decrease of 11.0 percentage points as compared to 72.1% for the same period in 2023, primarily attributable to our phased adjustment of marketing strategy, while costs such as labor costs and rent being relatively fixed.

## **Net Profit and Net Profit Margin**

For the year ended 31 December 2024, we recorded a net profit of RMB45.0 million and a net profit margin of 27.4%, as compared to a net profit of RMB30.0 million and a net profit margin of 19.9% for the same period in 2023. In 2024, our net profit increased by 50.0%, and our net profit margin increased by 7.5 percentage points year-on-year, primarily due to the fact that the Company implemented a more proactive marketing strategy, accelerated the expansion of sales channels, enriched its product matrix and continuously optimized its product structure, resulting in a significant increase in consolidated gross profit margin and net profit during the Reporting Period.

## Prospects and Outlook

### *Further exploiting the consumer genetic testing market in China*

According to Frost & Sullivan, the penetration of the consumer genetic testing market in China is expected to grow from 0.8% to 11.6% from 2020 to 2030. During this process, more standards regarding the consumer genetic testing industry will be established and the prevention and treatment guidelines or expert consensus for common diseases will be formed gradually. We believe that it is critical to expedite the establishment of industry standards.

We will strengthen our partnerships with industry leaders to establish industry standards through cooperation with key opinion leaders. This includes organizing academic meetings, collaborating with experts in scientific research, and conducting retrospective data analysis, etc. We will also strengthen our efforts to accelerate the education of medical institutions and increase market penetration more quickly by popularizing industry standards.

Meanwhile, in order to continuously consolidate our leading position in the consumer genetic testing market, we constantly upgrade and launch new products to meet the huge domestic consumer genetic market demand.

### *Further exploiting the cancer screening test market in China*

The current market has established an initial awareness of cancer screening. In particular, in the field of digestive tract tumors, blood methylation screening for intestinal cancer has gradually and widely reached consumers and has achieved good response. We will further strengthen the automation level of production to reduce the production cost and accelerate the R&D and application of blood methylation products for digestive tract tumors to improve the sensitivity and specificity of screening. This is to make the blood methylation screening for intestinal cancer have better socio-economic value.

We will continue diversifying our cancer screening product categories and product lines, such as innovative screening products for esophageal cancer, endometrial cancer, and bladder cancer, building a one-stop early cancer screening product matrix covering multiple cancer types and technological pathways. In the future, the Company will closely follow clinical needs and technological development trends, continuously increase R&D investment, promote the implementation of more cost-effective early cancer screening products, help achieve the public health goal of early detection, early diagnosis, and early treatment of cancer, and contribute to improving the health of the nation.

### ***Expanding our R&D strength and enriching our product matrix***

We will vigorously expand our R&D strength. In line with our R&D efforts, we plan to recruit more professionals to strengthen our internal R&D team and supplement our internal R&D strength by collaborating with renowned domestic and international academic and medical institutions.

Our self-developed ApoE gene testing kits detect ApoE gene mutations and assess the risk of Alzheimer's disease, which can generate synergistic effects with our Alzheimer's disease screening products, and are also used for medication guidance for patients with hyperlipidemia. The product has officially obtained the medical device registration certificate issued by the National Medical Products Administration in 2025.

Our self-developed folate metabolic capacity assessment testing kits detect the MTHFR gene polymorphisms and assess the metabolic capacity of folate in order to guide pregnant women to supplement folate and prevent neonatal defects, including neural tube defects, and are also used for medication guidance for patients with hyperhomocysteinemia. The product has officially obtained the medical device registration certificate issued by the National Medical Products Administration in 2025.

Our self-developed fecal occult blood intestinal cancer screening and transferrin screening products have been granted the Registration Certificate for Medical Device and have achieved mass production.

We will continue to develop more screening products that have both social significance and economic value and meet our customers' demand for convenient testing.

### ***Making selective geographic expansion and acquisition opportunities***

We plan to build a manufacturing laboratory to enhance geographic coverage, improve reporting cycles and reduce operating costs. We will optimize the production process, adopt a new production system for the new laboratory, and substantially shorten the product reporting time, to further improve customer experience.

We also plan to make prudent investments to complement our internal growth. We plan to acquire product candidates with significant market potential or technological frontiers when appropriate to complement our existing product portfolio and create synergies with our R&D, manufacturing and channel systems.

## MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth our consolidated statements of profit or loss for the periods indicated, together with the changes from the year ended 31 December 2023 to the corresponding period in 2024, presented as a percentage:

	For the year ended 31 December		
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	Year-on-year change
<b>Revenue</b>	<b>164,226</b>	151,300	8.5%
Cost of sales	(44,878)	(63,004)	(28.8%)
<b>Gross profit</b>	<b>119,348</b>	88,296	35.2%
Other income	6,800	11,975	(43.2%)
Other gains, net	1,061	1,009	5.2%
Selling and distribution expenses	(36,600)	(30,706)	19.2%
Research costs	(19,169)	(22,376)	(14.3%)
Administrative expenses	(22,861)	(22,127)	3.3%
Reversal of impairment of financial assets, net	7,294	11,579	(37.0%)
Other expenses	(521)	(349)	49.3%
Finance costs	(1,719)	(1,122)	53.2%
<b>Profit before tax</b>	<b>53,633</b>	36,179	48.2%
Income tax expenses	(8,588)	(6,141)	39.8%
<b>Profit for the year</b>	<b>45,045</b>	30,038	50.0%

## Revenue

We organize our principal business into two segments, namely consumer genetic testing services and ancillary services and cancer screening services and ancillary services.

