As filed with the Securities and Exchange Commission on November 21, 2019.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Genetron Holdings Limited

(Exact name of Registrant as specified in Its charter)

Not Applicable
(Translation of Registrant's name into English)

Cayman Islands	**8071**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

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No.8 Life Science Parkway
Changping District, Beijing, 102206
People's Republic of China
+86 10 5090-7500
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Cogency Global Inc.
10 E. 40th Street, 10th Floor
New York, NY 10016
+1 800-221-0102
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐ _____

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐ _____

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐ _____

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with US GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Proposed maximum aggregate offering price(1)**	**Amount of registration fee**
Ordinary shares, par value US$0.00002 per share(2)(3)	US$100,000,000	US$12,980

(1) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

(2) Includes ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public, and also includes ordinary shares that may be purchased by the underwriters pursuant to an over-allotment option. These ordinary shares are not being registered for the purpose of sales outside the United States.

(3) American depositary shares issuable upon deposit of the ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No.333-). Each American depositary share represents ordinary shares.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion
Preliminary Prospectus dated , 2019

American Depositary Shares

Genetron Holdings Limited

Representing Ordinary Shares

This is an initial public offering of American depositary shares, or ADSs, representing ordinary shares of Genetron Holdings Limited.

We are offering ADSs. Each ADS represents of our ordinary shares, par value US$ per share.

Prior to this offering, there has been no public market for the ADSs. It is currently estimated that the initial public offering price per share will be between US$ and US$.

We have applied for listing the ADSs on the Nasdaq Global Market under the symbol "GTH."

We are an "emerging growth company" under applicable U.S. federal securities laws and are eligible for reduced public company reporting requirements.

See "Risk Factors" beginning on page 21 for factors you should consider before buying the ADSs.

Neither the United States Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per ADS	Total
Public offering price	US$	US$
Underwriting discounts and commissions(1)	US$	US$
Proceeds, before expenses, to us	US$	US$

(1) See "Underwriting" for additional disclosure regarding compensation payable by us to the underwriters.

The underwriters have a 30-day option to purchase up to an additional ADSs from us at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the ADSs against payment in U.S. dollars in New York, New York on , 2019.

Credit Suisse **CICC**

The date of this prospectus is , 2019.

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We are responsible for the information contained in this prospectus. We have not authorized anyone to provide you with different information, and we take no responsibility for any other information others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than its date.

You should rely only on the information contained in this prospectus or in any related free-writing prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, the ADSs only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is current only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the ADSs.

We have not taken any action to permit a public offering of the ADSs outside the United States or to permit the possession or distribution of this prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of the ADSs and the distribution of the prospectus outside the United States.

Until , 2019 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements and the related notes appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in the ADSs discussed under "Risk Factors," "Business," and information contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations" before deciding whether to buy the ADSs. Investors should note that Genetron Holdings Limited, our ultimate Cayman Islands holding company, does not directly own any substantive business operations in the PRC and our businesses in the PRC described in this prospectus are operated through our VIE.

OUR MISSION

Our mission is to transform cancer treatment and prevention globally by driving technological innovation and accelerating the adoption of precision oncology medicine.

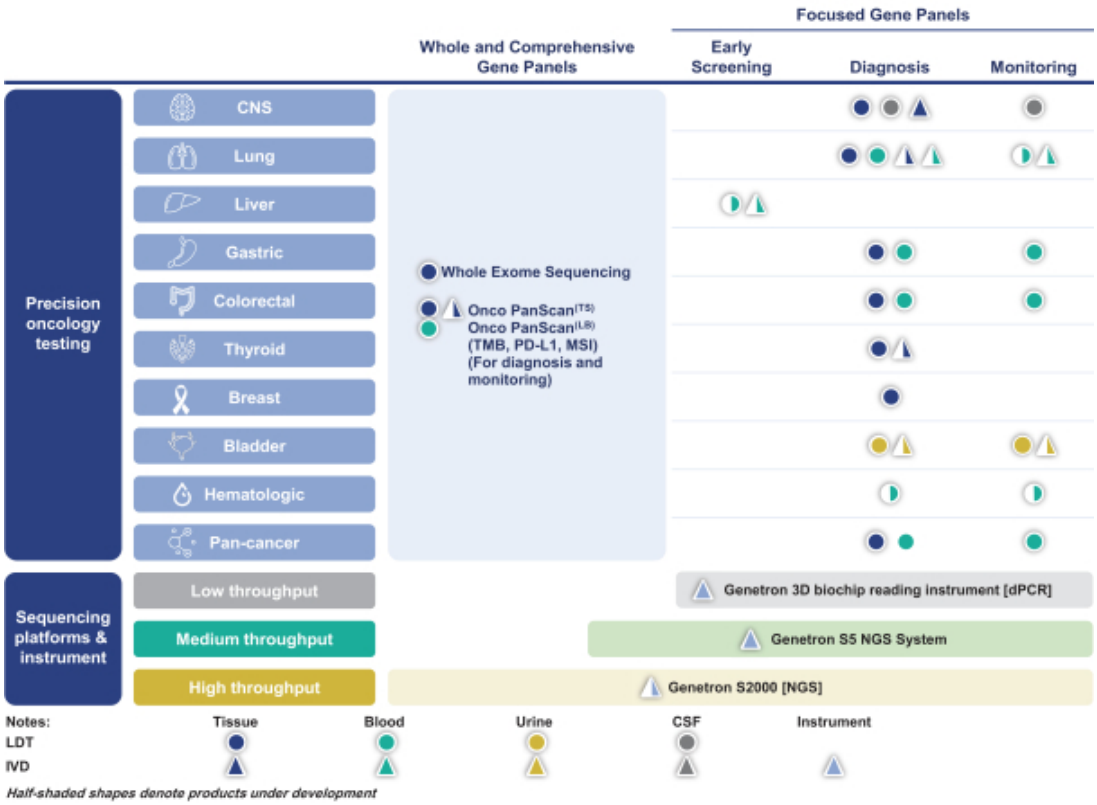
OVERVIEW

We are a leading and fast-growing precision oncology company in China that specializes in cancer molecular profiling and harnesses advanced technologies in molecular biology and data science to transform cancer treatment. We have developed a comprehensive product and service portfolio that cover the full-cycle of cancer care from early screening, to diagnosis and treatment recommendations, to continuous monitoring and continuous care.

Precision oncology is an evolving approach to cancer care that leverages new knowledge regarding the pathogenesis of cancer. It focuses on a patient's molecular profile to guide personalized clinical decisions, aiming for the right treatment for the right patient at the right time. Advancement in molecular biology globally has propelled significant advances in precision oncology. There is a critical need to offer a comprehensive profiling solution and expand the scope of precision oncology to enable early screening, diagnosis, continuous monitoring and continuous care. According to Frost & Sullivan, China has approximately 4.3 million cancer incidents in 2018, being the largest in the world. The unmet medical needs of the large cancer population in China present significant market opportunities for precision oncology, especially cancer molecular profiling.

We are one of the most advanced precision oncology companies in China that cover the full-cycle of cancer care, according to Frost & Sullivan. We provide comprehensive diagnostic services and products that cover eight out of the top ten major cancer types in China, capable of analyzing from focused gene panels to whole exome of approximately 21,000 genes. Depending on the nature of cancer and service types, we offer tissue biopsy, liquid biopsy, or both, providing great flexibility to patients and physicians to achieve the best clinical outcome. On the frontier of early screening, we have developed a leading technology platform and achieved breakthrough with our proprietary HCCscreen™ assays that enable early detection and intervention of liver cancer. Liver cancer is highly correlated with HBV infection and China has approximately 73.9 million HBV carriers, representing significant market potential for precision early screening products. We also offer a high quality, end-to-end comprehensive genomic profiling solution for global biopharmaceutical companies to support their research and drug development. We believe advancing our services and products can expand the scope of precision oncology medicine to diagnosis, early screening, monitoring and continuous care, improve clinical outcomes and reduce overall cancer treatment costs.

The below chart demonstrates our comprehensive LDT service and IVD product portfolio:



We offer our products and services through three business units: diagnosis and monitoring, early screening and development services.

Diagnosis and Monitoring—We offer comprehensive diagnosis and monitoring services and products through both LDT services and IVD products. According to Frost & Sullivan, the total market potential for cancer molecular diagnosis and monitoring market in China is estimated to be US$6.7 billion in 2023. Since our inception in 2015, we have developed our diagnosis and monitoring services and products with a broad coverage of eight out of the top ten major cancer types in China. Among the precision oncology companies in China, we believe we are a dominant player in CNS cancer, a significant player in lung cancer and digestive system cancer and also a pioneer in thyroid, upper tract urothelial and bladder cancer. Our unique mix of strong cancer research capabilities, comprehensive products and services, and focused commercialization strategies have led to our success in the brain cancer testing market, which we are adopting in other cancer types. Our LDT service portfolio consist of both specifically designed focused and comprehensive gene panel testing services, measuring from single gene to a broad 21,000 gene panel suitable for patients with different needs and affordabilities. In addition, we are a leading player in China with approved IVD registration of both instrument and diagnostic assays. Our digital PCR system, Genetron 3D biochip reading instrument, and IDH1/TERT gene assays for glioma were approved in 2017, and our Genetron S5 was approved in November 2019 by the National Medical Products Administration (“NMPA”) or its provincial counterparts for clinical use, illustrating our clear leadership in the precision oncology market in China. We are currently developing advanced NGS sequencing platforms

and gene assays covering multiple prevalent cancer types to seek NMPA registration. With a deep and robust IVD registration pipeline, we aim to provide one-stop diagnostic and monitoring solutions for hospitals and other medical institutions.

Early Screening—We are at the forefront of the development of liver cancer early screening products. We are developing LDT services for early cancer screening targeting asymptomatic individuals who are at a higher risk of developing cancer due to multiple factors, including hereditary risk, pre-existing infections or pre-disposed life habits, and individuals' general concerns about cancer risks. We believe early screening will not only benefit clinical outcomes but also improve public health and reduce healthcare expenditures. We focus our R&D efforts on liver cancer, lung cancer and pan-cancer. As it is practiced today, liver cancer is generally diagnosed at late stage due to limited diagnosis measures, resulting in a high mortality rate. Early screening of liver cancer allows earlier intervention with surgery, which significantly increases the likelihood of recovery and thus reduces overall treatment costs. Indeed, research and development of liver cancer early screening is characterized as one of the major initiatives by the PRC government to improve cancer care. We have developed HCCscreen™, our proprietary assay for the early screening of liver cancer. HCCscreen™ detects a combination of tumor-specific mutations in ctDNA and protein markers, which enabled excellent performance among 331 asymptomatic HBV carriers in a prospective cohort, with 100% sensitivity, 94% specificity and 17% positive predictive value ("PPV"). We are currently seeking NMPA registration of IVD products for the early screening of liver cancer. In addition, we have been granted to join "AIDS, Hepatitis and Other Major Infectious Disease Control and Presentation" project, one of the 2020 Major National Science and Technology Projects led by the Ministry of Science and Technology. Specifically, we are responsible for the identification and development of biomarkers for early liver cancer detection and validate liver cancer early screening assay products. One of the key benefits of joining such project is that our liver cancer early screening assay products validated in this project will enter fast-track review process by NMPA. According to Frost & Sullivan, market potential for liver cancer early screening in China in 2023 is estimated to be US$7.2 billion. As we continue to accumulate high quality data with clinical relevance through our comprehensive diagnostic products and services, we believe we will be better positioned to develop early screening assays covering additional cancer types.

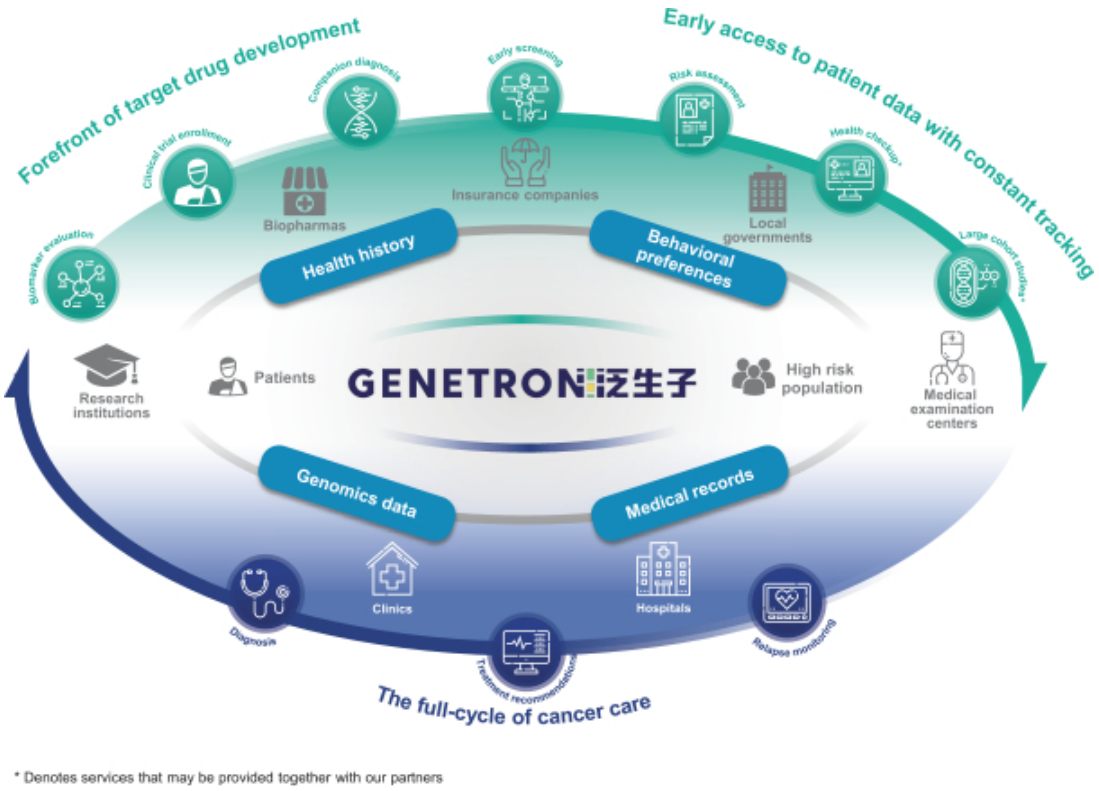
Development Services—We collaborate with biopharmaceutical companies, hospitals and research institutions both in China and globally to serve their needs in genomics research and clinical development. Our products and services may be used by biopharmaceutical companies for a range of applications, including biomarker evaluation for molecularly targeted therapy and immuno-therapy, clinical trial enrollment, companion diagnostics development and joint marketing post-drug approval. We believe our collaboration with biopharmaceutical companies will also build evidence of clinical utility for our platform as an effective diagnostic for advanced cancer therapies. For instance, we provide genomic testing with Onco PanScan(TS), a comprehensive genomic testing service, and TMB and MSI evaluations for the global trial of a PD-L1 antibody that plans to enroll over 700 patients, which is expected to establish the evaluation standard for the immuno-oncology therapy. The market potential for development services with biopharmaceutical companies in China is expected to be approximately US$0.5 billion in 2023, according to Frost & Sullivan. As of the date of this prospectus, we had collaborated with 57 hospitals in the PRC, 16 biopharmaceutical companies, and 15 research institutions.

Our Platform

We have built a one-stop precision oncology platform with a suite of services and products that focus on every stage of a patient's cancer care, from early screening and risk assessment, to diagnosis and treatment recommendations, to continuous monitoring. Our platform integrates a patient's cancer care needs both when he or she is at high risk of cancer development and when he or she undergoes cancer treatment. At the same time, it collects the patient's behavioral, genomics and medical data and leverages our AI and big data analytics to depict the patient's health profile, to enable superior cancer management. Our platform cultivates a network nationwide that connects a patient with third-party healthcare service providers, including hospitals, medical examination

centers, and insurance companies. We also stay at the forefront of targeted drug development by partnering with global biopharmaceutical companies and research institutions to evaluate biomarkers and facilitate clinical trials.

Our platform is illustrated in the diagram below:



* Denotes services that may be provided together with our partners

We strongly believe that a fully-integrated and best-in-class precision oncology platform is key to our business and will be the engine that drives our future success and solidifies our market leading position in the highly competitive precision oncology industry in China. Over the years, our platform has developed strengths across technology, regulatory approval and commercial adoption, which collectively form a barrier to entry and differentiate us from our peers.

Industry Leading Technology

Led by top notch scientists, our research and development team combines capabilities from multiple disciplines including biochemistry/molecular biology, next-generation sequencing and bioinformatics to enable our strong transformability from researches to applications. We have developed industry leading and differentiated technologies, including our Genetron One-Step Seq Method, liquid biopsy low-frequency mutation detection technology, Mutation Capsule technology and AI technology & big data analytics:

- *Genetron One-Step Seq Method*—Specifically designed for small to medium size panels, our proprietary One-Step Seq Method simplifies the traditional labor intensive library construction/enrichment experiments to a single mixture of DNA sample to our reagent and one PCR reaction, minimizing hands-on time and risk of contamination. With our proprietary One-Step Seq Method, total

time for library construction could be reduced to 1.5 hours compared to 24 hours using hybridization capture method and eight hours using amplicon based sequencing. It is particularly suitable to develop IVD products for hospitals to carry out their own clinical tests on site due to its operational simplicity, high library quality, low risk of contamination, low cost, and low sample DNA input.