The table below sets forth our revenue by operating segment for the periods indicated (presented in figures and as a percentage of total revenue).

	For the year ended 31 December			
	2024	2023		
	RMB'000	%	RMB'000	%
Consumer genetic testing services and ancillary services	<b>159,594</b>	<b>97.2%</b>	108,381	71.6%
Cancer screening services and ancillary services	<b>4,632</b>	<b>2.8%</b>	42,919	28.4%
<b>Total</b>	<b><u>164,226</u></b>	<b><u>100%</u></b>	<b><u>151,300</u></b>	<b><u>100.0%</u></b>

- Consumer genetic testing services and ancillary services. For the year ended 31 December 2024, our revenue from consumer genetic testing services and ancillary services amounted to RMB159.6 million, representing a year-on-year increase of 47.3% as compared to RMB108.4 million for the same period in 2023, which was due to the fact that the Company insisted on product innovation, continuously enriched its product matrix and optimized its product structure, while also built a diversified sales network by proactively expanding its sales channels, thereby driving steady revenue growth.
- Cancer screening services and ancillary services. For the year ended 31 December 2024, our revenue from cancer screening services and ancillary services amounted to RMB4.6 million, representing a year-on-year decrease of 89.2% as compared to RMB42.9 million for the same period in 2023, which was due to the Company's phased adjustment of marketing strategy and product structure, resulting in a decrease in revenue from cancer screening services and ancillary services during the Reporting Period.

## Cost of Sales

Our cost of sales consists primarily of labor costs and business operation and other costs. Business operation and other costs include the costs of raw materials, testing services, depreciation and amortization, printing and delivery, clusters, rent, property utilities, etc. The table below sets forth a breakdown of cost of sales by nature for the periods indicated (presented in figures and as a percentage of cost of sales).

	For the year ended 31 December	
	2024	2023
	<i>RMB'000</i>	%
Labor costs	<b>10,380</b>	<b>23.1%</b>
Business operation and other costs	<b>34,498</b>	<b>76.9%</b>
 Total	<b>44,878</b>	<b>100.0%</b>

Our cost of sales decreased by 28.8% from RMB63.0 million for the year ended 31 December 2023 to RMB44.9 million for the corresponding period in 2024. The decrease was primarily attributable to our effective costs control and optimization of product structure.

## Gross Profit and Gross Profit Margin

For the years ended 31 December 2023 and 2024, our gross profit amounted to RMB88.3 million and RMB119.3 million, respectively. For the same periods, our gross profit margin was 58.4% and 72.7%, respectively. The table below sets forth a breakdown of gross profit and gross profit margin by operating segment for the periods indicated (presented in figures and as a percentage of total gross profit).

	For the year ended 31 December			
	2024	2023	Segmental gross profit	Segmental gross profit
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Consumer genetic testing services and ancillary services	<b>116,519</b>	<b>97.6%</b>	57,344	64.9%
Cancer screening services and ancillary services	<u>2,829</u>	<u>2.4%</u>	30,952	35.1%
Total	<b><u>119,348</u></b>	<b><u>100%</u></b>	<b><u>88,296</u></b>	<b><u>100.0%</u></b>
	For the year ended 31 December			
	2024	2023	Segmental gross profit margin	Segmental gross profit margin
Consumer genetic testing services and ancillary services	<b>73.0%</b>	52.9%		
Cancer screening services and ancillary services	<u>61.1%</u>	<u>72.1%</u>		
Total	<b><u>72.7%</u></b>	<b><u>58.4%</u></b>		

Our gross profit from consumer genetic testing services and ancillary services increased from RMB57.3 million for the year ended 31 December 2023 to RMB116.5 million for the same period in 2024, and our gross profit margin from such services increased from 52.9% for the year ended 31 December 2023 to 73.0% for the corresponding period in 2024. The increase was primarily attributable to the Company's active exploration of sales scenarios and channels, expansion of diversified sales channels, continuous enrichment of product matrix, optimization of product structure and our ability to effectively control costs.

Our gross profit from cancer screening services and ancillary services decreased from RMB31.0 million for the year ended 31 December 2023 to RMB2.8 million for the corresponding period in 2024. The decrease was attributable to our phased adjustment of marketing strategy, while costs such as labor costs and rent being relatively fixed.

### **Other Income and Other Gains, Net**

Our other income decreased from RMB12.0 million for the year ended 31 December 2023 to RMB6.8 million for the same period in 2024. The decrease was primarily attributable to the decrease in government grants.

Our other gains, net remained stable at RMB1.0 million and RMB1.1 million for the years ended 31 December 2023 and 2024, respectively.

### **Selling and Distribution Expenses**

Our selling and distribution expenses increased from RMB30.7 million for the year ended 31 December 2023 to RMB36.6 million for the corresponding period in 2024, primarily attributable to the Company's active exploration of sales scenarios and channels and expansion of diversified sales channels, resulting in the increase in product promotion expenses.

### **Research Costs**

Our research costs decreased from RMB22.4 million for the year ended 31 December 2023 to RMB19.2 million for the corresponding period in 2024, primarily attributable to the reduction in the cost of raw materials directly used in research activities.

### **Administrative Expenses**

Our administrative expenses amounted to RMB22.1 million and RMB22.9 million for the years ended 31 December 2023 and 31 December 2024, respectively.

### **Reversal of Impairment of Financial Assets, Net**

We had reversal of impairment losses on financial assets of RMB11.6 million for the year ended 31 December 2023, and RMB7.3 million for the year ended 31 December 2024, primarily attributable to the Company's continuous active efforts in collecting trade receivables during the Reporting Period.

## **Other Expenses**

Our other expenses increased from RMB0.3 million for the year ended 31 December 2023 to RMB0.5 million for the same period in 2024.

## **Finance Costs**

Our finance costs increased from RMB1.1 million for the year ended 31 December 2023 to RMB1.7 million for the same period in 2024. The increase was primarily attributable to the increase in interest in bank borrowings arising from full-year interest incurred in year 2024, as the bank borrowings commenced in September 2023.

## **Income Tax Expenses**

Our income tax expenses increased from RMB6.1 million for the year ended 31 December 2023 to RMB8.6 million for the same period in 2024. The increase was primarily attributable to the increase in profit before tax during the Reporting Period.

## **Profit for the Year**

As a result of the above, during the Reporting Period, we recorded an increase in profit for the year from RMB30.0 million for the year ended 31 December 2023 to RMB45.0 million for the same period in 2024.

## **Cash and Cash Equivalents**

During the Reporting Period, our net cash flows generated from operating activities was RMB57.2 million, primarily attributable to the profit generated by the Group during the Reporting Year.

During the Reporting Period, our net cash flows generated from investing activities was RMB6.6 million, primarily attributable to the investment income from financial assets at fair value through profit or loss.

During the Reporting Period, our net cash flows used in financing activities was RMB91.8 million, primarily attributable to the repurchase of shares by the Company.

As a result of the above, our cash and cash equivalents, which were mainly held in RMB, decreased by 5.4% from RMB518.3 million as of 31 December 2023 to RMB490.3 million as of 31 December 2024.

## **Indebtedness**

As of 31 December 2023 and 31 December 2024, we had outstanding aggregate unpaid contractual lease payments (present value of lease payments for the remainder of relevant lease terms) of RMB25.9 million and RMB13.7 million respectively.

As of 31 December 2024, the Company had outstanding bank loans of RMB20.7 million (2023: RMB22.6 million). Among which, RMB2.0 million will mature within one year and RMB18.7 million will mature after one year.

Save as disclosed in this announcement, we did not have any outstanding loan, capital issued or agreed to be issued, debt securities, mortgages, charges, debentures, bank overdrafts, loans, unutilized banking facilities or other similar indebtedness, liabilities under acceptances or acceptance credits, hire purchase commitments or other contingent liabilities as of 31 December 2024.

Our Directors have also confirmed that, save for the above, as of 31 December 2024, there was no material change in the Company's indebtedness since 31 December 2023.

## **Key Financial Ratios**

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
Gross profit margin <sup>(1)</sup>	<b>72.7%</b>	58.4%
Net profit margin <sup>(2)</sup>	<b>27.4%</b>	19.9%
Current ratio <sup>(3)</sup>	<b>6.9</b>	6.1

*Notes:*

(1) Gross profit margin equals gross profit divided by revenue for the year.

(2) Net profit margin equals net profit divided by revenue for the year.

(3) Current ratio equals current assets divided by current liabilities as of the end of the period.

## **Capital Expenditures**

Our principal capital expenditures related primarily to the purchase of property, plant and equipment and the establishment of an automatic laboratory. The table below sets forth our capital expenditures for the periods indicated.

	<b>For the year ended</b> <b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Purchases of property, plant and equipment	<b>761</b>	35,857
Purchases of other intangible assets	<b>14</b>	240
 Total	 <b>775</b>	 <b>36,097</b>

## **Contingent Liabilities**

As of 31 December 2024, we had no material contingent liabilities.

## **Significant Investments and Future Plans for Material Investments or Capital Assets**

As of 31 December 2024, we did not hold any significant investment.

In addition, save for the expansion plans as disclosed in the two sections headed “Business” and “Future Plans and Use of Proceeds” in the Prospectus, we have no future plans for material investments or capital assets.

## **Material Acquisitions and Disposals**

For the year ended 31 December 2024, we did not make any material acquisitions or disposals of subsidiaries, associates and joint ventures.

## **Pledge of Group Assets**

As of 31 December 2024, we pledged certain property, plant and equipment in an amount of approximately RMB33.2 million (2023: RMB34.7 million) to secure bank loans.

## **Final Dividend**

The Board has resolved not to declare a final dividend for the year ended 31 December 2024.

## **Company Information**

The Company was incorporated in the Cayman Islands on 22 April 2021 as an exempted company with limited liability, and the shares were listed on the Main Board of the Stock Exchange on 22 June 2022 (the “**Listing Date**”).

## **Employees**

As of 31 December 2024, we had 209 employees, most of whom were based in Beijing. We conduct new staff training regularly to guide new employees and help them adapt to the new working environment. In addition, we provide online and in-person formal and comprehensive company-level and department-level training to our employees on a quarterly basis in addition to on-the-job training. Employees are also encouraged to attend external seminars and workshops to enrich their technical knowledge and develop competencies and skills. We also provide training and development programs as well as external training courses to our employees from time to time for the sake of enhancing their technical skills and ensuring that they understand and comply with our policies and procedures.

The compensation of our employees is determined with reference to market conditions and the performance, qualifications and experience of individual employees. We offer competitive compensation packages, including salaries, discretionary bonuses and benefit plans, to retain employees based on the performance of us and individual employees.

The Company adopted a restricted share unit scheme (the “**RSU Scheme**”) on 19 November 2021. On 29 December 2022, the Company granted a total of 27,272,000 RSUs to certain eligible participants of the Company under the RSU Scheme, the principal terms and details of which are set out in the section headed “Appendix IV – Statutory and General Information – D. Restricted Share Unit Scheme” of the Prospectus and the announcement of the Company dated 29 December 2022.