- *Liquid Biopsy Low-Frequency Mutation Detection Technology*—Our proprietary liquid biopsy low-frequency mutation detection technology effectively detects rare gene mutations with a sensitivity of up to 0.05% mutation frequency. The technology enables our One-Step Seq Method to detect rare molecule in liquid biopsy with high sensitivity and specificity. Furthermore, our One-Step Seq Method minimizes loss of original ctDNA molecule as the one-step feature minimizes the loss of ctDNA in the steps before the ctDNA sample is amplified. This is a critical benefit for ctDNA-based liquid biopsy because the limited ctDNA yield of the testing sample is one of the primary impediments of ctDNA-based liquid biopsy, and any loss of original ctDNA would decrease the sensitivity. Liquid biopsy addresses many challenges of tissue biopsies, which are often invasive, time-consuming and costly, as well as infeasible for early screening of cancer among asymptomatic individuals.
- *Mutation Capsule Technology*—In contrast to technologies that only detect a subset of alterations, Mutation Capsule technology detects a broad spectrum of ctDNA alterations, including simple mutations, such as SNVs or Indels, and complicated mutations, such as translocations, HBV integrations, and copy number variations, and methylation changes. The parallel profiling of genetic and epigenetic alterations in a single reaction enable screening for multiple tumor types while minimizing the requirement for blood samples to acquire ctDNA. In addition, Mutation Capsule technology supports multiple tests of one ctDNA sample without sacrificing sensitivity. With Mutation Capsule technology, a sample collected in one study could be used to test new biomarkers in multiple different studies retrospectively, facilitating efficient product iteration.
- *Bioinformatics*—Integration of AI and big data analytics approaches such as machine learning, deep learning, and natural language processing tackles the challenges of scalability and high dimensionality of data and transforms big data into clinically actionable knowledge is expanding and becoming the foundation of precision oncology. We have developed a proprietary database which contains high-quality genomic data of approximately 70,000 tests we have conducted. We believe we have China’s largest brain tumor genomic database that contains data of approximately 16,000 tests. Further, we have applied advanced machine learning technologies in the development of diagnostic tests for detecting early stage cancers, which have increased the accuracy of our early screening services. Last but not least, we have developed our own algorithms to optimize the process for variant calling in most of our NGS products, which enable us to increase sensitivity from 95.6%, using popular and published variant callers, to 97.9% and to increase precision from 97.4%, with most published variant callers, to 98.6%, based on the simulated data. It can also reduce about half the false negative calls and false positive calls generated from other variant callers. Our variant calling platform is at least 50% faster than other publicly available softwares. We intend to further develop our bioinformatics to efficiently and accurately manage cancer diagnosis and treatment across all stages.

Regulatory Approval

As it is practiced today in China, cancer diagnosis and treatments are dominantly performed in public hospitals. Therefore, accessibility to public hospitals is critical for companies specializing in precision oncology. Adoption by public hospitals and insurance coverage often requires registration from the NMPA—each IVD product must be registered in association with a specific sequencing platform. Thus, NMPA registration will become increasingly important for diagnostic tests to gain commercial adoption in China. Companies with the NMPA-registered IVD products and platforms are expected to win larger market shares. Our regulatory capabilities are highlighted by our strong regulatory team, robust pipeline of IVD products and high-quality clinical laboratory services.

- *Regulatory capacity*—We have built a dedicated and experienced regulatory team of 12 members with average of approximately 12 years' experience in the industry responsible for preparation and coordination with NMPA registration process. We have also established a clinical development team consisting of 18 members who have completed over 66,400 validation tests and approximately 17,000 tests in five clinical trials at 17 GCP sites.
- *IVD pipeline*—We are one of the few precision oncology companies in China with NMPA IVD registrations for both assays (IDH1 and TERT assays) and platforms (Genetron 3D biochip reading instrument and Genetron S5 medium-throughput NGS system). Genetron S5, approved by the NMPA on November 1, 2019, is a medium-throughput NGS system that enables simple targeted sequencing workflows. Genetron S5 platform is designed to enable hospitals and research institutions to manage projects across multiple applications, including human genetic mutation detection, monogenic disease research, tumor-related gene mutation detection, gastrointestinal microbiome research, and transcriptome sequencing. We have also obtained CE marking for IDH1 and TERT assays. In addition, we have a deep IVD product pipeline of one platform and seven assays, covering diagnostics, monitoring and early screening.
  - 8-gene Lung Cancer Assay (Tissue), an IVD pipeline assay product based on semiconductor sequencing, is currently under review by the NMPA pending approval. With high sensitivity and specificity, this assay can detect seven genes that 2018 NCCN guideline suggests to test for lung cancer patients and will provide insights for physicians to select targeted therapy for lung cancer patients.
  - Genetron S2000, an IVD pipeline platform, is a high-throughput NGS platform that enables comprehensive panel genomic testing. Genetron S2000 is currently under review by the NMPA pending approval. With Genetron S5 and Genetron S2000 targeted for different sequencing capabilities, we believe we will enjoy significant advantages in our future development of a wide range of IVD assays designed to cover different needs.
- *Clinical laboratory services*—All our clinical laboratories in Beijing, Shanghai, Chongqing and Hangzhou have conducted registrations and obtained the Medical Institution Practicing Licenses. In addition, all these clinical laboratories are authorized to perform PCR amplification for clinical use. Our clinical laboratory in Beijing has obtained comprehensive panel accreditation under the CLIA from the CMS and certification from the CAP. In particular, our clinical laboratories have passed over 120 national and provincial clinical laboratory EQA tests since our inception, covering germline, comprehensive panel, and liquid biopsy testings and bioinformatics, demonstrating our dedication to the highest service quality. Furthermore, our Beijing assays manufacturing facility has achieved both ISO 13485: 2016 certification and ISO 9001 2015 certification. Both Beijing assays manufacturing facility and Chongqing platform manufacturing facility have passed verification of quality management system for medical device registration, also known as GMP of medical devices. We also help regulators to formulate industry standards. For example, we are currently working with a municipal clinical laboratory in preparation of a draft LDT services industry standards.

Commercial Adoption

Advancement in each of the elements above lays the foundation for commercial adoption of each of our business units with patients, hospitals and biopharmaceutical companies. Additionally, we have developed the following strengths to further facilitate commercial adoption of our services and products.

- *Collaboration with hospitals*—There is significant demand from hospitals in China for high quality genome analysis with a short turnaround time and relatively low cost. Therefore, hospitals in China usually collaborate with partners that are capable of offering comprehensive services and products of high quality. We believe that we are one of few companies in China that co-develops molecular diagnostics centers with hospitals and that our comprehensive LDT/IVD portfolio, deep IVD products pipeline and cutting-edge technologies allow us to engage full-cycle collaboration with hospitals. Indeed, our TERT and IDH1 IVD assays have been approved for sunshine medical centralized procurement in seven provinces including Zhejiang, Guangdong, Sichuan, and Shandong provinces, with four other provinces pending for approval. We are also collaborating with hospitals to have our diagnosis testing services approved by provincial healthcare security bureaus so that our diagnosis testing services could be included in the charge master and ordered by the collaborating hospitals, which we regard as a significant step towards having our services covered by the basic medical insurance. Several of our LDT services have been approved by Guangzhou Municipal Health Commission and Shandong Provincial Healthcare Security Bureau in January 2019 and October 2019, respectively, to be included in the charge master so that our LDT services could be ordered and charged by hospitals within the city or the province. We have submitted a similar proposal to Yunnan Provincial Healthcare Security Bureau for review and plan to do the same in other provinces and/or cities.
- *Collaboration with KOLs*—Despite of the huge market potential, penetration rate of precision oncology in China is lower than that in the U.S., partly due to relatively low awareness of and lack of understanding on precision oncology among physicians and patients. We collaborate with national and regional KOLs to promote and raise awareness of the clinical application of precision oncology among physicians and patients through sponsoring medical summits, conferences and seminars. To further solidify our partnership with KOLs, we closely collaborate with them in research projects and pilot studies and have co-authored many research papers in peer reviewed journals such as *Nature Genetics*, *Cell Research*, *Nature Communications*, *Acta Neuropathologica*, *PNAS*, reflecting our strong R&D capability with a focus on innovation. In addition, we cooperate with KOLs to establish and promote diagnosis and treatment guidelines in China. Further, we work closely with specialists in local hospitals by providing our proprietary know-how technologies and database to help doctors with the process of cancer therapy selection, management and monitoring. As of September 30, 2019, we are in collaboration with approximately 80 national KOLs and approximately 120 regional KOLs.
- *Partnership with biopharmaceutical companies*—We have also initiated collaborations with biopharmaceutical companies to execute clinical trials and develop companion diagnostics to support the approval and commercialization of therapeutics. In addition, we help our biopharmaceutical customers with prospective screening and patient referral to accelerate clinical trial enrollment. Further, we leverage our big data base to accelerate drug discovery.
- *Proactive participation in government-sponsored projects*—We leverage our technology and cost-efficiency proposition to partner with local governments in China to promote the awareness and use of our early screening services among key stakeholders across the oncology community. For example, we are collaborating with a municipal government in China to provide liver cancer early screening testing services to 10,000 individuals. We believe similar projects bring value to all participants and ourselves: local governments are able to improve public health and reduce healthcare expenditures; participating individuals are able to manage cancer risks by early detection and intervention; and we are able to promote awareness of our products and services, and further expand our coverage to additional cancer

types. We have also applied for and hosted many major scientific and technology special projects at both national and provincial/municipal levels, such as the China Precision Medicine Initiative by Ministry of Science and Technology and "brain science special projects" hosted by Beijing Municipal Commission of Science and Technology. Further, five of our LDT testing services, including our OncoPanScan, Comprehensive Gene Panel Testing with a 509-gene Panel, 180 Genes Testing of Lung Cancer 180, 68 Genes Testing of Brain Cancer, and 6 Testing Items of Giloma, are accredited by Beijing Municipal Science & Technology Commission as "Beijing City New Technology, New Products (Services)" in September 2019. The accredited services are eligible for favorable governmental policies, such as governmental centralized procurement and promotion of service applications.

- *Comprehensive selling and distribution network*—We sell our services and products through our direct sales to individual patients in hospitals located mostly in tier-one and tier-two cities as well as to hospitals, and through a network of distributors mostly covering tier-three and tier-four cities in China. Such dual-pronged approach allows us to obtain an extensive outreach while concentrating our limited resources in the markets with most strategic values. Our well-trained sales team meets with hospitals' representatives and doctors regularly, providing latest updates on the clinical utility of precision oncology in China, introducing our services and products and providing solutions to their technical questions. The hospitals and doctors may connect us with the patients upon consultation, in which case we may sell our clinical services directly to the individual patients or via a partnership with the hospital. From January 1, 2017 to September 30, 2019, we had provided an aggregate of approximately 38,800 diagnosis tests to patients through both our direct sales team and distribution network. During the same period, we had provided products and services to patients in approximately 415 hospitals in China through our direct sales team.
- *Collaboration with commercial insurance service providers*—We are working with commercial insurance service providers to connect with commercial insurance companies to co-develop customized products incorporating our services and products. Under this model, we could leverage commercial insurance companies' abundant customer resources and diverse product promotion channels that are readily available for promoting our products and services. Commercial insurance companies, on the other hand, could provide the insured with market-leading genomic testing services and products and differentiate from other insurance products offered by their competitors. We believe such collaboration model could build synergies and share resources among the participants.
- *Collaboration with medical examination centers*—We recently entered into a collaboration agreement with iKang Healthcare Group, Inc. ("iKang") to promote and provide liver cancer early screening testing services through medical examination centers owned by iKang across the country. Under the agreement, iKang will include liver cancer early screening testing services in their applicable medical examination services menu. We will provide liver cancer early screening testing services to iKang medical examination centers upon selection of such testing item by their customers. We believe such collaboration model will not only benefit us to transfer our industry-leading technology to commercialization efforts and further penetrate early screening market, but also benefit iKang to enrich its services provided to the end customers. In addition, inclusion of liver cancer early screening in the testing items provided by industry-leading medical examination centers, such as iKang, on national scale will further promote market acceptance of cancer early screening technology and educate the market; meanwhile, such inclusion would increase the liver cancer screening participation rate, which would contribute to early stage diagnosis of liver cancer and greater cure rate.

Our Growth Strategies

Our mission is to transform cancer treatment and prevention globally by driving technology innovation and accelerating the adoption of precision oncology medicine. To achieve this, we intend to:

- commercialize our "LDT services and IVD products" model to provide full suite of services to hospitals;
- develop early screening products and services for liver cancer, lung cancer and other major cancer types;
- collaborate with biopharmaceutical companies on clinical trials and companion diagnostics development; and
- acquire technology, expand accessible resources, extend overseas market coverage, and build up our own eco-system.

Recent Developments

On November 18, 2019, we repurchased 6,933,000 preferred shares and 8,272,000 ordinary shares from certain of our shareholders for an aggregate consideration of US$15.0 million. On November 19, 2019, we issued 15,205,000 series C-2 preferred shares to Vivo Capital Fund IX, L.P. ("**Vivo**") for a consideration of US$15.0 million, and issued a total of 34,147,600 series D preferred shares to Vivo, CICC Healthcare Investment Fund, L.P. ("**CICC Healthcare**"), Alexandria Venture Investments, LLC, GIANT PLAN LIMITED, and ETP BioHealth II Fund, L.P. and for an aggregate consideration of US$50.0 million. In addition, subject to the fulfillment of certain conditions, we agreed to issue additional 6,829,500 series D preferred shares, or corresponding number of ordinary shares subject to series D conversion mechanism, to CICC Healthcare, or in case that the automatic cancellation occurs after ninety (90) days from November 19, 2019, to Emerging Technology Partners LLC or its affiliated funds, for a consideration of US$10.0 million. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Events occurring after the reporting period."

Our Challenges

Our business is subject to a number of risks and uncertainties, including, among others, the following:

- We have incurred net losses historically and we may continue to incur net losses in the near future.
- Our financial prospects depend substantially upon the successful commercialization of our services and products in the future, which may fail or experience significant delays.
- Our ability to become profitable in the future will depend on various factors, including the market acceptance of our services and products.
- If we fail to obtain regulatory approval for certain of our services and products, our business might be substantially harmed.
- We may be adversely affected by the uncertainties and changes in the regulation of cancer genomic testing service industry in the PRC, and any lack of requisite approvals, permits, registrations or filings in relation to our business may have a material adverse effect on our business and results of operations.
- Failure may occur at any stage of research and development, and the results of our research and development may not support our proposed usage for our pipeline services and products.
- We may face intense competition and our competitors may develop similar, but more advanced services and products than ours, which may adversely affect our business and financial conditions.
- If we are unable to support demand for our existing or future precision oncology services and products, including ensuring that we have adequate capacity to meet increased demand, our business could suffer.

- We may be unsuccessful in obtaining or maintaining adequate intellectual property protection for one or more of our services and products, due to the failure of granting our patent applications or licensed patents, and issued intellectual properties covering one or more of our services and products could be found invalid or unenforceable if challenged in court or before administrative bodies.

We also face other challenges, risks and uncertainties that may materially and adversely affect our business, financial condition, results of operations and prospectus. You should consider the risk discussed in "Risk Factors" and elsewhere in this prospectus before investing in the ADSs.

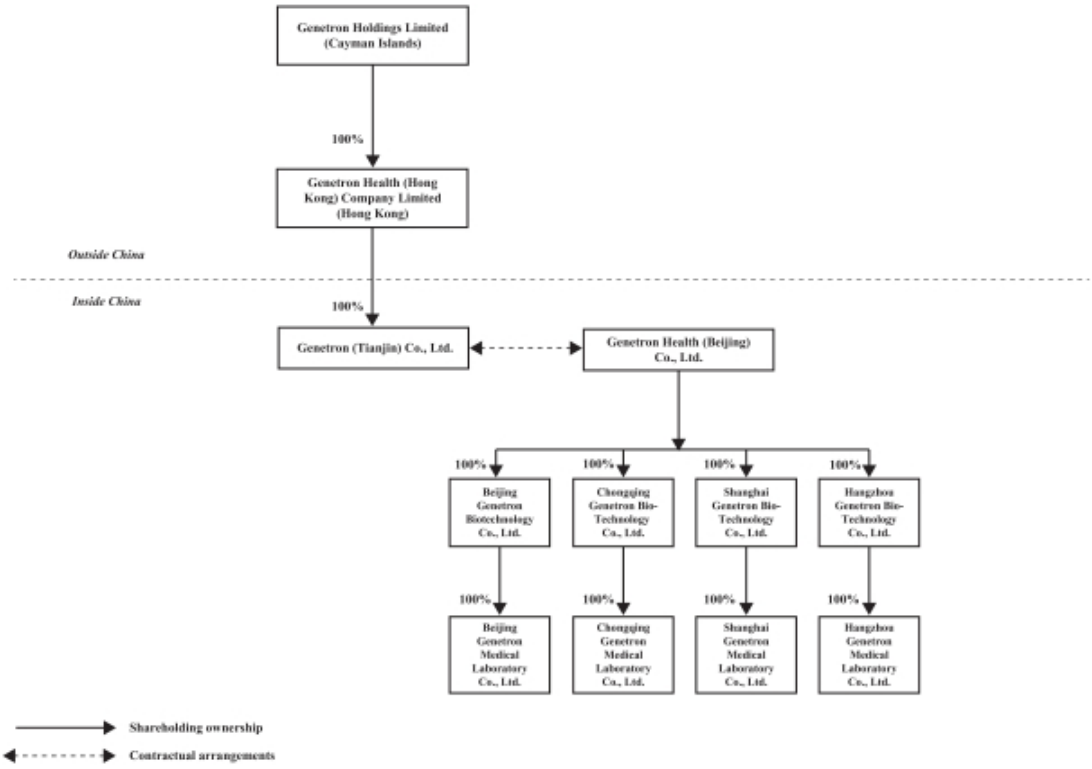
Corporate History and Structure

We launched our clinical diagnosis and monitoring services in 2015 with the establishment of Genetron Health (Beijing) Co., Ltd., or Genetron Health.

We underwent a series of restructuring transactions, which primarily included:

- In April 2018, Genetron Holdings Limited was incorporated under the laws of the Cayman Islands as our proposed listing entity. In connection with its incorporation, it issued ordinary and preferred shares to certain of the then existing shareholders of Genetron Health based on their equity interests held in Genetron Health. For details of the issuances of shares by Genetron Holdings Limited to its shareholders prior to this offering, please refer to "Description of Share Capital—History of Securities Issuances."
- In June 2018, Genetron Health (Hong Kong) Company Limited, or Genetron HK, was incorporated in Hong Kong, which is acting as the offshore intermediary holding company.
- In March 2019, Genetron (Tianjin) Co., Ltd., or the WFOE, was established in China as a wholly owned PRC subsidiary of Genetron HK. In July 2019, the WFOE entered into a series of contractual arrangements with Genetron Health, as well as its shareholders. As a result of these contractual arrangements, we obtained effective control, and became the primary beneficiary of Genetron Health, or our VIE.

The following diagram illustrates our corporate structure as of the date of this prospectus:



Corporate Information

Our corporate headquarters is located at 1-2/F, Building 11, Zone 1, No.8 Life Science Parkway Changping District, Beijing, People's Republic of China. Our registered office is located at Vistra (Cayman) Limited, P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205 Cayman Islands. Our telephone number is +86 10 5090-7500. Our corporate website is www.genetronhealth.com. The information contained on or that can be accessed through our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus.