## **Other Material Events**

### **Suspension of trading on the Stock Exchange**

Trading in the Shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on 1 April 2025 and will remain suspended until the fulfillment of the resumption guidance as specified by the Stock Exchange.

### **Resumption guidance**

On 23 May 2025, the Company received a letter from the Stock Exchange setting out the guidance for the resumption of trading in the Shares of the Company on the Stock Exchange. The latest resumption guidance (the “**Resumption Guidance**”) as of the date of this announcement is as follows:

- (i) conduct an appropriate independent forensic investigation into the audit issues, assess the impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions;
- (ii) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group’s management and/or any persons with substantial influence over the Company’s management and operations, which may pose a risk to investors and damage market confidence;
- (iii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules;
- (iv) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (v) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules; and
- (vi) inform the market of all material information for the Company’s Shareholders and other investors to appraise its position.

For details regarding the Resumption Guidance, please refer to the announcement of the Company dated 30 May 2025.

## **Progress of fulfillment of the Resumption Guidance**

For quarterly updates on the status of resumption and the Company's resumption plan in fulfilling the Resumption Guidance, please refer to the announcements of the Company dated 30 June 2025, 30 September 2025 and 31 December 2025.

## **Appointment of new auditor**

The Company has removed Ernst & Young as its auditor and appointed Crowe (HK) CPA Limited as its new auditor with effect from 21 July 2025 until the next annual general meeting of the Company. For details regarding the appointment of new auditor, please refer to the announcements of the Company dated 5 May 2025, 30 June 2025 and 21 July 2025.

## **Independent forensic investigation**

In accordance with the requirements set out in the Resumption Guidance, the Investigation Committee has engaged an independent investigation company to conduct an independent forensic investigation into the audit issues. For the key findings of the investigation report, the opinions of the Investigation Committee and the Board, the recommendations and the status of completion, please refer to the announcement of the Company dated 10 November 2025.

## **Internal control review**

In accordance with the requirements set out in the Resumption Guidance, the Company has engaged an external independent adviser to conduct a review on the Group's internal control systems and procedures and a subsequent review on the remedial measures implemented by the Company. For the key findings of the internal control review, the opinions of the Investigation Committee and the Board, the corrective recommendations and the implementation of remedial actions, please refer to the announcement of the Company dated 12 January 2026.

## **Material Events After the Reporting Period**

Save for the matters disclosed herein, as of the date of this announcement, there were no material events after 31 December 2024 that might have a material impact on our operations and financial results.

## Use of Proceeds from the Global Offering

The Company was listed on the Main Board of the Stock Exchange on 22 June 2022. The new shares were issued at HK\$18 per share and a total of 11,961,800 ordinary Shares were offered with a total nominal value of HK\$215.3 million. The net proceeds raised during the Global Offering (net of underwriting commissions and other expenses paid and payable by the Company in connection with the Global Offering) amounted to approximately HK\$153.4 million. Since the Listing Date and up to 31 December 2024, there has been no change in the intended use of the net proceeds previously disclosed in the Prospectus.

The table below sets forth the use of net proceeds from the Global Offering:

Intended use of proceeds	Intended		Actual amount used as at 31 December 2024	Unutilized net proceeds as at 31 December 2024	Schedule of unutilized balances
	Percentage of intended use of proceeds	use of net proceeds from the Global Offering			
	%	HK\$ million	HK\$ million	HK\$ million	
Sales and Marketing	30	46.0	46.0	0	By 30 June 2025
Research and Development	25	38.4	38.2	0.2	By 30 June 2025
Testing Capability and Capacity	20	30.7	20.0	10.7	By 30 June 2025
Investment and Acquisitions	15	23.0	0	23	By 30 June 2025
Working Capital and Other Purposes	10	15.3	15.3	0	By 30 June 2025
Total	100	153.4	119.5	33.9	

*Note:*

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

To the extent that the net proceeds from the Global Offering are not immediately applied for the above purposes and to the extent permitted by the relevant law and regulations, we intend to deposit the net proceeds only into short-term deposits with licensed financial institutions in Hong Kong or the PRC. We will make an appropriate announcement if there is any change to the above proposed use of proceeds or if any amount of the proceeds will be used for general corporate purpose.

The utilisation of proceeds was in accordance with the planned applications. The unutilised portion of the proceeds will be applied in a manner consistent with the above planned applications.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*Year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i> (Restated)
<b>REVENUE</b>	4	<b>164,226</b>	151,300
Cost of services provided		<b>(44,878)</b>	(63,004)
Gross profit		<b>119,348</b>	88,296
Other income	4(c)	<b>6,800</b>	11,975
Other gains, net	4(d)	<b>1,061</b>	1,009
Selling and distribution expenses		<b>(36,600)</b>	(30,706)
Research costs		<b>(19,169)</b>	(22,376)
Administrative expenses		<b>(22,861)</b>	(22,127)
Reversal of impairment of financial assets, net		<b>7,294</b>	11,579
Other expenses		<b>(521)</b>	(349)
Finance costs		<b>(1,719)</b>	(1,122)
<b>PROFIT BEFORE TAX</b>	5	<b>53,633</b>	36,179
Income tax expense	6	<b>(8,588)</b>	(6,141)
<b>PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>45,045</b>	<b>30,038</b>
Attributable to:			
Owners of the Company		<b>45,045</b>	<b>30,038</b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
Basic and diluted	8	<b>RMB0.22</b>	<b>RMB0.14</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	At 31 December 2024 Notes	At 31 December 2023 RMB'000	At 1 January 2023 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<b>59,038</b>	67,399	36,922
Advance payments for property, plant and equipment	—	—	2,876
Right-of-use assets	<b>20,222</b>	26,650	9,990
Intangible assets	<b>770</b>	919	834
Financial assets at fair value through profit or loss	<b>30,800</b>	29,600	30,030
Deferred tax assets	<b>2,055</b>	4,196	5,967
 Total non-current assets	<b>112,885</b>	128,764	86,619
<b>CURRENT ASSETS</b>			
Inventories	<b>4,609</b>	4,409	3,508
Trade and notes receivables	<b>90,056</b>	115,877	184,823
Prepayments, other receivables and other assets	<b>40,667</b>	29,203	30,918
Cash and cash equivalents	<b>490,260</b>	518,289	399,831
 Total current assets	<b>625,592</b>	667,778	619,080
<b>CURRENT LIABILITIES</b>			
Trade payables	<b>10 25,433</b>	39,541	34,757
Other payables and accruals	<b>12,271</b>	8,798	29,428
Contract liabilities	<b>48,617</b>	52,267	9,858
Interest-bearing bank borrowing	<b>11 1,995</b>	1,912	—
Lease liabilities	—	5,992	6,480
Tax payable	<b>1,724</b>	597	123
Deferred income	<b>600</b>	600	600
 Total current liabilities	<b>90,640</b>	109,707	81,246
<b>NET CURRENT ASSETS</b>			
 <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>534,952</b>	558,071	537,834
 <b>647,837</b>	<b>686,835</b>	<b>624,453</b>	

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2024

		At 31 December 2024	At 31 December 2023	At 1 January 2023
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>				
Interest-bearing bank borrowing	11	<b>18,728</b>	20,723	–
Lease liabilities		<b>13,679</b>	19,935	4,506
Deferred income		<b>750</b>	1,350	1,950
		<hr/>	<hr/>	<hr/>
Total non-current liabilities		<b>33,157</b>	42,008	6,456
		<hr/>	<hr/>	<hr/>
Net assets		<b>614,680</b>	644,827	617,997
		<hr/>	<hr/>	<hr/>
<b>EQUITY</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital		<b>150</b>	154	155
Treasury shares		<b>(27,979)</b>	(1,567)	–
Reserves		<b>642,509</b>	646,240	617,842
		<hr/>	<hr/>	<hr/>
Total equity		<b>614,680</b>	644,827	617,997
		<hr/>	<hr/>	<hr/>

# NOTES TO FINANCIAL STATEMENTS

31 December 2024

## 1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered address of the Company is Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, Cayman Islands. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 22 June 2022.

The Company is an investment holding company. During the year, the Company's subsidiaries were principally engaged in the provision of a broad spectrum of genetic testing services.

In the opinion of the directors, the Company does not have an immediate holding company or ultimate holding company. Dr. Yu Rong, Ms. Guo Meiling and Meinian OneHealth Healthcare Holdings Co., Ltd. together with their respective holding companies, namely, Yurong Technology Limited, Tianjin Hongzhi Kangjian Management Consulting Partnership (LP), Infinite Galaxy Health Limited and Mei Nian Investment Limited are regarded as a group of the controlling shareholders of the Company as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 2. ACCOUNTING POLICIES

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (“HKFRSs”) (which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirement of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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

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

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

## **2.2 PRIOR YEAR ADJUSTMENT AND COMPARATIVE FIGURES**

- (a) *Prior year adjustment*

During the preparation of the consolidated financial statements for the year ended 31 December 2024, the directors of the Company identified an error in the classification of lease liabilities between current liabilities and non-current liabilities in the consolidated statement of financial position as at 31 December 2023.

The table below presents the impact of the restatement of the Group's previously issued consolidated statements of financial position as at 31 December 2023.

	As previously reported <i>RMB'000</i>	Prior-year adjustment <i>RMB'000</i>	As restated <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	67,399	–	67,399
Right-of-use assets	26,650	–	26,650
Intangible assets	919	–	919
Financial assets at fair value through profit or loss	29,600	–	29,600
Deferred tax assets	4,196	–	4,196
 Total non-current assets	 128,764	 –	 128,764
<b>CURRENT ASSETS</b>			
Inventories	4,409	–	4,409
Trade and notes receivables	115,877	–	115,877
Prepayments, other receivables and other assets	29,203	–	29,203
Cash and cash equivalents	518,289	–	518,289
 Total current assets	 667,778	 –	 667,778
<b>CURRENT LIABILITIES</b>			
Trade payables	39,541	–	39,541
Other payables and accruals	8,798	–	8,798
Contract liabilities	52,267	–	52,267
Interest-bearing bank borrowing	1,912	–	1,912
Lease liabilities	10,616	(4,624)	5,992
Tax payable	597	–	597
Deferred income	600	–	600
 Total current liabilities	 114,331	 (4,624)	 109,707
<b>NET CURRENT ASSETS</b>			
 <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	 <b>553,447</b>	 <b>4,624</b>	 <b>558,071</b>
 <b>682,211</b>	 <b>4,624</b>	 <b>686,835</b>	

	As previously reported <i>RMB'000</i>	Prior-year adjustment <i>RMB'000</i>	As restated <i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowing	20,723	–	20,723
Lease liabilities	15,311	4,624	19,935
Deferred income	1,350	–	1,350
 Total non-current liabilities	 37,384	 4,624	 42,008
 Net assets	 <u>644,827</u>	 <u>–</u>	 <u>644,827</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	154	–	154
Treasury shares	(1,567)	–	(1,567)
Reserves	646,240	–	646,240
 Total equity	 <u>644,827</u>	 <u>–</u>	 <u>644,827</u>

(b) *Comparative figures*

With a review of the presentation of the consolidated financial statements, certain items were reclassified which would result in a more appropriate presentation of events or transactions, with details as follows:

- (i) the changes in fair value of financial assets at fair value through profit or loss, and foreign exchange differences, net are classified as “other gains, net”;
- (ii) the research costs are separately presented as a line item in the consolidated statement of profit or loss and other comprehensive income;
- (iii) the contract liabilities are separately presented as a line item in the consolidated statement of financial position.