IMPLICATIONS OF BEING AN EMERGING GROWTH COMPANY

As a company with less than US$1.07 billion in revenue for the last fiscal year, we qualify as an "emerging growth company" pursuant to the Jumpstart Our Business Startups Act of 2012 (as amended by the Fixing America's Surface Transportation Act of 2015), or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, in the assessment of the emerging growth company's internal control over financial reporting.

We will remain an emerging growth company until the earliest of (i) the last day of our fiscal year during which we have total annual gross revenues of at least US$1.07 billion; (ii) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (iii) the date on which we have, during the previous three-year period, issued more than US$1.0 billion in non-convertible debt; or (iv) the date on which we are deemed to be a "large accelerated filer" under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value of our ADSs that are held by non-affiliates exceeds US$700 million as of the last business day of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above.

CONVENTIONS WHICH APPLY TO THIS PROSPECTUS

Unless we indicate otherwise, all information in this prospectus reflects the following:

- no exercise by the underwriters of their over-allotment option to purchase up to additional ADSs representing ordinary shares from us; and

Except where the context otherwise requires and for purposes of this prospectus only:

- "ADSs" refers to the American depositary shares, each representing of our ordinary shares;
- "China" or "PRC" refer to the People's Republic of China, excluding, for the purpose of this prospectus only, Taiwan, Hong Kong and Macau;
- "IVD" refers to in vitro diagnostics products, including platforms and assays;
- "LDT" refers to laboratory developed tests which examine samples taken from the human body, such as body fluids (blood, urine, cerebrospinal fluid, etc.) and tissue, and are conducted in our laboratories.
- "ordinary shares" prior to the completion of this offering refers to our ordinary shares of par value US$0.00002 per share;
- "RMB" or "Renminbi" refers to the legal currency of the People's Republic of China;
- "US$," "dollars" or "U.S. dollars" refers to the legal currency of the United States; and
- "we," "us," "our company," and "our," refer to Genetron Holdings Limited, a Cayman Islands company, its subsidiaries, variable interest entities and subsidiaries of its variable interest entities.
- "variable interest entity," or "VIE," refers to Genetron Health (Beijing) Co., Ltd., which is a PRC entity of which we have power to control the management, and financial and operating policies and have the right to recognize and receive substantially all the economic benefits and in which we have an exclusive option to purchase all or part of the equity interests at the minimum price possible to the extent permitted by PRC law.

Unless otherwise noted, all translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this prospectus are made at RMB7.1477 to US$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on September 30, 2019. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, the rates stated below, or at all. On November 15, 2019, the exchange rate as set forth in the H.10 statistical release of the Federal Reserve Board for Renminbi was RMB7.0075 to US$1.00.

This prospectus contains information derived from various public sources and certain information from an industry report dated November 18, 2019 commissioned by us and prepared by Frost & Sullivan, a third-party industry research firm, to provide information regarding our industry and market position. Such information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. The industry in which we operate is subject to a high degree of uncertainty and risk due to variety of factors, including those described in the "Risk Factors" section. These and other factors could cause results to differ materially from those expressed in these publications and reports.

THE OFFERING	
Offering price	US$ per ADS.
ADSs offered by us	ADSs (or ADSs if the underwriters exercise their over-allotment option in full).
The ADSs	Each ADS represents ordinary shares, par value US$0.00002 per share. The depositary will hold the ordinary shares underlying your ADSs. You will have rights as provided in the deposit agreement. We do not expect to pay dividends in the foreseeable future. If, however, we declare dividends on our ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our ordinary shares, after deducting its fees and expenses in accordance with the terms set forth in the deposit agreement. You may turn in your ADSs to the depositary for cancellation in exchange for ordinary shares. The depositary will charge you fees for any exchange. We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended. To better understand the terms of the ADSs, you should carefully read the "Description of American Depositary Shares" section of this prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.
Ordinary shares	We will issue ordinary shares represented by ADSs in this offering. All awards, regardless of grant dates, will entitle holders to the equivalent number of ordinary shares once the vesting and exercising conditions on such share-based compensation awards are met. See "Description of Share Capital."
Ordinary shares outstanding immediately after this offering*	Immediately upon the completion of this offering, ordinary shares, par value US$0.00002 per share (or ordinary shares if the underwriters exercise their over-allotment option in full), including ordinary shares resulting from the automatic conversion of all of our outstanding preferred shares immediately upon the completion of this offering.

Over-allotment option	We have granted to the underwriters an option, which is exercisable within 30 days from the date of this prospectus, to purchase up to an aggregate of additional ADSs.
Use of proceeds	We expect to receive net proceeds of approximately US$ million from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We plan to use the net proceeds of this offering for approximately 40% to further invest in technology and product development; approximately 30% to expand our sales and marketing efforts; and approximately 30% to meet working capital needs and other general corporate purposes. See "Use of Proceeds."
Lockup	We, [our directors and executive officers, our existing shareholders and certain of our award holders] have agreed with the underwriters, subject to certain exceptions, not to sell, transfer or dispose of, directly or indirectly, any of ADSs or ordinary shares or securities convertible into or exercisable or exchangeable for ADSs or ordinary shares for a period of [180] days after the date of this prospectus. See "Shares Eligible for Future Sale" and "Underwriting" for more information.
Nasdaq trading symbol	GTH
Payment and settlement	The underwriters expect to deliver the ADSs against payment therefor through the facilities of The Depository Trust Company on , 2019.
Depositary	The Bank of New York Mellon
[Directed share program	At our request, the underwriters have reserved for sale, at the initial public offering price, up to an aggregate of ADSs offered in this offering to our directors, officers, employees, business associates and related persons.]
Risk factors	See "Risk Factors" and other information included in this prospectus for discussions of the risks relating to investing in the ADSs. You should carefully consider these risks before deciding to invest in the ADSs.

* The number of ordinary shares that will be outstanding immediately after this offering:

- assumes no exercise of the underwriters' over-allotment option to purchase up to an additional ADSs in this offering;
- assumes the conversion of our outstanding preferred shares into an aggregate of 213,502,600 ordinary shares upon the closing of this offering(1);
- excludes 6,829,500 series D preferred shares or corresponding number of ordinary shares to be issued to CICC Healthcare subject to the fulfillment of certain conditions, or in case that the automatic cancellation occurs after ninety (90) days from November 19, 2019, to Emerging Technology Partners LLC or its affiliated funds, in connection with series D round of financing(1)(2); and
- excludes the consideration of the awards granted under our share incentive plans(3).

Notes:

(1) In connection with the completion of this offering, all of our preferred shares will convert into ordinary shares. Other than our series D preferred shares, all outstanding preferred shares will convert to ordinary shares on a one-to-one basis. Our series D preferred shares will be converted to ordinary shares, and in certain circumstances this will be on the basis of a formula that is based on the price of this offering. Assuming an initial public offering price of $ per ADS (the midpoint of the range set forth on the cover of this prospectus), we expect the series D preferred shares to convert on a one-to-one basis. Unless otherwise indicated, all share number gives effect to the assumed conversion of our preferred shares into ordinary shares on a one-to-one basis, including with respect to our series D preferred shares. See “Series D Conversion” for further discussion.

(2) see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Events occurring after the reporting period.”

(3) We adopted a share incentive plan in July 2019, which we refer to as the 2019 Plan in this prospectus, and another share incentive plan in November 2019, which we refer to as the 2019 Scheme in this prospectus. The maximum aggregate number of ordinary shares we are authorized to issue pursuant to all awards under the 2019 Plan is 33,961,500 ordinary shares. As of the date of this prospectus, we have granted 22,915,620 awards to purchase up to 22,915,620 ordinary shares under the 2019 Plan. The maximum aggregate number of ordinary shares we are authorized to issue pursuant to all awards under the 2019 Scheme is 20,830,100. As of the date of this prospectus, we have not granted any awards under the 2019 Scheme.

OUR SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated statements of loss data for the years ended December 31, 2017 and 2018, summary consolidated balance sheet data as of December 31, 2017 and 2018 and summary consolidated statement of cash flow data for the years ended December 31, 2017 and 2018 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following summary consolidated statements of loss data for the nine months ended September 30, 2018 and 2019, summary consolidated balance sheet data as of September 30, 2019 and summary consolidated statement of cash flow data for the nine months ended September 30, 2018 and 2019 have been derived from our unaudited condensed consolidated interim financial statements included elsewhere in this prospectus and have been prepared on the same basis as our audited consolidated financial statements and include all adjustments, consisting only of normal and recurring adjustments, that we consider necessary for a fair statement of our financial position and operating results for the periods presented. Our consolidated financial statement are prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). Our historical results are not necessarily indicative of results expected for future periods. We have adopted IFRS 16 retrospectively from January 1, 2019, but have not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on January 1, 2019. You should read this Summary Consolidated Financial Data section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

Consolidated Statements of Loss Data

The following table presents our selected consolidated statements of comprehensive loss for the years ended December 31, 2017 and 2018 and the nine months ended September 30, 2018 and 2019.

	For the Year Ended December 31,			For the Nine Months Ended September 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands, except for percentages, shares and per share data)					
Revenue	101,033	225,176	31,503	151,192	220,485	30,847
Cost of revenue(1)	(74,211)	(132,450)	(18,530)	(90,095)	(121,315)	(16,973)
Gross profit	26,822	92,726	12,973	61,097	99,170	13,874
Selling expenses(1)	(94,569)	(182,474)	(25,529)	(120,057)	(184,549)	(25,819)
Administrative expenses(1)	(45,486)	(88,233)	(12,344)	(57,316)	(88,471)	(12,377)
Research and development expenses(1)	(45,777)	(71,411)	(9,991)	(50,257)	(59,336)	(8,301)
Net impairment losses on financial assets	(483)	(658)	(92)	(323)	(736)	(103)
Other income—net	6,953	17,074	2,388	16,760	11,813	1,653
Operating loss	(152,540)	(232,976)	(32,595)	(150,096)	(222,109)	(31,073)
Finance income	676	1,615	226	923	438	61
Finance costs	(10,669)	—	—	—	(3,603)	(504)
Finance (costs)/income—net	(9,993)	1,615	226	923	(3,165)	(443)
Fair value loss of financial instruments with preferred rights	(258,106)	(233,632)	(32,686)	(191,439)	(315,962)	(44,205)
Loss before income tax	(420,639)	(464,993)	(65,055)	(340,612)	(541,236)	(75,721)
Income tax expense	—	—	—	—	—	—
Loss for the year/period	(420,639)	(464,993)	(65,055)	(340,612)	(541,236)	(75,721)
Loss attributable to:						
Owners of the Company	(420,639)	(464,993)	(65,055)	(340,612)	(541,236)	(75,721)
Loss per share						
—Basic and diluted	(4.64)	(4.09)	(0.57)	(3.03)	(4.35)	(0.61)
Loss for the year/period	(420,639)	(464,993)	(65,055)	(340,612)	(541,236)	(75,721)
Other comprehensive income/(loss)						
Items that may be reclassified to profit or loss						
Exchange differences on translation of foreign operations	(242)	141	20	362	179	25
Items that will not be reclassified to profit or loss						
Changes in fair value of financial instruments with preferred rights due to own credit risk	2,378	(9,061)	(1,268)	(8,204)	(6,957)	(973)
Other comprehensive income/(loss) for the year/period, net of tax	2,136	(8,920)	(1,248)	(7,842)	(6,778)	(948)
Total comprehensive loss for the year/period	(418,503)	(473,913)	(66,303)	(348,454)	(548,014)	(76,669)
Total comprehensive loss attributable to:						
Owners of the Company	(418,503)	(473,913)	(66,303)	(348,454)	(548,014)	(76,669)

Notes:

(1) Share-based compensation expenses were charged in the following categories:

	Year ended December 31,			For the Nine Months Ended September 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Cost of revenue	143	234	33	218	394	55
Selling expenses	989	1,186	166	1,328	2,225	311
Administrative expenses	12,145	22,259	3,114	14,208	22,757	3,184
Research and development expenses	7,418	5,965	835	4,264	6,118	856
Total	20,695	29,644	4,148	20,018	31,494	4,406

Consolidated Balance Sheet Data

The following table presents our selected consolidated balance sheet data as of December 31, 2017 and 2018 and September 30, 2019.

	As of December 31,			As of September 30,	
	2017	2018		2019	
	RMB	RMB	US$	RMB	US$
			(in thousands)		
Summary Consolidated Balance Sheet Data:					
Cash and cash equivalents	42,030	62,126	8,692	5,388	754
Total assets	441,461	324,437	45,390	293,522	41,065
Financial instruments with preferred rights	1,018,019	1,320,712	184,774	1,643,631	229,952
Other payables and accruals	33,380	47,007	6,577	84,065	11,760
Total liabilities	1,063,647	1,388,483	194,256	1,872,282	261,942
Total shareholders' deficit	(622,186)	(1,064,046)	(148,866)	(1,578,760)	(220,877)

Consolidated Cash Flow Data

The following table presents our selected consolidated cash flow data for the years ended December 31, 2017 and 2018 and the nine months ended September 30, 2018 and 2019.

	For the Year Ended December 31,			For the Nine Months Ended September 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
			(in thousands)			
Net cash used in operating activities	(129,920)	(201,016)	(28,123)	(165,246)	(129,181)	(18,073)
Net cash (used in)/generated from investing activities	(197,993)	171,489	23,992	107,068	22,420	3,136
Net cash generated from financing activities	351,505	49,400	6,911	49,400	50,039	7,001
Net increase/(decrease) in cash and cash equivalents	23,592	19,873	2,780	(8,778)	(56,722)	(7,936)

	For the Year Ended December 31,			For the Nine Months Ended September 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Cash and cash equivalents at beginning of year/period	18,360	42,030	5,880	42,030	62,126	8,692
Exchange differences	78	223	32	131	(16)	(2)
Cash and cash equivalents at end of year/period	42,030	62,126	8,692	33,383	5,388	754

RISK FACTORS

You should consider carefully all of the information in this prospectus, including the risks and uncertainties described below and our consolidated financial statements and related notes, before making an investment in the ADSs. Any of the following risks and uncertainties could have a material adverse effect on our business, financial condition and results of operations. The market price of the ADSs could decline significantly as a result of any of these risks and uncertainties, and you may lose all or part of your investment. When determining whether to invest, you should also refer to the other information contained in this prospectus, including our financial statements and the related notes thereto. You should also carefully review the cautionary statements referred to under "Forward-looking Statements." Our actual results could differ materially and adversely from those anticipated in this prospectus.

RISKS RELATING TO OUR FINANCIAL PROSPECTS AND NEED FOR ADDITIONAL CAPITAL

We have a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

We commenced our operation in 2015 through Genetron Health (Beijing) Co., Ltd. Since then, we have achieved rapid growth and continue to expand our services and products. For example, we recently launched our early screening services. Our limited operating history may make it difficult to evaluate our current business and predict our future performance. Any predictions you make about our future success or viability may be subject to uncertainty and may not be as accurate as they could be if we had a longer operating history. We may encounter risks and difficulties frequently experienced by early-stage companies in rapidly evolving fields as we seek to transit to a company capable of supporting commercial activities. In addition, as a new business, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. If we do not address these risks and difficulties successfully, our business, financial condition and results of operations may be adversely affected.

We have incurred net losses historically and we may continue to incur net losses in the near future.

We have incurred losses since our inception. For the years ended December 31, 2017 and 2018, we incurred net losses of RMB420.6 million and RMB465.0 million (US$65.1 million), respectively. For the nine months ended September 30, 2018 and 2019, we incurred net losses of RMB340.6 million and RMB541.2 million (US$75.7 million), respectively. To date, we have financed our operations principally from capital contributions from our shareholders. We have devoted substantial resources to the development and commercialization of our diagnosis services and products, and plan to substantially invest in the research and development related to our cancer early screening business and regulatory approvals with respect to our IVD products, including preclinical studies, clinical and regulatory initiatives to obtain marketing approval and sales and marketing activities. We are in varying stages of research and development for other services and products that we may offer. We will need to generate significant additional revenue to achieve profitability, and even if we achieve profitability, we cannot be sure that we will remain profitable for any period of time. Our failure to achieve profitability would negatively affect our business, financial condition, results of operations, and cash flows. If we are unable to execute our sales and marketing strategy for our services and are unable to gain sufficient acceptance in the market, we may be unable to generate sufficient revenues to sustain our business.

We have recorded negative cash flows from operating activities historically and may have a current liabilities position in the future.

We have experienced significant cash outflow from operating activities since our inception. We had net cash used in operating activities of RMB129.9 million and RMB201.0 million (US$28.1 million) for the years ended December 31, 2017 and 2018, respectively. We had net cash used in operating activities of RMB165.2 million and RMB129.2 million (US$18.1 million) for the nine months ended September 30, 2018 and 2019, respectively.

The cost of continuing operations could further reduce our cash position, and an increase in our net cash outflow from operating activities could adversely affect our operations by reducing the amount of cash available to meet the cash needs for operating our business and to fund our investments in our business expansion.

Although we had net current assets of RMB162.9 million (US$22.8 million) as of December 31, 2018, we cannot guarantee that we will not have a net current liabilities position in the future, which would expose us to liquidity risk. Our future liquidity and ability to make additional capital investments necessary for our operations and business expansion will depend primarily on our ability to maintain sufficient cash generated from operating activities and to obtain adequate external financing. There can be no assurance that we will be able to renew existing bank facilities or obtain other sources of financing.

We may need to obtain substantial additional financing to fund our growth and operations.

We will need to expend substantial resources for research and development and commercialization of our services and products candidates, including costs associated with:

- clinical trials for our services and products candidates at discovery and pre-commercialization stage;
- research and development on additional services and products; and
- commercialization of our services and products.

To date, we have funded our operations primarily through capital contributions from our shareholders. We have also received government grants of RMB4.8 million and RMB10.7 million (US$1.5 million) in 2017 and 2018. We received government grants of RMB10.8 million and RMB10.7 million (US$1.5 million) for the nine months ended September 30, 2018 and 2019, respectively. Our operations have consumed substantial amounts of cash since inception. The net cash used in our operating activities was RMB129.9 million and RMB201.0 million (US$28.1 million) for the years ended December 31, 2017 and 2018, respectively. The net cash used in our operating activities was RMB165.2 million and RMB129.2 million (US$18.1 million) for the nine months ended September 30, 2018 and 2019, respectively. Our cash and cash equivalents as of December 31, 2017 and 2018 and September 30, 2018 and 2019 was RMB42.0 million, RMB62.1 million (USD8.7 million), RMB33.4 mllion and RMB5.4 million (USD0.8 million), respectively. We expect our expenses to increase significantly in connection with our ongoing activities, particularly as we advance the development of our proprietary technologies and invest in commercialization of our full-cycle cancer management products. In addition, we require significant capital to build, maintain, operate and expend our laboratory facilities and engage in research and development activities. Accordingly, we will likely need to obtain substantial additional funding in connection with our continuing operations through public or private equity offerings, debt financing, collaborations or licensing arrangements or other sources. If we are unable to raise capital when needed or on commercially acceptable terms, we could incur losses and be forced to delay, reduce or terminate our research and development programs or any future commercialization efforts.

Raising additional capital may lead to dilution of shareholdings by our existing shareholders, restrict our operations, and may further result in fair value loss adversely affecting our financial results.

We may seek additional funding through a combination of equity and debt financings and collaborations. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of existing holders of the our shares will be diluted, and the terms may include liquidation or other preferences that adversely affect the rights of our existing shareholders.

The incurrence of additional indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license IP rights and other operating restrictions that could adversely impact our ability to conduct our business.

In addition, since our inception, we have completed a series of financing by issuing certain shares with preferred rights, including anti-dilution rights, liquidation preference and redemption rights. The fair value of our

preferred shares might further change with the increase of our valuation in our future financing activities. We had recorded fair value loss of financial instruments with preferred rights of RMB258.1 million, RMB233.6 million (US$32.7 million) and RMB316.0 million (US$44.2 million) in 2017, 2018 and the nine months ended September 30, 2019, respectively, and may incur increased fair value loss of financial instruments due to future financing activities, which may materially affect our financial results.

As of the date of this prospectus, our revenue is primarily generated from diagnosis and monitoring services and products and we are highly dependent on it for our success.

As of the date of this prospectus, our revenue is primarily generated from diagnosis and monitoring services and products. We expect that revenues of our diagnosis and monitoring services business will continue to account for the substantial part of our revenues going forward. Our ability to generate profits will therefore largely depend upon the acceptance and adoption of our tests by our customers. The increase in acceptance and adoption of our tests will depend on numerous factors, including the prices we charge for our tests, the broader coverage of our LDT services and IVD products, the availability of clinical data that supports the value of our tests and the recognition of our services and products by hospitals, doctors, KOLs and others in the medical community. We cannot assure you that our diagnosis and monitoring service will continue to maintain or gain market acceptance, and any failure to do so would harm our business and results of operations.

We may face certain risks in collecting our receivables, and the failure to collect could adversely effect on our business, financial condition and results of operation.

As of December 31, 2018, our trade and other receivables and contract assets was RMB64.2 million (US$9.0 million) and the provision for impairment of trade and other receivables and contract assets were RMB1.3 million (US$0.2 million). As our business continues to scale, our trade and other receivables and contract assets balance may continue to grow, which may increase our risks for uncollectible receivables. Actual losses on receivables balance could differ from those that we anticipate and reserve in our allowance for doubtful accounts, as a result we might need to adjust our allowance. Macroeconomic conditions could also result in financial difficulties for our clients, including limited access to the credit markets, insolvency or bankruptcy, and as a result could cause clients to delay payments to us, request modifications to their payment arrangements or default on their payment obligations to us. If we are unable to collect our trade and other receivables and contract assets from our customers, our business, financial condition and results of operation may be materially and adversely affected.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our financial prospects depend substantially upon the successful commercialization of our services and products in the future, which may fail or experience significant delays.

Although we have developed and marketed several diagnosis services and products to date, we believe our future success is dependent upon our ability of continuous developing technologies and successfully marketing our existing cancer genetic offerings to customers within the PRC and expanding into overseas. Our ability to generate significant revenue in the next several years will depend primarily on the successes of each key stage of our business, including pre-clinical research and development, clinical trial, regulatory approval, manufacture, marketing and commercialization of our services and products, which is subject to significant uncertainty. Our pipeline of new IVD product is in various stages of development and may take several more years to develop and may be required to undergo extensive clinical validation. Our ability to generate sales revenue from our products and services and our future profitability depends on a number of factors, including our ability to continue:

- obtaining regulatory approvals and marketing authorizations for our services and products;
- obtaining market acceptance by patients, hospitals, clinicians, KOLs, biopharmaceutical companies and others in the medical community;

- establishing sufficient testing capacity and commercial manufacturing capabilities, either by expanding our current facility or making arrangements with third parties;
- developing and maintaining our sales network to launch and commercialize our new cancer genomic testing services and products;
- setting appropriate and favorable prices for our cancer genomic testing services and products and obtaining adequate reimbursement from third-party payers;
- maintaining commercially viable supply relationships with third parties and maintaining sufficient research and development capabilities and infrastructure;
- addressing any competing technological and market developments; and
- maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how.

If we do not achieve one or more of these milestones in a timely manner or at all, we could experience significant delays in our ability to obtain approvals for our services and products or to successfully commercialize our services and products, which would materially harm our business and we may not be able to generate sufficient revenues and cash flows to continue our operations.

Our ability to become profitable in the future will depend on various factors, including the market acceptance of our services and products.

We are a growing precision oncology company and have engaged in targeted sales and marketing activities for our services and products. Our services and products are relatively innovative and may never gain significant acceptance in the marketplace or generate substantial revenues or permit us to become profitable. We will need to further expand our products and services offerings through the efforts of research and development and the expansion of our current relationships and development of new relationships with hospitals, KOLs and biopharmaceutical companies. Our ability to achieve and maintain commercial market acceptance of our existing and future products will depend on a number of factors, including:

- our ability to demonstrate the utility and value of our full-cycle cancer clinical treatment to our customers;
- our ability to promote awareness of our services and products;
- the rate of adoption and/or endorsement of our tests by clinicians, KOLs, and biopharmaceutical companies;
- the timing and scope of any regulatory approval for our services and products;
- whether our services are considered superior to those of our competitors;
- negative publicity regarding ours or our competitors' products resulting from defects or errors; and
- our ability to further validate our technology through clinical research and accompanying publications

We cannot assure you that we will be successful in addressing each of these criteria or other criteria that might affect the market acceptance of our products and services. Failure to achieve broad market acceptance of our services would materially harm our business, financial condition, and results of operations.

We may be adversely affected by the uncertainties and changes in the regulation of cancer genomic testing service industry in the PRC, and any lack of requisite approvals, permits, registrations or filings in relation to our business may have a material adverse effect on our business, results of operations and prospects.

Due to the relatively short history of the cancer genomic testing service industry in the PRC, a comprehensive regulatory framework governing our industry has not been established. We cannot rule out the

possibility that some common practices in our industry which we also adopt might be viewed as not being in full compliance with the existing PRC laws and regulations.

According to the Administration of Clinical Gene Amplification Test Laboratories, a clinical gene amplification testing laboratory shall not conduct the clinical testing items that have not been registered or filed with the relevant health administrative authority in accordance with the Catalogue of Clinical Laboratory Items for Medical Institutions (2013) ("Testing Items Catalogue"). The scope of Testing Items Catalogue is limited and has not been updated since 2013. Many of testing items of our cancer genomic testing services are beyond the scope of Testing Items Catalogue, so that we are not able to register or file such testing items with the applicable health administrative authority. Meanwhile, pursuant to the Notice on Issues Related to the Management of Clinical Laboratory Items, or Circular 167, promulgated by the NHFPC on February 25, 2016, the clinical testing items which are not included in the Testing Items Catalogue, but with clear clinical significance, relatively high specificity and sensitivity, and reasonable price, shall be validated in time to meet clinical needs. Based on our consultation with a competent government authority, medical institutions could conduct testing items beyond the scope of Testing Items Catalogue after validation. However, it remains unclear as to how to validate such testing items based on Circular 167, nor does Circular 167 specify what testing items are "with clear clinical significance, relatively high specificity and sensitivity and reasonable price." Our PRC Legal Counsel, Shihui Partners, taking into consideration of the consultation with competent government authority, among others, is of the view that the possibility of suspension of our testing items that are beyond Testing Items Catalogue is relatively low. If the government promulgates clear guidelines for validation under Circular 167, we intend to take necessary actions to meet such requirements. Any failure to meet existing and future requirements may prevent us from conducting our testing items, and result in adverse effect on our business operation.

On February 9, 2014, the General Office of NHFPC and the General Office of China Food and Drug Administration, predecessor of the National Medical Products Administration ("NMPA"), have jointly issued the Notice of Strengthening the Administration of Products and Technologies Relating to Clinical Genomic Testing, or Notice No.25, to specifically govern the products and technologies used in genomic testing service. In accordance with Notice No.25, the NHFPC is in charge of the management of clinical use of genomic testing technology, and the pilot enterprises designated by the NHFPC may use genomic testing products on trial and no medical institutions may apply genomic testing technologies or products for clinical use before the issuance of relevant access standards and management regulations. Subsequently, in March 2014, Medical Affairs and Hospital Administration Bureau of the NHFPC issued a notice to start the pilot scheme on clinical use of NGS. The first group of pilot enterprises in cancer genomic testing industry are mainly hospitals, and we have been told that no other enterprises have been approved to become new pilot enterprises after the launch of the first group of pilot enterprises, based on our consultation with a competent government authority. The companies that are not pilot enterprises, including us, may be prohibited from using NGS technology pursuant to Notice No.25. Based on our communication with an industry related authority, we have been informed that (i) the relevant government authority plans to promulgate cancer genomic testing services regulations for clinical laboratories including setting clear requirements for NGS technology approval, (ii) a few provincial centers for clinical laboratories supervised by provincial health commission have started or plan to start organizing technical inspection and quality assessment of the application of NGS technologies that suitable for clinical use, (iii) clinical laboratories conducting cancer genomic testing with a good operation record, including us, may be less likely to be subject to enforcement actions before the above cancer genomic testing services regulations be promulgated. Our PRC Legal Counsel, Shihui Partners, has advised that, taking into consideration of the foregoing consultation, among others, the likelihood of us being prohibited from using NGS technology is relatively low. If the government promulgates the clear requirement for NGS technology approval, we intend to take necessary actions to meet such requirements. Any failure to meet existing and future requirements may result in adverse effect on our continuous business operation of NGS technology utilization.

Based on Notice No.25, genomic testing diagnostic products (including gene sequencing platforms and relevant diagnostic assays or software) shall be deemed as medical devices and governed under the Regulations on the Supervision and Administration of Medical Devices, or Order No.276 of State Council. See "Regulation—

Regulations Relating to Medical Devices." Pursuant to Notice 25 and Order No.276 of State Council, the genomic testing diagnostic products used in our cancer genomic testing services shall be registered with NMPA or its local authorities. Any entity that uses unregistered genomic testing diagnostic products in cancer genomic testing services may be subject to fines, confiscation of such products it used and/or suspension of its business. However, there are only few cancer genomic sequencing platforms and assays registered with NMPA in cancer genomic testing industry. According to Frost & Sullivan, no NGS-based cancer genomic testing assay has been registered with NMPA in association with genomic sequencing platforms until a 4-gene assay was registered with NMPA in July 2018. Furthermore, such registered cancer genomic sequencing platforms and assays may not satisfy the demand for comprehensive and high-throughput testing in cancer genomic testing service industry. It is common in our industry that cancer genomic testing laboratories, including us, use unregistered cancer genomic testing diagnostic products while providing cancer genomic testing services considering that the adoption of cancer genomic testing service is time-sensitive while the pathway of registration with NMPA for cancer genomic testing diagnostic product is evolving, which usually leads to uncertain and lengthy registration process. Based on our consultation with an industry-related authority, we have been informed that (i) the relevant government authority plans to promulgate cancer genomic testing service regulations which may allow medical institutions to use unregistered but performance-qualified products in their cancer genomic testing services in future, (ii) it is the wide industry practice that genomic testing laboratories use unregistered diagnostic products in cancer genomic testing services, and (iii) the genomic testing laboratories with a good operation record, including us, may be less likely to be subject to enforcement actions before the promulgation of above cancer genomic testing regulations. As of the date of the Prospectus, we have not been subject to any material fines or other penalties related to the above mentioned non-compliance. However, regulatory agencies in China may periodically, and sometimes abruptly, change their enforcement practices. Therefore, prior enforcement activity, or lack of enforcement activity, is not necessarily predictive of future actions. The regulatory framework for this industry is also evolving and may remain uncertain for the foreseeable future. If the government promulgates new requirement for products, including sequencing platforms and assays, used in cancer genomic testing services, we intend to take necessary actions to meet such requirements. Any failure to meet existing and future requirements may adversely affect our business and results of operations as a result of those existing non-compliances or any non-compliance with any new laws or regulations.

If we fail to obtain applicable licenses or registrations for our IVD medical products, we will unable to commercially manufacture, distribute and market out our products, our business of commercialization of IVD medical products might be substantially harmed.

Our IVD medical products are subject to extensive regulations in China. To produce and sell our IVD medical products, we need to obtain licenses and registrations with the NMPA or their respective provincial counterparts. The sale of unregistered IVD medical products would result in administrative punishments including but not limited to monetary penalties. We currently have obtained approvals for two IVD assays and two IVD platforms, and most of our IVD products are still in development or in the process of obtaining registrations. The NMPA registration process is costly, lengthy and uncertain. In particular, we are required to conduct, at our own expenses, adequate and well-controlled clinical trials, and provide the NMPA with clinical data that demonstrates the efficacy and safety of our IVD medical products. The time required to obtain registrations from the NMPA is unpredictable but typically takes years following the commencement of pre-clinical studies and clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, registration policies, regulations or the type and amount of clinical data necessary to gain registration may change during the course of clinical-development and may vary among regions. If we cannot obtain the registration for our IVD medical products, we cannot commercialize such IVD medical products and there will be a material adverse effect on our business of IVD medical products commercialization, financial condition and results of operations. We cannot control whether planned clinical trials will begin on time or whether any of our clinical trials will be completed on schedule, or at all. Our product development costs would likely increase if we encounter delays in testing or obtaining approvals or if we need to perform more or a larger scale of clinical trials than planned. If the delays are significant, the commercial

prospects for some of our IVD medical products will be harmed, which will adversely affect the results of operations in our business.

We face risks associated with uncertainties relating to Regulation for the Administration of Human Genetic Resources.

The collection, preservation, usage and outbound provision of human genetic resources in the PRC are governed by Regulation for the Administration of Human Genetic Resources, or HGR Regulation, except for activities relating to human genetic resources conducted for some specific purposes including clinical diagnosis and treatment. Based on our consultation with the competent government authority, we believe that our diagnosis business and early screening business are both for the purpose of clinical diagnosis and treatment, so that such activities relating to human genetic resources in our diagnosis business or early screening business may not be governed by HGR Regulation. However, we cannot assure you that our diagnosis business and early screening business will be continuously deemed as conducted for the purpose of clinical diagnosis and treatment by the relevant government authority. Meanwhile, our collection, preservation and usage of human genetic resources in our development services are governed by HGR Regulation.

Pursuant to HGR Regulation, there are some limitations for foreign entities, individuals and such entities established or actually controlled thereby ("Restricted Entities", and each, a "Restricted Entity") to engage in activities relating to human genetic resources. For example, the Restricted Entity is not allowed to collect or preserve human genetic resources of China, while it is prohibited from using human genetic resources of China unless that such Restricted Entity have obtained an approval from relevant government authority or have filed with relevant government authority for international cooperation with a domestic entity. As advised by our PRC Legal Counsel, Shihui Partners, taking into consideration of our consultation with a competent government authority, among others, although an entity controlled, directly or indirectly, by foreign persons through shareholding ownership would be deemed as a Restricted Entity, HGR Regulation remains unclear as to whether a VIE entity controlled by a wholly foreign owned enterprise through contractual arrangements would be deemed as a Restricted Entity. We cannot assure you that our VIE entities will not be deemed as Restricted Entities in the future, given the lack of clear statutory interpretation regarding HGR Regulation. If our VIE entities engaging in development services are deemed as the Restricted Entities by relevant government authority, our cooperation with foreign entities, among others, would be adversely affected and we may have to cooperate with domestic entities and be required to obtain approvals or file with relevant government authority for such cooperation which could result in additional cost and our business, financial condition and results of operations will be adversely affected.

We rely on third parties to monitor, support and/or conduct our pre-clinical studies and clinical trials. Therefore, we may not be able to directly control the timing, conduct, expense and quality of our clinical trials and we cannot assure these third parties can duly perform their obligations as agreed and expected.

We primarily rely on hospitals that are beyond our control to monitor, support, conduct pre-clinical studies and clinical trials of our cancer genomic testing pipeline products. As a result, we have less control over the quality, timing and cost of these studies and the ability to recruit trial subjects than conducting these trials entirely by ourselves. We cannot assure these third parties can meet expected timetable or can always be in compliance with regulatory requirements. Any failures of these third parties to duly perform their obligations may result in our clinical trials being extended, delayed or terminated, or our data being rejected by NMPA or regulatory agencies. In addition, if we are unable to maintain or enter into agreements with these third parties on acceptable terms, or if any such engagement is terminated, we may be unable to enroll patients on a timely basis or otherwise conduct our trials in the manner we anticipate.

Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.

Many of the factors that may cause or lead to a delay in the commencement or completion of clinical trials may ultimately lead to delay or denial of regulatory clearance or approval. Success in pre-clinical studies and early clinical trials does not ensure that later clinical trials will be successful, and we cannot be sure that the later trials will replicate the results of prior trials and pre-clinical studies. Even if our clinical trials are completed as planned, we cannot be certain that their results will support our product candidate claims or that the regulatory authorities will agree with our conclusions regarding them. The clinical trial process may fail to demonstrate that our tests are safe and effective for the proposed indicated uses, which could cause us to abandon development of our tests and may delay development of others. Any delay or termination of our clinical trials will delay the filing of our product submissions and, ultimately, may impact our ability to commercialize our tests and generate revenues.

We may face intense competition and our competitors may develop similar, but more advanced services and products than ours, which may adversely affect our business and financial conditions.