Accordingly, comparative figures have been reclassified to conform with the current year's presentation.

## 2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5</i> (the “ <b>2020 Amendments</b> ”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “ <b>2022 Amendments</b> ”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised HKFRSs are described below:

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

## 2.4 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

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

HKFRS 18 and consequential amendments to other HKFRSs	<i>Presentation and Disclosure in Financial Statements</i> <sup>3</sup>
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
Amendments to HKAS 21	<i>Lack of Exchangeability</i> <sup>1</sup>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

### **3. OPERATING SEGMENT INFORMATION**

For management purposes, the Group is not organised into business units based on their services and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

#### **Geographical information**

During the year, the Group operated within one geographical segment because all of the Group's revenue was generated from customers located in Mainland China. All of the non-current assets of the Group were located in Mainland China.

#### **Information about a major customer**

Revenue from a major customer which accounted for 10% or more of the Group's revenue during the year is set out below:

	<b>2024</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>
Customer A	<b>111,900</b>	<b>87,805</b>

### **4. REVENUE, OTHER INCOME AND GAINS**

An analysis of revenue is as follows:

	<b>2024</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>
Revenue from contracts with customers	<b>164,226</b>	<b>151,300</b>

## Revenue from contracts with customers

### (a) Disaggregated revenue information

	2024 RMB'000	2023 RMB'000
<b>Types of goods or services</b>		
Consumer genetic testing services and ancillary services – through GTK	94,663	1,559
Consumer genetic testing services and ancillary services – through DTS	64,931	106,822
Cancer screening testing services and ancillary services – through DTS	4,632	42,919
<b>Total</b>	<b>164,226</b>	<b>151,300</b>
<b>Timing of revenue recognition</b>		
Goods or services transferred at a point in time	164,226	151,300

### Notes:

Direct testing services (“**DTS**”): Customers undergo sample collection at designated clinics, health check centres or other authorised service points, after which the Group performs laboratory testing and issues the corresponding test reports, and payment is generally due within three to six months from the date of billing, except for certain customers, where payment in advance is required.

Genetic testing kits (“**GTK**”): Customers obtain genetic testing kits, collect samples themselves and return the samples to the Group for laboratory testing and issuance of test reports.

### Geographical markets

All of the Group’s revenues were generated from customers located in Mainland China during the year.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2024 RMB'000	2023 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the year:		
Genetic testing services	49,309	9,300

(b) *Performance obligations*

Information about the Group's performance obligations is summarised below:

*Consumer genetic testing services and ancillary services and cancer screening testing services and ancillary services*

Revenue from consumer genetic testing services and ancillary services and cancer screening testing services and ancillary services are recognised upon delivery of testing reports, and payment is generally due within three to six months from the date of billing, except for certain customers, where payment in advance is required.

(c) *Other income*

An analysis of other income and gains is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Investment income from financial assets mandatorily measured at fair value through profit or loss	4,404	5,343
Bank interest income	1,672	722
Government grants*	675	5,439
Rental income	–	142
Others	<u>49</u>	<u>329</u>
 Total other income and gains	 <u>6,800</u>	 <u>11,975</u>

\* The government grants mainly represent subsidies from the local government to support the Group's operation and to compensate the Group for its purchase of laboratory equipment. During the year, government grants amounting to RMB600,000 (2023: RMB600,000) were recognised from deferred income.

(d) *Other gains, net*

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Changes in fair value of financial assets at fair value through profit or loss	1,200	(430)
Gain on lease modifications	606	–
Foreign exchange differences, net	<u>(745)</u>	<u>1,439</u>
 1,061	 <u>1,061</u>	 <u>1,009</u>

## 5. PROFIT BEFORE TAX

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

	2024 RMB'000	2023 RMB'000
Cost of services provided	<b>44,878</b>	63,004
Cost of inventories expensed (included in cost of services provided)	<b>20,879</b>	30,047
Depreciation of property, plant and equipment	<b>9,122</b>	8,256
Depreciation of right-of-use assets	<b>5,389</b>	6,709
Amortisation of intangible assets*	<b>163</b>	155
Lease payments not included in the measurement of lease liabilities	<b>479</b>	1,182
Auditors' remuneration – audit service		
– Current external auditor	<b>1,200</b>	–
– Previous external auditor	<b>900</b>	1,200
	<hr/> <b>2,100</b>	<hr/> 1,200
Reversal of impairment of financial assets, net	<b>(7,920)</b>	(13,975)
Reversal of impairment of trade receivables, net	<b>626</b>	2,396
Impairment of other receivables, net		
	<hr/> <b>(7,294)</b>	<hr/> (11,579)
Employee benefit expense (including directors' and chief executive's remuneration):		
Fees, wages and salaries	<b>36,130</b>	38,826
Share-based payment expense	<b>2,423</b>	7,288
Pension scheme contributions**	<b>10,996</b>	11,656
Staff welfare expenses	<b>1,803</b>	1,467
	<hr/> <b>51,352</b>	<hr/> 59,237

\* The amortisation of intangible assets is included in "Administrative expenses" and "Cost of services provided" in the consolidated statements of profit or loss and other comprehensive income.