We compete with life sciences companies that design, manufacture, and market products for analysis of genetic variations and biological functions and other applications using a wide range of competing technologies in the PRC and overseas. We anticipate that we will continue to face increased competitions as existing companies develop new or improved products and as new companies enter the market with new technologies. One or more of our competitors may render one or more of our technologies obsolete or uneconomical. Some of our competitors have greater financial, technical and personnel resources, broader product lines, more focused product lines, a more established customer base, and more experience in research and development than we do. In addition, as a result of mergers and acquisitions in life science industry, even more resources are being concentrated in our competitors and our up and down streams business partners. Competition may increase further due to the progress/improvements made in the commercial applicability of technologies and the increased capital investment in the industries. Our competitors may develop products which are more effective, less costly and safer than we are able to, or obtain patent protection, regulatory approval, product commercialization, and market penetration more rapidly than we do.

Furthermore, life sciences, clinical genomics, and pharmaceutical companies, which are our potential customers and strategic partners, could also develop competing products, which may result in the decrease of demand of our services and products. Furthermore, we believe that customers in our markets display a significant amount of loyalty to their initial supplier of a particular product; therefore, it may be difficult to generate sales to potential customers who have purchased products from competitors. To the extent we are unable to be the first to develop or supply new services and products, our competitive position may suffer.

The market for cancer genomics is currently limited and highly competitive, with several large companies already having intellectual property portfolios, and regulatory expertise. As a result, these companies may obtain regulatory approval more rapidly than we are able to. Established diagnostic companies also have an installed base of instruments in several markets, including clinical and reference laboratories, which could deter acceptance of our services and products. In addition, some of these companies have formed alliances with genomics companies that provide them access to genetic information that may be incorporated into their diagnostic tests, potentially creating a competitive advantage for them.

We and our competitors also compete on the basis of price. As the cost of analyzing genetic variation and biological function falls over time, as we expect, we cannot be sure that the demand for related services and products will increase proportionately. In the future, if the demand for our services and products proves to be more insensitive to lower sequencing costs than we expect, our business, financial condition, and results of operations will be adversely affected.

Security breaches, loss of data, and other disruptions could compromise sensitive information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.

In the ordinary course of our business, we collect and store sensitive data, including protected health information, personally identifiable information, financial information, intellectual property, and proprietary business information owned or controlled by ourselves or our customers, payers, and other parties. We manage and maintain our applications and data utilizing a combination of on-site systems and cloud-based data centers. We utilize external security and infrastructure vendors to manage parts of our data centers. We also communicate sensitive data, including patient data, electronically, and through relationships with multiple third-party vendors and their subcontractors. These applications and data encompass a wide variety of business-critical information, including research and development information, patient data, commercial information, and business and financial information. We face a number of risks relative to protecting this critical information, including loss of access risk, inappropriate use or disclosure, inappropriate modification, and the risk of our being unable to adequately monitor, audit, and modify our controls over our critical information. This risk extends to the third-party vendors and subcontractors we use to manage this sensitive data.

The secure processing, storage, maintenance, and transmission of this critical information are vital to our operations and business strategy, and we devote significant resources to protecting such information. Although we take measures to protect sensitive data from unauthorized access, use or disclosure, our information technology and infrastructure may be vulnerable to attacks by hackers or viruses or breached due to employee error, malfeasance, or other malicious or inadvertent disruptions. In addition, while we have implemented security measures and a formal, dedicated enterprise security program to prevent unauthorized access to patient data, such data is currently accessible through multiple channels, and there is no guarantee we can protect our data from breach. Unauthorized access, loss, or dissemination could also result in delays of our services and products development and commercialization as well as damage our reputation, including our ability to conduct our analysis, deliver test results, process claims and appeals, provide customer assistance, conduct research and development activities, collect, process, and prepare company financial information, provide information about our tests and other patient and physician education and outreach efforts through our website, and manage the administrative aspects of our business.

Any such unauthorized access, loss, or dissemination of information could also result in legal claims or proceedings, liability under PRC laws and regulations that protect the privacy of personal information. For example, pursuant to the Administrative Measures for Population Health Information, the medical institutions including our medical laboratories are responsible for collection, management, utilization, safety and privacy protection of personal healthcare data. We shall establish, maintain and execute such internal system to safeguard relevant personal healthcare data. Any failure to comply with above-mentioned regulation would result in administrative liabilities including but not limited to informed criticism.

We rely on a limited number of suppliers for some of our laboratory devices and may not be able to find replacements or immediately transition to alternative suppliers. A significant interruption in the operations of our suppliers could potentially affect our operations and any material misconduct or disputes against our suppliers could potentially harm our business and reputation.

We rely on several suppliers for certain equipment and laboratory materials used in the chemical reactions incorporated into our processes, reagents, sequencing platforms and other materials which we use in our operations. In 2017 and 2018, we purchased the majority of our laboratory equipment and supplies from our top three suppliers. An interruption in our operations could occur if we encounter delays or difficulties in securing these reagents, sequencers, or other laboratory materials, and if we cannot then obtain an acceptable substitute. Any such interruption could negatively impact research and development and launches of new services, and significantly affect our business, financial condition, results of operations, and reputation. In addition, any material misconduct or disputes against our suppliers could potentially affect our business and reputation.

We believe that there are only a few other qualified equipment manufacturers that are currently capable of supplying and servicing the equipment necessary for our laboratory operations. The use of equipment or materials furnished by these replacement suppliers would require us to significantly alter our laboratory operations. Transitioning to a new supplier would be time-consuming and expensive, may result in interruptions in our laboratory operations and would likely affect the performance specifications of our laboratory operations. There can be no assurance that we would be able to secure alternative equipment, reagents, sequencing platforms and other materials without experiencing interruptions in our workflow. In the case of an alternative supplier, there can be no assurance that the equipment or materials supplied would be available or meet our quality control and performance requirements for our laboratory operations. If we should encounter delay or difficulties in securing, reconfiguring, or revalidating the equipment, our business financial condition, results of operation, and reputation could be adversely affected.

We rely on third-party suppliers for certain of our raw materials, medical devices and components, and if shipments from these suppliers are delayed or interrupted, or if the quality of the materials, medical devices, or components supplied do not meet our requirements, we may not be able to launch, manufacture, or ship our products in a timely manner, or at all. In addition, we may not always source raw materials and equipment on commercial reasonable terms.

We require customized, precision-manufactured sub-assemblies, components, and materials that currently are available from a limited number of sources, and, in the case of some sub-assemblies, components, and materials, from only a single source. If deliveries from these vendors are delayed or interrupted for any reason, or if we are otherwise unable to secure a sufficient supply, we may not be able to obtain these sub-assemblies, components, or materials on a timely basis or in sufficient quantities or at satisfactory qualities, or at all, in order to meet demand for our precision oncology services and products. We may need to enter into contractual relationships with manufacturers for commercial-scale production of some of our products and supplies, in whole or in part, or develop these capabilities internally, and there can be no assurance that we will be able to do this on a timely basis, in sufficient quantities, or on commercially reasonable terms, especially the increase in price of equipment and raw materials would directly affect our financial results. In addition, the lead time needed to establish a relationship with a new supplier can be lengthy, and we may experience delays in meeting demand in the event we must switch to a new supplier. The time and effort required to qualify a new supplier could result in additional costs, diversion of resources, or reduced manufacturing yields, any of which would negatively impact our operating results. Accordingly, we may not be able to establish or maintain reliable, high-volume manufacturing at commercially reasonable costs or at all. In addition, the manufacture or shipment of our products may be delayed or interrupted if the quality of the products, sub-assemblies, components, or materials supplied by our vendors does not meet our requirements. Current or future social and environmental regulations or critical issues, the need to eliminate environmentally sensitive materials from our products, could restrict the supply of components and materials used in production or increase our costs. Any delay or interruption to our manufacturing or shipping our products could result in lost revenue, which would adversely affect our business, financial condition, and results of operations.

If we encounter difficulties enrolling patients or collect samples in our clinical studies, our research and development activities could be delayed or otherwise adversely affected.

The timely completion of clinical studies in accordance with protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the trial until its conclusion or sufficient samples. We may experience difficulties in patient enrolment in our clinical trials for a variety of reasons, including:

- the size and nature of the patient population or samples;
- the qualified patients or samples defined in the protocol;
- the size of the study population or samples required for analysis of the trial’s primary endpoints;
- perceived risks and benefits our pipeline products;

- the proximity of patients to trial sites;
- the design of the trial;
- our ability to obtain and maintain required consent to use patients' information and samples; and
- the risk that patients enrolled in clinical trials will not complete a clinical trial.

In addition, our clinical trials may compete with our competitors' clinical trials for cancer genomic testing product candidates that are in the same areas as our cancer genomic testing product candidates. Such competition will reduce the number and types of patients or samples available to us. Even if we are able to enrol a sufficient number of patients or samples in our clinical trials, delays in patient enrolment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of our cancer genomic testing product candidates.

Our success depends on our ability to provide reliable, high-quality genomic data and analysis and to rapidly evolve to meet our customers' needs. If our products, or cancer genomic testing services and products available in the market in general, do not meet the expectations of customers, our operating results, reputation and business could suffer.

Errors, including if our tests fail to accurately detect gene variants, or mistakes, including if we fail to or incompletely or incorrectly identify the significance of gene variants, could have a significant adverse impact on our business. We classify variants in accordance with guidelines that are subject to change and subject to our interpretation. There can also be flaws in the databases, third-party tools, algorithms we use, and in the software that handle automated parts of our classification protocol. If we receive poor quality or degraded samples, our tests may be unable to accurately detect gene variants or we may fail to or incompletely or incorrectly identify the significance of gene variants, which could have a significant adverse impact on our business. In addition, patients usually rely on the interpretations of doctors or physicians to read our testing reports and we are not able to ensure the interpretation will be correct and completed. Inaccurate results or misunderstandings of, or inappropriate reliance on, the information we provide to our customers could lead to, or be associated with, side effects or adverse events in patients who use our tests, including treatment-related death, and could lead to termination of our services or claims against us. A product liability or professional liability claim could result in substantial damages and be costly and time-consuming for us to defend.

We do not maintain liability insurance, including for errors and omissions, and professional liability. Any liability claim, including an errors and omissions liability claim, brought against us, with or without merit, could increase our insurance rates or prevent us from securing insurance coverage in the future. Additionally, any liability lawsuit could cause injury to our reputation or cause us to suspend sales of our tests or cause a suspension of our license to operate. The occurrence of any of these events could have an adverse effect on our business, reputation and results of operations.

In addition, our success depends on the market's confidence in cancer genomic testing services and products in general. if other genetic based precision oncology products do not perform to expectations, it may result in lower confidence in our industry in general and will then adversely affect our business.

If our current research collaborators terminate their relationships with us or develop relationships with a competitor, our ability to discover genes, proteins, and biomarkers, and to validate and commercialize molecular diagnostic and companion diagnostic tests could be adversely affected.

The responsibility of overseeing research and development of our services and products is concentrated among a number of key research collaborators. There can be no assurance that there will not be a detrimental impact on us if one or more of these key research collaborators were to cease relationship or employment with us, potentially as a result of lateral recruitment by existing or new competitors. As a result, this may adversely affect our ability to discover genes, proteins, and biomarkers, and to validate and commercialize molecular diagnostic and companion diagnostic tests.

Furthermore, our ability to continue to conduct and expand operations depends on our ability to attract and retain a large and growing number of personnel. The ability to meet our expertise needs, including the ability to find qualified personnel to fill positions that become vacant at our research and development department or to collaborate with us in research and development efforts, while controlling our costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified persons in the cancer genomics markets in which our business operates, the unemployment levels within those markets, prevailing wage rates, changing demographics, health and other insurance costs and adoption of new or revised employment and labor laws and regulations. If we are unable to locate, to attract or to retain qualified personnel, the quality of services and products provided to customers may decrease and our financial performance may be adversely affected. In addition, if costs of labor or related costs to maintain relationships with research collaborators increase for other reasons or if new or revised labor laws, rules or regulations or healthcare laws are adopted or implemented that further increase labor costs, our business, financial condition and results of operations could be materially adversely affected.

We may fail to maintain sufficient marketing and sales capabilities.

We mainly rely on our in-house specialized sales and marketing team to directly market and sell our services and products. Maintaining such in-house teams may require significant expenses, management resources and time. We will have to compete with other life sciences, clinical genomics, and pharmaceutical companies to recruit, hire, train and retain suitable personnel. We also continuously train our in-house sale force to ensure them to implement sales and marketing efficiently and in compliance with laws and regulations as well as our internal policies.

In addition to our direct sales, we also sell our products to hospitals through our distributors. We may have little control over the marketing and sales efforts of such third parties, and our revenue from distributor sales may be lower than commercializing ourselves.

There can be no assurance that we will be able to develop in-house sales and commercial distribution capabilities or establish or maintain relationships with third-party collaborators to successfully commercialize any services or products, and as a result, our financial condition and results of operations may be adversely effected if we are unable to generate sales revenue.

Reimbursement may not be immediately available for our services and products, which could diminish our sales or affect our profitability.

China has a complex medical insurance system that is currently undergoing reform. Governmental insurance coverage or the reimbursement rates in China for treatments using new medical devices and healthcare services are subject to uncertainty and vary from region to region, as local government approvals for such coverage must be obtained in each geographic region. In addition, the PRC government may change, reduce or eliminate the governmental insurance coverage currently available for treatments based on a number of factors, including price and efficacy.

Currently, our services and products are not eligible for reimbursement. Therefore, our customers need to bear the test prices themselves. The limitation on reimbursement of our service and products will adversely affect our sales, profitability and growth.

RISKS RELATING TO OUR OPERATIONS

We may encounter difficulties in managing our growth and expanding our operations successfully.

As we seek to advance our services and products through continued research and development effort, we will need to expand our development, regulatory, manufacturing, marketing and sales capabilities or contract

with third parties to provide these capabilities for us. As our operations expand, we expect that we will need to manage additional relationships with various strategic partners, suppliers and other third parties. Future growth will impose significant added responsibilities on members of management. Our future financial performance and our ability to commercialize our services and products and to compete effectively will depend, in part, on our ability to manage any future growth effectively. To that end, we must be able to manage our development and commercialization efforts effectively and hire, train and integrate additional management, administrative and sales and marketing personnel. We may not be able to accomplish these tasks, and our failure to accomplish any of them could prevent us from successfully growing our company.

In addition, as our business enter into new geographic regions, we will invest substantial resources and face new operational risks and challenges associated with the business, economic and regulatory environment that we are not familiar with. We will be required, among other things, to understand and comply with the local regulations, to partner with local healthcare industry, and to meet the expectations of local customers.

If we are unable to support demand for our existing or future precision oncology services and products, including ensuring that we have adequate capacity to meet increased demand, our business could suffer.

As our volume grows, we will need to continue to increase our workflow capacity for sample intake, customer service, billing, and general process improvements; expand our internal quality assurance program; and extend our services and products to support comprehensive genomic analysis at a larger scale within expected turnaround times. We will need additional certified laboratory scientists and technicians and other scientific and technical personnel to process higher volumes of our services. Portions of our process are not automated and will require additional personnel to scale. We will also need to purchase additional equipment, some of which can take several months or more to procure, set up, and validate, and increase our software and computing capacity to meet increased demand. The expansion of our operations or hiring of additional personnel may lead to significant costs and divert our management attentions and development resources. There is no assurance that any of these increases in scale, expansion of personnel, equipment, software and computing capacities, or process enhancements will be successfully implemented, or that we will have adequate space in our laboratory facilities to accommodate such required expansion.

As we commercialize additional services, we will need to incorporate new equipment, implement new technology systems and laboratory processes, and hire new personnel with different qualifications. Failure to manage this growth or transition could result in turnaround time delays, higher service costs, declining service quality, deteriorating customer service, and slower responses to competitive challenges. A failure in any one of these areas could make it difficult for us to meet market expectations for our services, and could damage our reputation and the prospects for our business.

We may not be able to attract and retain key senior management members and research and development personnel.

Our future success depends upon the continuing services of members of our senior management team and key research and development personnel and consultants. In particular, Mr. Sizhen Wang, our Chief Executive Officer, Dr. Hai Yan, our Chief Scientific Officer, Dr. Yuchen Jiao, our Chief Technology Officer, Mr. Evan Ce Xu, our Chief Financial Officer, and Mr. Kevin Ying Hong, our Chief Operating Officer are crucial to our research and development and operations. Although we typically require our key personals to enter into non-compete and confidentiality agreement with us, we cannot prevent they join our competitor after the non-compete period. The loss of their services could adversely impact our ability to achieve our business objectives. If one or more of our senior management or key clinical and scientific personnel are unable or unwilling to continue in their present positions or joins a competitor or forms a competing company, we may not be able to replace them in a timely manner or at all, which will have a material and adverse effect on our business, financial condition and results of operations. We do not maintain “key person” insurance for any of our executives or other employees.

In addition, the continued growth of our business depends on our ability to hire additional qualified personnel with expertise in molecular biology, chemistry, biological information processing, software, engineering, sales, marketing, and technical support. We compete for qualified management and scientific personnel with other life science and technology companies, universities, and research institutions in the PRC and overseas. Competition for these individuals is intense, and the turnover rate can be high. Failure to attract and retain management and scientific and engineering personnel could prevent us from pursuing collaborations or developing our services and products or technologies.

We have adopted two share incentive plans. We have granted and will continue to grant share-based awards in the future, which may have an adverse effect on our future profit. Exercise of the awards granted will increase the number of our shares in circulation, which may adversely affect the market price of our shares.

We adopted 2019 Plan in July 2019 and 2019 Scheme in November 2019, to enhance our ability to attract and retain exceptionally qualified individuals and to encourage them to acquire a proprietary interest in the growth and performance of us. The maximum aggregate number of ordinary shares we are authorized to issue pursuant to all awards under the 2019 Plan is 33,961,500 ordinary shares. As of the date of this prospectus, we have granted 22,915,620 awards to purchase up to 22,915,620 ordinary shares under the 2019 Plan. The maximum aggregate number of ordinary shares we are authorized to issue pursuant to all awards under the 2019 Scheme is 20,830,100. As of the date of this prospectus, we have not granted any awards under the 2019 Scheme. See “Management—Share Incentive Plan.”

We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based compensation to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

If our laboratory facilities become contaminated, damaged or inoperable, or we are required to vacate the facility, our ability to sell and provide our services and pursue our research and development efforts may be jeopardized.

We currently derive our revenues from our genomic analysis conducted in our laboratories located in Beijing, Shanghai, Hangzhou and Chongqing. Although all of our laboratory facilities have back-up measures, the data and samples stored in our laboratory facilities are still subject to various risks beyond our control. While our multi-location laboratories help us weather operational breakdowns at any one location, our facilities and equipment could be harmed or rendered inoperable by natural or man-made disasters, including fires, earthquakes, flooding, and power outages, which may render it difficult or impossible for us to sell or perform our services for some period of time. The inability to sell or to perform our diagnostic and other services, or the backlog of samples that could develop if our facility is inoperable for even a short period of time, may result in the loss of customers or harm to our reputation or relationships with scientific or clinical collaborators, and we may be unable to regain those customers or repair our reputation or such relationships in the future. Furthermore, our facilities and the equipment used to perform our services and our research and development work could be costly and time-consuming to repair or replace.

Additionally, a key component of our research and development process involves using biological samples as the basis for the development of our services. In some cases, these samples are difficult to obtain. If the parts of our laboratory facility where we store these biological samples were damaged or compromised, our ability to pursue our research and development projects, as well as our reputation, could be jeopardized.

We may pursue collaborations, in-licensing or out-license arrangements, joint ventures, strategic alliances, partnerships or other strategic investment or arrangements, which may fail to produce anticipated benefits and adversely affect our operations.

We may pursue opportunities for collaboration, in-licensing, out-license, joint ventures, acquisitions of products, assets or technology, strategic alliances, or partnerships that we believe would be complementary to or promote our existing business. In particular, we intend to continue to pursue growth through the acquisition of technology, assets or other businesses that may enable us to enhance our technologies and capabilities, expand our geographic market, add experienced management personnel and increase our test offerings. Proposing, negotiating and implementing these opportunities may be a lengthy and complex process. Other companies, including those with substantially greater financial, marketing, sales, technology, or other business resources, may compete with us for these opportunities or arrangements. We may not be able to identify, secure, or complete any such transactions or arrangements in a timely manner, on a cost-effective basis, on acceptable terms, or at all.

We have limited experience with respect to these business development activities. Management and integration of a licensing arrangement, collaboration, joint venture or other strategic arrangement may disrupt our current operations, decrease our profitability, result in significant expenses, or divert management resources that otherwise would be available for our existing business. We may not realize the anticipated benefits of any such transaction or arrangement.

Furthermore, partners, collaborators, or other parties to such transactions or arrangements may fail to fully perform their obligations or meet our expectations or cooperate with us satisfactorily for various reasons and subject us to potential risks, including the followings:

- partners, collaborators, or other parties have significant discretion in determining the efforts and resources that they will apply to a transaction or arrangement;
- partners, collaborators, or other parties could independently develop, or develop with third parties, services and products that compete directly or indirectly with our services and products;
- partners, collaborators, or other parties may stop, delay or discontinue research and development, and commercialization efforts;
- partners, collaborators, or other parties may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;
- disputes may arise between us and partners, collaborators, or other parties that cause the delay or termination of the research, development or commercialization of our services and products, or that result in costly litigation or arbitration that diverts management attention and resources;
- partners, collaborators, or other parties may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable services and products; and
- partners, collaborators, or other parties may own or co-own intellectual property covering our services and products that results from our collaborating with them, and in such cases, we would not have the exclusive right to commercialize such intellectual property.

Any such transactions or arrangements may also require actions, consents, approval, waiver, participation or involvement of various degrees from third parties, such as regulators, government authorities, creditors, licensors or licensees, related individuals, suppliers, distributors, shareholders or other stakeholders or interested parties. There is no assurance that such third parties will be cooperative as we desire, or at all, in which case we may be unable to carry out the relevant transactions or arrangements.

Any failure to maintain effective quality control over our products and services could materially adversely affect our business.

The quality of our services and products is critical to the success of our business, and such quality to a large extent depends on the effectiveness of our quality control system. We have developed a rigorous quality control system that enables us to monitor each stage of the production process. Our laboratory facilities have received the CAP accreditation and NCCL EQA Certification.

However, despite our quality control management system, we cannot eliminate the risk of errors, defects or failures. We may fail to detect or cure defects as a result of a number of factors, many of which are outside our control, including:

- technical or mechanical malfunctions in the production process;
- human error or malfeasance by our quality control personnel;
- tampering by third parties; and
- defective raw materials or equipment.

Failure to detect quality defects in our products could result in patient injury, customer dissatisfaction, or other problems that could seriously harm our reputation and business, expose us to liability, and adversely affect our revenue and profitability.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

Our operations, and those of our third-party research institution collaborators, suppliers and other contractors, could be subjected to earthquakes, power shortages, telecommunications failures, water shortages, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics and other natural or man-made disasters or business interruptions, for which we are predominantly self-insured. In addition, we partially rely on our third-party research institution collaborators for conducting research and development, and they may be affected by government shutdowns or withdrawn funding. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses.

Our employees, third-party suppliers, consultants and commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.

We are exposed to the risk of fraud or other misconduct by our employees, third-party suppliers, consultants and commercial partners. Misconduct by these parties could include intentional failures to comply with the regulations of the NMPA and overseas regulators that have jurisdictions over us, comply with healthcare fraud and abuse laws and regulations in China and abroad, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing, and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Such misconduct could also involve the improper use of information obtained in the course of clinical studies, which could result in regulatory sanctions and cause serious harm to our reputation. We currently have a code of conduct applicable to all of our employees, but it is not always possible to identify and deter employee misconduct, and our code of conduct and the other precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses, or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of significant civil, criminal and administrative penalties,

including, without limitation, damages, monetary fines, individual imprisonment, disgorgement of profits, contractual damages, reputational harm, diminished profits and future earnings, additional reporting or oversight obligations if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with the law and curtailment or restructuring of our operations, which could have a significant impact on our business. Whether or not we are successful in defending against such actions or investigations, we could incur substantial costs, including legal fees and divert the attention of management in defending ourselves against any of these claims or investigations.

Our business depends on a strong brand, and failing to maintain and enhance our brand would adversely affect our business, results of operations and financial condition.

We believe that maintaining and enhancing our brand identity and increasing market awareness of our company and products, particularly among clinicians and biopharmaceutical companies, is critical to achieving widespread acceptance of our services and products, to strengthening our relationships with our existing clients and to our ability to attract new clients. The successful promotion of our brand will depend largely on our ability to continue to offer high-quality services and products and our research and development efforts. Our brand promotion activities may not be successful or yield increased revenue.

In addition, if clients deem our testing results not accurate, then our brand and reputation may suffer, clients may lose confidence in us and they may reduce or cease their use of our services and products. Our clients may post and discuss on social media about our services and products. Our reputation depends, in part, on our ability to generate positive feedback and minimize negative feedback on social media channels where existing and potential clients seek and share information. If actions we take or changes we make to our services or products upset these clients, then their online commentary could negatively affect our brand and reputation. Complaints or negative publicity about us, our services or products could materially and adversely impact our ability to attract and retain clients, our business, results of operations and financial condition.

The promotion of our brand also requires us to make expenditures, and we anticipate that these expenditures will increase as our market becomes more competitive. To the extent that these activities increase revenue, this revenue still may not be enough to offset the increased expenses we incur. If we do not successfully maintain and enhance our brand, then our business may not grow, we may see our pricing power reduced relative to competitors and we may lose clients, all of which would adversely affect our business, results of operations and financial condition.

We depend on our information technology and other technology systems for significant elements of our operations, and any failure of the technology could harm our business.

We depend on our information technology for significant elements of our operations, including automation for the analysis of our bioinformation and automatically unpack the analyzed DNA data parameters to an automatically generated data report. We have also installed, and expect to expand, a number of enterprise software systems that affect a broad range of business processes and functional areas, including, for example, systems handling financial reporting and controls, customer relationship management, laboratory information management system, and other infrastructure operations.

Our information and other technology systems are vulnerable to damage from a variety of sources, including telecommunications or network failures, malicious or inadvertent human acts and natural disasters. Our servers are potentially vulnerable to physical or electronic break-ins, employee errors, computer viruses and similar disruptive problems. Despite the precautionary measures we have taken to prevent unanticipated problems that could affect our information technology and telecommunications systems, failures or significant downtime of our information technology or telecommunications systems or those used by our third-party service providers could prevent us from conducting tests, preparing and providing reports to our customers, billing customers, collecting revenue, handling inquiries from our customers, conducting research and development activities, and managing

the administrative aspects of our business. Any disruption or loss of information technology or telecommunications systems on which critical aspects of our operations depend could have an adverse effect on our business.

Our business, financial condition and results of operations, as well as our ability to obtain financing, may be adversely affected by a downturn in the global or China's economy.

The global macroeconomic environment is facing challenges, including the economic slowdown in the Eurozone since 2014 and uncertainties over the impact of Brexit. The growth of the China's economy has slowed down since 2012 compared to the previous decade and the trend may continue. According to the National Bureau of Statistics of China, China's gross domestic product (GDP) growth was 6.6% in 2018. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. There have been concerns over unrest and terrorist threats in the Middle East, Europe and Africa. There have also been concerns on the relationship between China and the United States, including those resulting from the ongoing trade dispute between the two countries, which may potentially lead to foreign investors closing down their business or withdrawing their investment in China and thus exiting the China market, and other economic effects. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China.

Any prolonged slowdown in the global or China's economy may have a negative impact on our business, results of operations and financial condition, and continued turbulence in the international markets may adversely affect our ability to access the capital markets to meet liquidity needs. Our clients may reduce or delay spending with us, while we may have difficulty expanding our client base fast enough, or at all, to offset the impact of decreased spending by our existing clients. In addition, to the extent we offer credit to any client and the client experiences financial difficulties due to the economic slowdown, we could have difficulty collecting payment from the clients. Moreover, a slowdown or disruption in the global or China's economy may have a material and adverse impact on the financing available to us. The weakness in the economy could erode investor confidence, which constitutes the basis of the credit market.

We are subject to changing law and regulations regarding regulatory matters, corporate governance and public disclosure that have increased both our costs and the risk of non-compliance.

We are subject to rules and regulations by various governing bodies, including, for example, the Securities and Exchange Commission, which is charged with the protection of investors and the oversight of companies whose securities are publicly traded, and the various regulatory authorities in China and the Cayman Islands, and to new and evolving regulatory measures under applicable law. Our efforts to comply with new and changing laws and regulations have resulted in and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

Allegations or lawsuits against us or our management may harm our reputation and business.

We have been, and may in the future be, subject to allegations or lawsuits brought by our competitors, clients, employees or other individuals or entities, including claims of breach of contract.

In addition, we may be subject to product liability claims alleging that our service and products identified inaccurate or incomplete information regarding the genomic alterations of the tumor or malignancy analyzed, reported inaccurate or incomplete information concerning the available therapies for a certain type of cancer or otherwise failed to perform as designed. We may also be subject to liability for errors in, a misunderstanding of or inappropriate reliance upon, the information we provide in the ordinary course of our business activities.

Any such allegation or lawsuits, with or without merit, or any perceived unfair, unethical, fraudulent or inappropriate business practice by us or perceived malfeasance by our management could incur substantial expenses, delay or suspend our ongoing clinical trial, cause the withdrawal of clinical participants, harm our reputation, distract our management from our daily operations and result in other negative results. Allegations or lawsuits against us may also generate negative publicity that significantly harms our reputation, which may materially and adversely affect our user base and our ability to attract customers. In addition to the related cost, managing and defending litigation and related indemnity obligations can significantly divert management's attention. We may also need to pay damages or settle the litigation with a substantial amount of cash. All of these could have a material adverse impact on our business, results of operation and cash flows.

If we fail to implement and maintain an effective system of internal controls, we may be unable to accurately or timely report our results of operations or prevent fraud, and investor confidence and the market price of our ADSs may be materially and adversely affected.

Prior to this offering, we were a private company with limited accounting personnel and other resources with which to address our internal controls and procedures. Our management has not completed an assessment of the effectiveness of our internal control over financial reporting, and our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. In the course of auditing our consolidated financial statements as of December 31, 2017 and for the year ended December 31, 2018, we and our independent registered public accounting firm identified two material weaknesses in our internal control over financial reporting and other control deficiencies as of December 31, 2017 and 2018. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses identified relate to:

- Our lack of sufficient and competent financial reporting and accounting personnel with appropriate knowledge of IFRS and reporting requirements set forth by the SEC to address complex IFRS technical accounting issues, and to prepare and review the consolidated financial statements and related disclosures in accordance with IFRS and SEC reporting requirements; and
- Our lack of formal and effective period-end financial closing policies and procedures.

We have taken measures and plan to continue to take measures to remedy the material weaknesses. For details, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations—Internal Control over Financial Reporting." The implementation of these measures may not fully address the material weaknesses in our internal control over financial reporting, and we cannot conclude that they have been fully remedied. Our failure to correct theses material weaknesses or our failure to discover and address any other material weaknesses could result in inaccuracies in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis.

Upon the completion of this offering, we will become a public company in the United States subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, will require that we include a report from management on our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report in our second annual report on Form 20-F after becoming a public company. In addition, once we cease to be an "emerging growth company" as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our

internal control over financial reporting. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, after we become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. Generally speaking, if we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could, in turn, limit our access to capital markets, harm our results of operations and lead to a decline in the trading price of our ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources.

The insurance companies in China currently offer limited business-related insurance products. We do not maintain business interruption insurance or general third-party liability insurance, nor do we maintain product liability insurance or key-man insurance. We consider this practice to be reasonable in light of the nature of our business and the insurance products that are available in China and in line with the practices of other companies in the same industry of similar size in China. Any uninsured risks may result in substantial costs and the diversion of resources, which could adversely affect our results of operations and financial condition.

We face risks related to health epidemics, severe weather conditions and other outbreaks.

Our business could be adversely affected by the effects of avian influenza, severe acute respiratory syndrome (SARS), the influenza A virus, Ebola virus, severe weather conditions or other epidemics or outbreaks. Health or other government regulations adopted in response to an epidemic, severe weather conditions such as snowstorms, floods or hazardous air pollution, or other outbreaks may require temporary closure of our offices. Such closures may disrupt our business operations and adversely affect our results of operations.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY

We may be unsuccessful in obtaining or maintaining adequate intellectual property protection for one or more of our services and products, due to the failure of granting our patent applications or licensed patents, and issued intellectual properties covering one or more of our services and products could be found invalid or unenforceable if challenged in court or before administrative bodies.

Our commercial success will depend, in large part, on our ability to obtain, maintain and defend patent and other intellectual property protection with respect to our services and products. We cannot be certain that patents will be issued or granted with respect to our patent applications that are currently pending, or that issued or granted patents will not later be found to be invalid and/or unenforceable, be interpreted in a manner that does not adequately protect our services and products, or otherwise provide us with any competitive advantage.

Additionally, the patent applications in respect of patents licensed under our in-license arrangements may not be issued or granted, and as a result, we may not be able to have adequate protection with respect to such patents. The patent position of life sciences, clinical genomics and pharmaceutical companies is generally uncertain because it involves complex legal and factual considerations. Patent applications we had applied may not be granted in the end. Moreover, some of our patents and patent applications are, and may in the future be, co-owed with third parties. If we are unable to obtain an exclusive license to any such third-party co-owned interest in such patents or patent applications, such co-owners may be able to license or transfer their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects. As such, we do not know the degree of future protection that we will have on our services and products and technology, if any, and a failure to obtain adequate intellectual property protection with respect to our services and products could have a material adverse impact on our business.

Despite the fact that we can take measures to obtain patent and other intellectual property protections with respect to our services and products, there can be no assurance that the existence, validity, enforceability, or scope of our intellectual property rights will not be challenged by a third party, or that we can obtain sufficient scope of claim in those patents to prevent a third party from competing against our services and products. For example, in an infringement proceeding, a court may decide that patent rights or other intellectual property rights owned by us are invalid or unenforceable, or may refuse to stop the other party from using the technology at issue on the ground that our patent rights or other intellectual property rights do not cover the technology in question. An adverse result in any litigation proceedings could put our patent, as well as any patents that may issue in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

In addition, if we were to initiate legal proceedings against a third party to enforce a patent covering one of our services and products, the defendant could counterclaim that our patent is invalid and/or unenforceable. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the National Intellectual Property Administration, or the applicable foreign counterpart, or made a misleading statement, during prosecution. Although we believe that we have conducted our patent prosecution in accordance with the duty of candor and in good faith, the outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our services and products. Even if a defendant does not prevail on a legal assertion of invalidity and/or unenforceability, our patent claims may be construed in a manner that would limit our ability to enforce such claims against the defendant and others.

Third parties may also raise similar claims before administrative bodies in the PRC or abroad, even outside the context of litigation. Such mechanisms include ex parte re-examination, inter partes review, post-grant review, derivation and equivalent proceedings, such as opposition proceedings. Such legal proceedings could result in revocation or amendment to our patents in such a way that they no longer cover and protect our services and products. The outcome following legal assertions of invalidity and unenforceability can be unpredictable. With respect to the validity of our patents, for example, we cannot be certain that there is no invalidating prior art of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we may lose part or all of the patent protection on our services

and products. Any loss of patent protection could have a material adverse impact on one or more of our services and products and our business.

We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time consuming and unsuccessful.

Competitors may infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming and divert the time and attention of our management and scientific personnel. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us, alleging that we infringed their patents. In addition, in a patent infringement proceeding, there is a risk that a court will decide that a patent of ours is invalid or unenforceable, in whole or in part, and that we do not have the right to stop the other party from using the invention at issue. There is also a risk that, even if the validity of such patents is upheld, the court will construe the patent's claims narrowly or decide that we do not have the right to stop the other party from using the invention at issue on the grounds that our patents do not cover the invention. An adverse outcome in a litigation or proceeding involving our patents could limit our ability to assert our patents against those parties or other competitors, and may curtail or preclude our ability to exclude third parties from making and selling similar or competitive products. Any of these occurrences could adversely affect our competitive business position, business prospects, and financial condition. Similarly, if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

In any infringement litigation, any award of monetary damages we receive may not be commercially valuable. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during litigation. Moreover, there can be no assurance that we will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are concluded. Even if we ultimately prevail in such claims, the monetary cost of such litigation and the diversion of the attention of our management and scientific personnel could outweigh any benefit we receive as a result of the proceedings.

Our commercial success depends significantly on our ability to operate without infringing upon the intellectual property rights of third parties.