\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in this jurisdiction.

The statutory tax rate for the subsidiary in Hong Kong is 16.5% (2023: 16.5%). No Hong Kong profits tax on the subsidiary has been provided as there was no assessable profit arising in Hong Kong during the year (2023: Nil).

The provision for current income tax in Mainland China is based on a statutory tax rate of 25% (2023: 25%) of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law, except for Mega Genomics Beijing, a subsidiary of the Group. Mega Genomics Beijing is qualified as a High and New Technology Enterprise and was subject to tax at a preferential income tax rate of 15% (2023: 15%).

The income tax expense of the Group is analysed as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Current – Mainland China		
Charge for the year	<b>6,514</b>	4,370
Over-provision in prior year	<b>(67)</b>	–
	<b>6,447</b>	4,370
Deferred tax	<b>2,141</b>	1,771
Total tax charge for the year	<b>8,588</b>	6,141

## 7. DIVIDENDS

No interim dividends were declared and paid for both years.

The board of directors did not recommend the payment of any final dividend for the year (2023: Nil).

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 207,415,377 (2023: 211,766,697) in issue during the year. The number of shares for the current period has been arrived at after eliminating the shares held under the RSU scheme.

The computation of diluted earnings per share does not assume the exercise of the Company's restricted share units ("RSUs") because the exercise price of the RSUs was higher than the average market price of shares for both years.

## 9. TRADE AND NOTES RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	<b>105,371</b>	140,361
Notes receivable	<b>1,249</b>	—
Subtotal	<b>106,620</b>	140,361
Impairment	<b>(16,564)</b>	(24,484)
Net carrying amount	<b>90,056</b>	<b>115,877</b>

The Group's trading terms with its customers are mainly on credit. The credit terms granted generally ranges from three to six months, depending on the specific payment terms in each contract. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from related parties of RMB74,361,000 (2023: RMB94,809,000), net of impairment loss of RMB6,650,000 (2023: RMB9,044,000) which are repayable on credit terms similar to those offered to the non-related party customers of the Group.

Notes receivables at 31 December 2024 represent bank acceptance notes issued by banks in the PRC maturing in April and May 2025.

An ageing analysis of the trade and notes receivables (net of impairment losses) as at the end of the reporting period, based on the invoice dates and net of loss allowance, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Trade receivables</b>		
Within 3 months	30,226	52,866
3 to 6 months	10,431	10,042
6 to 12 months	9,902	28,512
1 to 2 years	36,906	15,020
Over 2 years	1,342	9,437
 Total	 88,807	 115,877
 <b>Notes receivable</b>		
Within 3 months	1,249	—

## 10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
 Within 3 months		
3 to 6 months	6,407	13,322
6 to 12 months	3,217	5,241
1 to 2 years	11,037	10,580
Over 2 years	2,622	9,640
 Total	 2,150	 758
 Total	 25,433	 39,541

The trade payables are non-interest-bearing and are normally settled within six months.

Included in the Group's trade payables are amounts due to related parties of RMB243,000 (2023: RMB558,000) with credit terms similar to those offered by the related parties to their customers.

## 11. INTEREST-BEARING BANK BORROWING

31 December 2024

	Effective interest rate (%)	Maturity	RMB'000
<b>Current</b>			
Current portion of long-term bank loan – secured	4.30	2025	1,995
<b>Non-current</b>			
Bank loan – secured	4.30	2026 – 2033	18,728
Total			20,723
Analysed into:			
Bank loan repayable:			
Within one year			1,995
In the second year			2,082
In the third to fifth years, inclusive			6,809
Beyond five years			9,837
Total			20,723

31 December 2023

	Effective interest rate (%)	Maturity	RMB'000
<b>Current</b>			
Current portion of long-term bank loan – secured	4.30	2024	1,912
<b>Non-current</b>			
Bank loan – secured	4.30	2025 – 2033	20,723
<b>Total</b>			22,635
Analysed into:			
Bank loan repayable:			
Within one year			1,912
In the second year			1,995
In the third to fifth years, inclusive			6,524
Beyond five years			12,204
<b>Total</b>			22,635

The Group's bank borrowing is interest-bearing at 5-year Loan Prime Rate ("LPR"), fixed at the commencement date of the bank borrowing, plus 0.1% per annum.

The Group's bank loan is secured by mortgages over the Group's property, plant and equipment, which had a net carrying value at the end of the reporting period of approximately RMB33,245,000 (2023: RMB34,744,000). In addition, the property seller has guaranteed the Group's bank loan.

## 12. RELATED PARTY TRANSACTIONS

Details of the Group's major related parties are as follows:

<b>Company</b>	<b>Relationship with the Company</b>	
Dr. Yu Rong	Shareholder and director	
Meinian Onehealth Healthcare Holdings Co., Ltd. and its subsidiaries ("Meinian Onehealth")	Shareholder	
(a) The Group had the following transactions with related parties during the year:		
	<b>2024</b> <i>RMB'000</i>	<b>2023</b> <i>RMB'000</i>
Services provided to: (note i)		
Meinian Onehealth	<b>111,900</b>	87,805
Companies controlled by Yu Rong	<b>16,695</b>	21,159
<b>Total</b>	<b>128,595</b>	108,964
Services provided by: (note i)		
Meinian Onehealth	<b>26</b>	580
A company controlled by Yu Rong	<b>2</b>	12
<b>Total</b>	<b>28</b>	592
Property management services provided by: (note ii)		
A company controlled by Yu Rong	<b>818</b>	1,320
Utility service fee provided by: (note ii)		
A company controlled by Yu Rong	<b>854</b>	931
Lease liabilities payments to: (note ii)		
A company controlled by Yu Rong	<b>11,392</b>	9,285

*Notes:*

- (i) The service fees were on normal commercial terms as determined based on arm's length negotiation between the parties with reference to (1) the production cost and gross profit requirements of the Group; (2) the government's prescribed price and the prevailing service fee of a similar service provider in the market; and (3) the sales to the buyer's end customers.
- (ii) The property management service fee, utility service fee and lease payments were charged with reference to prices mutually agreed between the parties.