The life sciences industry is subject to rapid technological change and substantial litigation regarding patent and other intellectual property rights. Our potential competitors in both the PRC and abroad, may have substantially greater resources and are likely to make substantial investments in patent portfolios and competing technologies, and may apply for or obtain patents that could prevent, limit or otherwise interfere with our ability to make, use and sell our products. Numerous third-party patents exist in fields relating to our products and technologies, and it is difficult for industry participants, including us, to identify all third-party patent rights relevant to our products and technologies. Moreover, because some patent applications are maintained as confidential for a certain period of time, we cannot be certain that third parties have not filed patent applications that cover our products and technologies.

Patents could be issued to third parties that we may ultimately be found to infringe. Third parties may have or obtain valid and enforceable patents or proprietary rights that could block us from using our technology. Our failure to obtain or maintain a license to any technology that we require may materially harm our business, financial condition and results of operations. Furthermore, we would be exposed to a threat of litigation.

Third-party intellectual property right holders may also actively bring infringement or other intellectual property-related claims against us, even if we have received patent protection for our technologies, products, and services. Regardless of the merit of third parties claims against us for infringement, misappropriation or

violations of their intellectual property rights, such third parties may seek and obtain injunctive or other equitable relief, which could effectively block our ability to perform our tests. Further, if a patent infringement suit were brought against us, we could be forced to stop or delay our development or sales of any tests or other activities that are the subject of such suit. Defense of these claims, even if such claims are resolved in our favor, could cause us to incur substantial expenses and be a substantial diversion of our employee resources even if we are ultimately successful. Any adverse ruling or perception of an adverse ruling in defending ourselves could have a material adverse impact on our cash position and stock price. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing, or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation in the United States, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments, which could have a material adverse effect on the price of our ADSs. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock. The occurrence of any of these events may have a material adverse effect on our business, results of operation, financial condition or cash flows.

Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The National Intellectual Property Administration of China, or the NIPA, and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent application and prosecution process. Periodic maintenance fees, renewal fees, annuity fees, and various other governmental fees on patents and/or applications will be due to be paid to the NIPA and various other governmental patent agencies outside of China in several stages over the lifetime of the patents and/or applications. We employ reputable professionals and rely on such third parties to help us comply with these requirements and effect payment of these fees with respect to the patents and patent applications that we own. Noncompliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official communications within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case, which could have a material adverse effect on our competitive position, business, financial condition, results of operations, and prospects.

Confidentiality agreements with employees and third parties may not prevent unauthorized disclosure of trade secrets and other proprietary information.

We seek to protect our intellectual property and proprietary technologies, in part, by entering into agreements, including confidentiality agreements and non-disclosure agreements, with parties that have access to them, such as our employees, consultants, academic institutions, corporate partners and, other third-party service providers. Nevertheless, there can be no guarantee that an employee or a third party will not make an unauthorized disclosure of our proprietary confidential information. This might happen intentionally or inadvertently. It is possible that a competitor will make use of such information, and that our competitive position will be compromised, in spite of any legal action we might take against persons making such unauthorized disclosures. In addition, to the extent that our employees, consultants or contractors use intellectual

property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Trade secrets are difficult to protect. Although we use reasonable efforts to protect our trade secrets, our employees, consultants, contractors or business partners might intentionally or inadvertently disclose our trade secret information to competitors or our trade secrets may otherwise be misappropriated. Enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time consuming, and the outcome is unpredictable.

We sometimes engage individuals or research institutions to conduct research relevant to our business. The ability of these individuals or research institutions to publish or otherwise publicly disclose data and other information generated during the course of their research is subject to certain contractual limitations. These contractual provisions may be insufficient or inadequate to protect our confidential information. If we do not apply for patent protection prior to such publication, or if we cannot otherwise maintain the confidentiality of our proprietary technology and other confidential information, then our ability to obtain patent protection or to protect our trade secret information may be jeopardized, which could adversely affect our business, financial condition and results of operations.

Intellectual property rights do not necessarily protect us from all potential threats to our competitive advantage.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business, or permit us to maintain our competitive advantage. The following examples are illustrative:

- others may be able to independently develop similar or alternative technologies or designs that are similar to our services and products but that are not covered by the claims of the patents that we own or have exclusively licensed;
- we might not have been the first to make the inventions covered by the issued patents or pending patent applications that we own or may in the future exclusively license, which could result in the patent applications not issuing or being invalidated after issuing;
- we might not have been the first to file patent applications covering certain of our inventions, which could result in the patent applications not issuing or being invalidated after issuing;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that our pending patent applications will not lead to issued patents;
- issued patents that we own or have exclusively licensed may not provide us with any competitive advantages, or may be held invalid or unenforceable, as a result of legal challenges by our competitors;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive services and products for commercialization in our major markets;
- we may fail to develop additional proprietary technologies that are patentable;
- we may fail to apply for or obtain adequate intellectual property protection in all the jurisdictions in which we operate; and
- the patents of others may have an adverse effect on our business, for example by preventing us from commercializing one or more of our services and products candidates for one or more cancer types.

Any of the aforementioned threats to our competitive advantage could have a material adverse effect on our business.

Patent terms may not be sufficient to effectively protect our services and products and business.

In most countries in which we plan to file applications for patents, the term of an issued patent is generally 10 to 20 years from the earliest claimed filing date if a non-provisional patent application in the applicable country. Although various extensions may be available, the life of a patent and the protection it affords are limited. Even if patents covering our services and products are obtained, we may be open to competition from other companies once our patent rights expire. Furthermore, there is no currently effective law or regulation providing patent term extension in China.

As of the date of this prospectus, we had been granted four invention patents in China. Our invention patents have expiration dates ranging from November 2032 to April 2037. We also have 18 pending patent applications in China and four international patents applications under the Patent Cooperation Treaty (PCT) as of the date of this prospectus. If patents are issued on these pending patent applications, the resulting patents will be expected to expire ranging from September 2035 to July 2038, excluding any potential patent term extension or adjustment. Upon expiration of our issued patent or patents that may issue from our pending patent application, we will not be able to assert such patent rights against potential competitors and our business and results of operation may be adversely affected.

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting and defending patents on our products in all countries throughout the world would be prohibitively expensive. We may also encounter difficulties in protecting and defending such rights in foreign jurisdictions. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the jurisdictions of the registration of our intellectual properties. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products. Our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of many other countries do not favor the enforcement of patents and other intellectual property protection , which could make it difficult for us to stop the infringement of our patents in such countries.

Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

We may not be able to protect and enforce our trademarks.

We currently hold issued trademark registrations and have trademark applications pending, any of which may be the subject of a governmental or third-party objection, which could prevent the registration or maintenance of the same. If we are unsuccessful in obtaining trademark protection for our primary brands, we may be required to change our brand names, which could materially adversely affect our business. Moreover, as our products mature, our reliance on our trademarks to differentiate us from our competitors will increase, and as a result, if we are unable to prevent third parties from adopting, registering or using trademarks and trade dress that infringe, dilute or otherwise violate our trademark rights, or engaging in conduct that constitutes unfair competition, defamation or other violation of our rights, our business could be materially adversely affected.

RISKS RELATING TO OUR CORPORATE STRUCTURE

If the PRC government finds that the contractual arrangements that establish the structure for operating our business in China do not comply with PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subjected to severe consequences, including the nullification of such agreements and the relinquishment of our interest in our VIE.

Current PRC laws and regulations impose certain restrictions or prohibitions on foreign ownership of companies that engage in the development and application of technologies for diagnosis and treatment of human stem cells and genes, which our precision oncology service relates to. Pursuant to the Special Administrative Measures (Negative List) issued by the NDRC and MOFCOM on June 30, 2019, which came into force on July 30, 2019, certain industries are specifically prohibited for foreign investment, including the development and application of technologies for diagnosis and treatment of human stem cells and genes. To comply with PRC laws and regulations, we conduct our cancer genomics business in China through VIE. We, through Genetron (Tianjin) Co., Ltd. ("WFOE"), our wholly owned subsidiary in China, entered into a series of contractual arrangements with our VIE and its ultimate shareholders, in order to (i) exercise effective control over our VIE, (ii) receive substantially all of the economic benefits of our VIE, and (iii) have an exclusive option to purchase all or part of the equity interests in our VIE when and to the extent permitted by PRC law. As a result of these contractual arrangements, we have control over and are the primary beneficiary of our VIE and hence consolidate its financial results under IFRS. Although the structure we have adopted is consistent with long-standing practice in certain industries, such as TMT industry, and is also adopted by some of our peers in China, the PRC government may not agree that these arrangements comply with PRC license, registration or other regulatory requirements, with existing policies, or with requirements or policies that may be adopted in the future. Our VIE hold the licenses, approvals and key assets that are essential for the operations of our precision oncology service businesses.

In the opinion of our PRC Legal Counsel, Shihui Partners, (i) the ownership structures of our VIE in China, currently do not, and immediately after giving effect to this offering, will not result in any violation of the applicable PRC laws or regulations currently in effect, and (ii) subject to the risks as disclosed in the section headed "Risk Factors—Risks Relating to Our Corporate Structure", the contractual arrangements between WFOE, our VIE and its respective equity holders governed by PRC laws are valid, binding and enforceable in accordance with their terms and applicable PRC laws and regulations currently in effect and do not violate any applicable PRC laws, rule or regulation currently in effect. There are, however, substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations. The relevant PRC regulatory authorities have broad discretion in determining whether a particular contractual structure violates PRC laws and regulations. Thus, we cannot assure you that the PRC government will not ultimately take a view contrary to the opinion of our PRC Legal Counsel. If we are found in violation of any PRC laws or regulations or if the contractual arrangements among WFOE, our VIE and its respective equity holders are determined as illegal or invalid by any PRC court, arbitral tribunal or regulatory authorities, the relevant governmental authorities would have broad discretion in dealing with such violation, including, without limitation:

- revoking the agreements constituting the contractual arrangements;
- revoking our business and operating licenses;
- requiring us to discontinue or restrict operations;
- restricting our right to collect revenue;
- shutting down all or part of our websites or services;
- levying fines on us and/or confiscating the proceeds that they deem to have been obtained through non-compliant operations;
- requiring us to restructure the operations in such a way as to compel us to establish a new enterprise, re-apply for the necessary licenses or relocate our businesses, staff and assets;

- imposing additional conditions or requirements with which we may not be able to comply;
- restricting or prohibiting our use of proceeds from public offering or other financing activities to finance our business and operations in China; or
- taking other regulatory or enforcement actions that could be harmful to our business.

Furthermore, any of the assets under the name of any record holder of equity interest in VIE , including such equity interest, may be put under court custody in connection with litigation, arbitration or other judicial or dispute resolution proceedings against that record holder. We cannot be certain that the equity interest will be disposed of in accordance with the contractual arrangements. In addition, new PRC laws, rules and regulations may be introduced to impose additional requirements that may impose additional challenges to our corporate structure and contractual arrangements. The occurrence of any of these events or the imposition of any of these penalties may result in a material and adverse effect on our ability to conduct our precision oncology service business. In addition, if the imposition of any of these penalties causes us to be unable to direct the activities of such VIE and its subsidiaries or the right to receive their economic benefits, we would no longer be able to consolidate such VIE into our financial statements, thus adversely affecting our results of operation.

We rely on contractual arrangements with our VIE and its shareholders for our business operations, which may not be as effective as direct ownership in providing operational control.

We have relied and expect to continue to rely on contractual arrangements with our VIE and its shareholders to operate our business in China. For a description of these contractual arrangements, see “Corporate History and Structure—Contractual Arrangements with the VIE and its Shareholders.” These contractual arrangements may not be as effective as direct ownership in providing us with control over our VIE. For example, our VIE and their shareholders could breach their contractual arrangements with us by, among other things, failing to conduct their operations in an acceptable manner or taking other actions that are detrimental to our interests.

If we had direct ownership of our VIE in China, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of our VIE, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management and operational level. However, under the current contractual arrangements, we rely on the performance by our VIE and their shareholders of their obligations under the contracts to exercise control over our VIE. The shareholders of our VIE may not act in the best interests of our company or may not perform their obligations under these contracts. Such risks exist throughout the period in which we intend to operate certain portions of our business through the contractual arrangements with our VIE. If any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC law and arbitration, litigation and other legal proceedings and, therefore, will be subject to uncertainties in the PRC legal system. See “Risks Relating to Our Corporate Structure—Any failure by our VIE or its shareholders to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business”. Therefore, our contractual arrangements with our VIE may not be as effective in ensuring our control over the relevant portion of our business operations as direct ownership would be.

Any failure by our VIE or its shareholders to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business.

If our VIE or its shareholders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief, and claiming damages, which we cannot assure you will be effective under PRC law. For example, if the shareholders of our VIE were to refuse to transfer their equity interests in our VIE to us or our designee if we exercise the purchase option pursuant to these contractual arrangements, or if they were otherwise to act in bad faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations.

All the agreements under our contractual arrangements are governed by PRC laws and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC laws and any disputes would be resolved in accordance with PRC legal procedures. The legal system in the PRC is not as developed as in some other jurisdictions. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a consolidated affiliated entity should be interpreted or enforced under PRC laws. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under PRC laws, rulings by arbitrators are final, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. In the event we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over our VIE, and our ability to conduct our business may be negatively affected.

The shareholders of our VIE may have actual or potential conflicts of interest with us, which may materially and adversely affect our business, results of operations and financial condition.

The shareholders of our VIE may have actual or potential conflicts of interest with us. These shareholders may refuse to sign or breach, or cause our VIE to breach, or refuse to renew, the existing contractual arrangements we have with them and our VIE, which would have a material adverse effect on our ability to effectively control our consolidated affiliated entities and receive economic benefits from them. For example, the shareholders may be able to cause our agreements with our VIE to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise any or all of these shareholders will act in the best interests of our company or such conflicts will be resolved in our favor. Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our company, except that we could exercise our purchase option under the exclusive option agreement with these shareholders to request them to transfer all of their equity interests in our variable interest entities to a PRC entity or individual designated by us, to the extent permitted by PRC laws. If we cannot resolve any conflict of interest or dispute between us and these shareholders, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

Contractual Arrangement in relation to our VIE may be subject to scrutiny by the PRC tax authorities and they may determine that we or our VIE owe additional taxes, which could negatively affect our financial condition and the value of your investment.

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year when the transactions are conducted. We could face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements were not entered into on an arm’s-length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, and adjust the income of our VIE in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by our VIE for PRC tax purposes, which could in turn increase its tax liabilities without reducing our VIE’s tax expenses. In addition, the PRC tax authorities may impose late payment fees and other penalties on our VIE for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be materially and adversely affected if our VIE’s tax liabilities increase or if they are required to pay late payment fees and other penalties.

Our exercise of the option to acquire equity ownership and assets of VIE may subject us to certain limitation and substantial costs.

Pursuant to the contractual arrangements, WFOE or its designated persons have the exclusive right to purchase all or any part of the equity interests in our VIE from the respective equity holders at a nominal price, unless relevant government authorities or PRC laws require that another amount should be used as the purchase price, in which case the purchase price shall be the lowest amount under such requirement. The equity transfer may be subject to the approvals from and filings with the MOFCOM, the SAMR and/or their local competent branches. In addition, the equity transfer price may be subject to review and tax adjustment by the relevant tax authority. Subject to relevant laws and regulations, the shareholders of our VIE will pay the equity transfer price they receive to WFOE or its designated persons under the contractual arrangements. The amount to be received by WFOE may also be subject to enterprise income tax, and such tax amounts could be substantial.

We may lose the ability to use and enjoy licenses, approvals and assets held by our VIE that are material to the operation of certain portions of our business if our VIE go bankrupt or become subject to a dissolution or liquidation proceeding.

We do not have priority pledges and liens against the assets of our VIE. If any of our VIE undergoes an involuntary liquidation proceeding, third-party creditors may claim rights to some or all of its assets and we may not have priority against such third-party creditors on the assets of our Consolidated Affiliated Entities. If our VIE liquidates, we may take part in the liquidation procedures as a general creditor under the PRC Enterprise Bankruptcy Law and recover any outstanding liabilities owed by Consolidated Affiliated Entities to WFOE under the applicable service agreement.

If the shareholders of our VIE were to attempt to voluntarily liquidate our VIE without obtaining our prior consent, we could effectively prevent such unauthorized voluntary liquidation by exercising our right to request the shareholders of our VIE to transfer all of their respective equity ownership interests to a PRC entity or individual designated by us in accordance with the option agreement with the shareholders of our VIE. In addition, under the VIE agreements signed by our VIE and its shareholders, the shareholders of our VIE do not have the right to issue dividends to themselves or otherwise distribute the retained earnings or other assets of our VIE without our consent. Similarly, the shareholders of our VIE do not have the right to distribute the retained earnings or other assets of our VIE without our consent. In the event that the shareholders of our VIE initiate a voluntary liquidation proceeding without our authorization or attempts to distribute the retained earnings or assets of our Consolidated Affiliated Entities without our prior consent, we may need to resort to legal proceedings to enforce the terms of the contractual arrangements. Any such legal proceeding may be costly and may divert our management's time and attention away from the operation of our business, and the outcome of such legal proceeding will be uncertain.

There may be difficulties in protecting your interests under the laws of the Cayman Islands.

Our corporate affairs are governed by, among other things, our Memorandum of Association, Articles of Association, the Companies Law (2018 Revision) and common law of the Cayman Islands. The rights of Shareholders to take action against our directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those in other jurisdictions. Such differences may mean that the remedies available to the minority shareholders may be different from those they would have under the laws of other jurisdictions.

RISKS RELATING TO DOING BUSINESS IN THE PRC

If we fail to comply with environmental, health and safety laws and regulations, we could be subject to fines or penalties or incur costs that could have a material adverse effect on our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals. Our operations also produce hazardous waste products. We may contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials or our third parties' disposal of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We could also incur significant costs associated with civil or criminal fines and penalties.

We maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials. This insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of hazardous or radioactive materials.

We may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

We may be exposed to liabilities under the U.S. Foreign Corrupt Practices Act, or FCPA, and Chinese anti-corruption laws, and any determination that we have violated these laws could have a material adverse effect on our business or our reputation.

We are subject to the FCPA. The FCPA generally prohibits us from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. We are also subject to the anti-bribery laws of other jurisdictions, particularly China. Other U.S. listed companies in the life science industry have faced criminal penalties under the FCPA for allowing their agents to deviate from appropriate practices in doing business. As our business expands, the applicability of the FCPA and other anti-bribery laws to our operations will increase. We cannot assure you that we would not be required in the future to alter one or more of our practices to be in compliance with these laws or any changes in these laws or interpretation thereof. Our procedures and controls to monitor anti-bribery compliance may fail to protect us from reckless or criminal acts committed by our employees or agents. If we, due to either our own deliberate or inadvertent acts or those of others, fail to comply with applicable anti-bribery laws, our reputation could be harmed and we could incur criminal or civil penalties, other sanctions and/or significant expenses, which could have a material adverse effect on our business, including our financial condition, results of operations, cash flows and prospects.