(b) Outstanding balances with related parties:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Trade receivables (net of impairment loss)</b>		
Meinian Onehealth	42,311	56,860
Companies controlled by Yu Rong	<u>32,050</u>	<u>37,949</u>
Total	<u><b>74,361</b></u>	<u>94,809</u>
<b>Other receivables (net of impairment loss)</b>		
Companies controlled by Yu Rong	<u><b>1,368</b></u>	<u>3,218</u>
<b>Prepayments</b>		
Meinian Onehealth	<u><b>820</b></u>	<u>848</u>
<b>Trade payables</b>		
Meinian Onehealth	174	489
A company controlled by Yu Rong	<u>69</u>	<u>69</u>
Total	<u><b>243</b></u>	<u>558</u>
<b>Other payables</b>		
A company controlled by Yu Rong	<u><b>759</b></u>	<u>177</u>
<b>Contract liabilities</b>		
Meinian Onehealth	43,361	44,384
Companies controlled by Yu Rong	<u>125</u>	<u>1,324</u>
Total	<u><b>43,486</b></u>	<u>45,708</u>
<b>Lease liabilities</b>		
A company controlled by Yu Rong	<u><b>13,679</b></u>	<u>25,927</u>

(c) Compensation of key management personnel of the Group:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
Salaries, allowances and benefits in kind	<b>4,353</b>	4,602
Pension scheme contributions	<b>729</b>	770
Share-based payment expense	<b>1,720</b>	5,174
 Total compensation paid to key management personnel	 <b>6,802</b>	 <b>10,546</b>

The related party transactions in respect of the genetic testing services provided to Meinian Onehealth and companies controlled by Dr. Yu Rong above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

## ADDITIONAL INFORMATION

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

For the year ended 31 December 2024, the Company has repurchased a total of 9,634,800 shares of the Company for cancellation at a total consideration of HK\$84,209,663.28.

Details of the repurchase are set out below:

Month	Total number of shares repurchased	Price per share		Total consideration HK\$
		Highest HK\$	Lowest HK\$	
01/2024	90,000.00	9.20	7.96	769,418.69
02/2024	914,200.00	11.90	8.14	10,126,552.69
04/2024	80,000.00	9.50	8.40	740,920.11
05/2024	149,800.00	9.90	9.50	1,468,994.42
06/2024	929,800.00	10.30	9.50	9,282,528.92
07/2024	1,726,400.00	10.18	9.49	16,983,792.21
09/2024	205,400.00	7.98	7.74	1,618,952.24
10/2024	1,632,600.00	9.48	7.50	13,168,542.00
11/2024	2,412,400.00	7.73	7.59	18,555,848.00
12/2024	1,494,200.00	7.74	7.60	11,494,114.00
Total	<u>9,634,800.00</u>			<u>84,209,663.28</u>

As of 31 December 2024, the Company has cancelled 5,728,200 shares among the shares repurchased above, and the remaining 3,906,600 shares repurchased have also been cancelled on 21 January 2025.

The repurchase is to increase the net asset value per share and earnings per share and has been carried out in accordance with the repurchase mandate granted to the Board at the 2024 annual general meeting of the Company.

Save as disclosed above, the Company or its subsidiaries did not purchase, sell or redeem any of the Company's listed securities for the year ended 31 December 2024.

## **Compliance with the Corporate Governance Code**

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all shareholders.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. The Board is of the view that, throughout the year ended 31 December 2024, the Company has complied with the code provisions as set out in the CG Code.

## **Compliance with the Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the Group’s code of conduct regarding the Directors’ securities transactions. Having made specific enquiry of all the Directors, all the Directors confirmed that they have strictly complied with the Model Code throughout the year ended 31 December 2024.

## **Audit Committee and Review of Financial Information**

The Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. As of the date of this announcement, the Audit Committee consists of three members, namely Mr. Jia Qingfeng, Ms. Guo Meiling and Dr. Zhang Ying. Mr. Jia Qingfeng, being the chairman of the Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, without limitation, assisting the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group and overseeing the audit process.

The Audit Committee has reviewed the Group’s annual financial statements for the year ended 31 December 2024. The Audit Committee has also reviewed the accounting principles adopted by the Group and discussed auditing, internal control, risk management and financial reporting matters.

## **Scope of Work for Annual Results Announcement by Auditor**

The 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 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, Crowe (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or no assurance conclusion has been expressed by Crowe (HK) CPA Limited on this preliminary announcement.

## **Publication of Annual Results Announcement and Annual Report**

This annual results announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.megagenomics.cn](http://www.megagenomics.cn)). The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and/or made available on the same websites in due course.

By order of the Board  
**Mega Genomics Limited**  
**Lin Lin**  
*Executive Director and Chairperson*

Hong Kong, 30 January 2026

*As of the date of this announcement, the executive Directors are Dr. Yu Rong, Ms. Lin Lin and Ms. Jiang Jing; the non-executive Director is Ms. Guo Meiling; and the independent non-executive Directors are Dr. Zhang Ying, Mr. Jia Qingfeng and Dr. Xie Dan.*