We may be subject to additional contributions of social insurance premium and housing provident funds and late payments and fines imposed by relevant governmental authorities.

The Standing Committee of the National People's Congress enacted the Labor Contract Law in 2008, and amended on December 28, 2012. The Labor Contract Law introduced specific provisions related to fixed-term employment contracts, part-time employment, probationary periods, consultation with labor unions and employee assemblies, employment without a written contract, dismissal of employees, severance, and collective bargaining to enhance previous PRC labor laws. Under the Labor Contract Law, an employer is obligated to sign an unlimited-term labor contract with any employee who has worked for the employer for ten consecutive years. Further, if an employee requests or agrees to renew a fixed-term labor contract that has already been entered into twice consecutively, the resulting contract, with certain exceptions, must have an unlimited term, subject to

certain exceptions. With certain exceptions, an employer must pay severance to an employee where a labor contract is terminated or expires. In addition, the PRC governmental authorities have continued to introduce various new labor-related regulations since the effectiveness of the Labor Contract Law.

Under the PRC Social Insurance Law and the Administrative Measures on Housing Funds and other relevant laws and regulations, employees are required to participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance, maternity insurance, and housing funds or collectively the Employee Benefits. An employer shall pay the Employee Benefits for its employees in accordance with the rates provided under relevant regulations and shall withhold the social insurance and other Employee Benefits that should be assumed by the employees. For example, PRC subsidiaries shall register with local social insurance agencies and register with applicable housing funds management centers and establish a special housing fund account in an entrusted bank. And an employer that has not made social insurance contributions at a rate and based on an amount prescribed by the law, or at all, may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times of the amount overdue.

We have not made adequate contributions to social insurance and other Employee Benefits for our employees until September of 2018. We have recorded accruals for the estimated underpaid amounts of Employee Benefits in our financial statements.

To efficiently administer the contribution to housing funds and social insurance in certain cities in China, some of our subsidiaries engage third-party agents to make such contribution for some of our PRC employees. Any failure to make such contribution by these third-party agents may directly expose us to penalties imposed by the local authorities and/or legal claims raised by our employees.

As of the date of this prospectus, we have not received any notice from the relevant government authorities or any claim or request from these employees in this regard. However, we cannot assure you that the relevant government authorities will not require us to pay the outstanding amount and impose late fees or fines on us. If we are otherwise subject to investigations related to non-compliance with labor laws and are imposed severe penalties or incur significant legal fees in connection with labor disputes or investigations, our business, financial condition and results of operations may be adversely affected.

These laws designed to enhance labor protection tend to increase our labor costs. In addition, as the interpretation and implementation of these regulations are still evolving, our employment practices may not be at all times be deemed in compliance with the regulations. As a result, we could be subject to penalties or incur significant liabilities in connection with labor disputes or investigations.

Uncertainties with respect to the PRC legal system and changes in laws and regulations in China could adversely affect us.

The PRC legal system is based on written statutes and prior court decisions have limited value as precedents. Since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. Furthermore, the PRC legal system is based in part on government policies and internal rules (some of which are not published in a timely manner or at all) that may have a retroactive effect. As a result, we may not be aware of

our violation of these policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, could materially and adversely affect our business and impede our ability to continue our operations.

Substantial uncertainties exist with respect to the interpretation and implementation of the newly enacted Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.

On March 15, 2019, the PRC National People's Congress approved the Foreign Investment Law, which will come into effect on January 1, 2020 and will replace the trio of existing laws regulating foreign investment in the PRC, namely, the Sino-Foreign Equity Joint Venture Enterprise Law, the Sino-Foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-Invested Enterprise Law, and become the legal foundation for foreign investment in the PRC.

The Foreign Investment Law sets out the basic regulatory framework for foreign investments and proposes to implement a system of pre-entry national treatment with a negative list for foreign investments, pursuant to which (i) foreign entities and individuals are prohibited from investing in the areas that are not open to foreign investments, (ii) foreign investments in the restricted industries must satisfy certain requirements under the law, and (iii) foreign investments in business sectors outside of the negative list will be treated equally with domestic investments. The Foreign Investment Law also sets forth necessary mechanisms to facilitate, protect and manage foreign investments and proposes to establish a foreign investment information reporting system, through which foreign investors are required to submit information relating to their investments to the Ministry of Commerce, or MOFCOM, or its local branches.

However, since the Foreign Investment Law is relatively new, uncertainties still exist in relation to its interpretation and implementation. For instance, under the Foreign Investment Law, "foreign investment" refers to the investment activities directly or indirectly conducted by foreign individuals, enterprises or other entities in China. Though it does not explicitly classify contractual arrangements as a form of foreign investment, there is no assurance that foreign investment via contractual arrangement would not be interpreted as a type of indirect foreign investment activities under the definition in the future. In addition, the definition contains a catch-all provision which includes investments made by foreign investors through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions promulgated by the State Council to provide for contractual arrangements as a form of foreign investment. In any of these cases, it will be uncertain whether our contractual arrangements will be deemed to be in violation of the market access requirements for foreign investment under the PRC laws and regulations. Furthermore, if future laws, administrative regulations or provisions prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure, corporate governance and business operations.

Any non-compliance with PRC advertising laws and regulations by us may subject us to penalties.

We are obligated to ensure our advertising content to comply with applicable laws. For example, no medical advertisements or medical device advertisements shall be published before relevant approval has been obtained from competent government authority. Please see "Regulations—Regulations relating to Advertisement". Any violation of the relevant laws and regulations may subject us to governmental penalties, impair our brand and adversely impact our financial condition and results of operations.

The lease agreements of our leased properties have not been registered with the relevant PRC government authorities as required by PRC law, which may expose us to potential fines.

Under PRC law, lease agreements of commodity housing tenancy are required to be registered with the local construction (real estate) departments. Although failure to do so does not in itself invalidate the leases, the parties of the lease agreements may be exposed to potential fines if they fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. As of the date of this Prospectus, the lease agreements for most of our leased properties in China, including leased properties for our spaces, have not been registered with the relevant PRC government authorities. As of the date of this prospectus, we are not aware of any regulatory or governmental actions, claims or investigations being contemplated or any challenges by third parties to our use of our leased properties, or the lease agreements of which have not been registered with the government authorities. However, we cannot assure you that the government authorities will not impose fines on us due to our failure to register any of our lease agreements, which may negatively impact our financial condition.

Our rights to use our leased properties could be challenged by property owners or other third parties, which may disrupt our operations and incur relocation costs.

As of the date of this Prospectus, we have a number of title defects with respect to some of our leased properties, for example, the lessors of certain of our leased properties in China failed to provide us with valid property ownership certificates or authorizations from the property owners for the lessors to sublease the properties. If such lessors do not have the relevant property ownership certificates or the right to lease or sublease such properties to us, the relevant rightful title holders or other third parties may challenge our use of such leased properties, and we may be forced to vacate these properties and be required to seek alternative properties for lease. In such an event, our business operations will be interrupted, and relocation costs will be incurred. Moreover, if our lease agreements are challenged by third parties, it could result in diversion of management attention and cause us to incur costs associated with defending such actions, even if such challenges are ultimately determined in our favor.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Equity Incentive Plans of Overseas Listed Companies, replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or who reside in the PRC for a continuous period of not less than one year and who have been granted options will be subject to these regulations when our company becomes an overseas-listed company upon completion of this offering. Failure to complete the SAFE registrations may subject them to fines and legal sanctions, there may be additional restrictions on the ability of them to exercise their stock options or remit proceeds gained from the sale of their stock into the PRC. We also face regulatory uncertainties that could restrict our ability to adopt incentive plans for our directors, executive officers and employees under PRC law. See “Regulation—Regulations Relating to Foreign Exchange—Share Option Rules.”

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a "de facto management body" within the PRC is considered a "resident enterprise" and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. In 2009, the State Administration of Taxation, or SAT, issued a circular, known as SAT Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management and the places where they perform their duties are in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe that we are not a PRC resident enterprise for PRC tax purposes. See " Taxation—People's Republic of China Taxation." However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." If the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of the ADSs. In addition, non-resident enterprise shareholders (including ADS holders) may be subject to PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within the PRC. Furthermore, if we are deemed a PRC resident enterprise, dividends payable to our non-PRC individual shareholders (including ADS holders) and any gain realized on the transfer of ADSs or ordinary shares by such shareholders may be subject to PRC tax at a rate of 20% (which, in the case of dividends, may be withheld at source by us). Any PRC tax liability may be reduced under applicable tax treaties. However, it is unclear whether in practice our non-PRC shareholders would be able to obtain the benefits of any tax treaties between their countries of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in the ADSs or our ordinary shares.

We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

Pursuant to the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises, or SAT Circular 698, issued by the SAT in 2009 with retroactive effect from January 1, 2008, where a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by disposition of the equity interests of an overseas holding company, or an Indirect Transfer, and such overseas holding company is located in a tax jurisdiction that: (i) has an effective tax rate less than 12.5% or (ii) does not tax foreign income of its residents, the non-resident enterprise, being the transferor, shall report to the competent tax authority of the PRC resident enterprise this Indirect Transfer.

On February 3, 2015, the SAT issued the Public Notice Regarding Certain Enterprise Income Tax Matters on Indirect Transfer of Properties by Non-Resident Enterprises, or SAT Bulletin 7. SAT Bulletin 7 supersedes

the rules with respect to the Indirect Transfer under SAT Circular 698. SAT Bulletin 7 has introduced a new tax regime that is significantly different from the previous one under SAT Circular 698. SAT Bulletin 7 extends the PRC's tax jurisdiction to not only Indirect Transfers set forth under SAT Circular 698 but also transactions involving a transfer of other taxable assets through an offshore transfer of a foreign intermediate holding company. In addition, SAT Bulletin 7 provides clearer criteria than SAT Circular 698 for assessment of reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Bulletin 7 also brings challenges to both foreign transferor and transferee (or another person who is obligated to pay for the transfer) of taxable assets. Where a non-resident enterprise transfers taxable assets indirectly by disposing of the equity interests of an overseas holding company, which is an Indirect Transfer, the non-resident enterprise, being the transferor, or the transferee, or the PRC entity that directly owns the taxable assets, may report such Indirect Transfer to the relevant tax authority. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC enterprise income tax, and the transferee or another person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

On October 17, 2017, the SAT issued the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprises Income Tax at Source, or SAT Bulletin 37, which, among others, repealed the SAT Circular 698 on December 1, 2017. SAT Bulletin 37 further details and clarifies the tax withholding methods in respect of income of non-resident enterprises under SAT Circular 698. And certain rules stipulated in SAT Bulletin 7 are replaced by SAT Bulletin 37. Where the non-resident enterprise fails to declare the tax payable pursuant to Article 39 of the PRC Enterprise Income Tax Law, the tax authority may order it to pay the tax due within required time limits, and the non-resident enterprise shall declare and pay the tax payable within such time limits specified by the tax authority; however, if the non-resident enterprise voluntarily declares and pays the tax payable before the tax authority orders it to do so within required time limits, it shall be deemed that such enterprise has paid the tax in time.

We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring, sale of the shares in our offshore subsidiaries and investments. Our company may be subject to filing obligations or taxed if our company is a transferor in such transactions, and may be subject to withholding obligations if our company is a transferee in such transactions, under SAT Bulletin 7 and SAT Bulletin 37. For transfer of shares in our company by investors who are non-PRC resident enterprises, our PRC subsidiary may be requested to assist in the filing under SAT Bulletin 7 and SAT Bulletin 37. As a result, we may be required to expend valuable resources to comply with SAT Bulletin 7 and SAT Bulletin 37 or to request the relevant transferors from whom we purchase taxable assets to comply with these circulars, or to establish that our company should not be taxed under these circulars, which may have a material adverse effect on our financial condition and results of operations.

If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is successfully challenged by the PRC tax authorities, we may be required to pay tax, interest and penalties in excess of our tax provisions, and our results of operations could be materially and adversely affected.

The Chinese government has provided various tax incentives to our subsidiaries in China. These incentives include reduced enterprise income tax rates. For example, under the Enterprise Income Tax Law and its implementation rules, the statutory enterprise income tax rate is 25%. However, the income tax of an enterprise that has been determined to be a high and new technology enterprise can be reduced to a preferential rate of 15%. Any increase in the enterprise income tax rate applicable to our PRC subsidiaries in China, or any discontinuation or retroactive or future reduction of any of the preferential tax treatments currently enjoyed by our VIE in China, could adversely affect our business, financial condition and results of operations. In addition,

in the ordinary course of our business, we are subject to complex income tax and other tax regulations and significant judgment is required in the determination of a provision for income taxes. Although we believe our tax provisions are reasonable, if the PRC tax authorities successfully challenge our position and we are required to pay tax, interest and penalties in excess of our tax provisions, our financial condition and results of operations would be materially and adversely affected.

Certain PRC regulations may make it more difficult for us to pursue growth through acquisitions.

Among other things, the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. Such regulation requires, among other things, that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor acquires control of a PRC domestic enterprise or a foreign company with substantial PRC operations, if certain thresholds under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings, issued by the State Council in 2008 and amended in 2018, were triggered. Moreover, the Anti-Monopoly Law promulgated by the Standing Committee of the PRC National People's Congress, which became effective in 2008 requires that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by the MOFCOM before they can be completed. In addition, PRC national security review rules which became effective in September 2011 require acquisitions by foreign investors of PRC companies engaged in military-related or certain other industries that are crucial to national security be subject to security review before consummation of any such acquisition. We may pursue potential strategic acquisitions that are complementary to our business and operations. Complying with the requirements of these regulations to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval or clearance from the MOFCOM, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

The approval of the China Securities Regulatory Commission may be required in connection with this offering, and, if required, we cannot predict whether we will be able to obtain such approval.

The M&A Rules requires an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals to obtain the approval of China Securities Regulatory Commission, or the CSRC, prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. However, the application of the M&A Rules remains unclear. If CSRC approval is required, it is uncertain whether it would be possible for us to obtain the approval, and any failure to obtain or delay in obtaining CSRC approval for this offering would subject us to sanctions imposed by the CSRC and other PRC government authorities.

Our PRC legal counsel has advised us based on their understanding of the current PRC laws, rules and regulations that the CSRC's approval may not be required for the listing and trading of the ADSs on the Nasdaq Global Market in the context of this offering, given that: (i) the CSRC currently has not issued any definitive rule or interpretation concerning whether offering such as this offering contemplated by our Company are subject to the M&A Rules; (ii)our PRC subsidiary was incorporated as wholly foreign-owned enterprises by means of direct investment rather than by merger or acquisition of equity interest or assets of a PRC domestic company owned by PRC companies or individuals as defined under the M&A Rules that are our beneficial owners; and (iii) no provision in the M&A Rules clearly classifies contractual arrangements as a type of transaction subject to the M&A Rules.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiary to liability or penalties, limit our ability to inject capital into our PRC subsidiary, limit our PRC subsidiary's ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

In July 2014, SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Administration on Domestic Residents' Overseas Investment, Financing and Roundtrip Investment via Special Purpose Vehicles, or SAFE Circular 37. SAFE Circular 37 requires PRC residents (including PRC individuals and PRC corporate entities as well as foreign individuals that are deemed as PRC residents for foreign exchange administration purpose) to register with SAFE or its local branches in connection with their direct or indirect offshore investment activities. SAFE Circular 37 is applicable to our shareholders who are PRC residents and may be applicable to any offshore acquisitions that we make in the future.

Under SAFE Circular 37, PRC residents who make, or have prior to the implementation of SAFE Circular 37 made, direct or indirect investments in offshore special purpose vehicles, or SPVs, will be required to register such investments with SAFE or its local branches. In addition, any PRC resident who is a direct or indirect shareholder of an SPV, is required to update its filed registration with the local branch of SAFE with respect to that SPV, to reflect any material change. Moreover, any subsidiary of such SPV in China is required to urge the PRC resident shareholders to update their registration with the local branch of SAFE. If any PRC shareholder of such SPV fails to make the required registration or to update the previously filed registration, the subsidiary of such SPV in China may be prohibited from distributing its profits or the proceeds from any capital reduction, share transfer or liquidation to the SPV, and the SPV may also be prohibited from making additional capital contributions into its subsidiary in China. On February 13, 2015, SAFE promulgated the Notice on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policy, or SAFE Notice 13, which became effective on June 1, 2015. Under SAFE Notice 13, applications for foreign exchange registration of inbound foreign direct investments and outbound overseas direct investments, including those required under SAFE Circular 37, will be filed with qualified banks instead of SAFE. The qualified banks will directly examine the applications and accept registrations under the supervision of SAFE.

We have requested PRC residents who we know hold direct or indirect interest in our company to make the necessary applications, filings and registrations as required under SAFE Circular 37 and those PRC resident shareholders that hold direct interest in our company have completed all necessary registrations with the local SAFE branch or qualified banks as required by SAFE Circular 37. However, we may not be informed of the identities of all the PRC residents holding direct or indirect interest in our company, and we cannot provide any assurance that these PRC residents will comply with our request to make or obtain any applicable registrations or comply with other requirements under SAFE Circular 37 or other related rules. The failure or inability of our PRC resident shareholders to comply with the registration procedures set forth in these regulations may subject us to fines and legal sanctions, restrict our cross-border investment activities, limit the ability of our wholly foreign-owned subsidiary in China to distribute dividends and the proceeds from any reduction in capital, share transfer or liquidation to us, and we may also be prohibited from injecting additional capital into the subsidiary. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC law for circumventing applicable foreign exchange restrictions. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected.

Furthermore, as these foreign exchange regulations are still relatively new and their interpretation and implementation has been constantly evolving, it is unclear how these regulations, and any future regulation concerning offshore or cross-border transactions, will be interpreted, amended and implemented by the relevant government authorities. For example, we may be subject to a more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign-currency-denominated borrowings, which may adversely affect our financial condition and results of operations. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations

required by the foreign exchange regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business and prospects.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We are an offshore holding company conducting our operations in China through our PRC subsidiary and VIE. We may make loans to our PRC subsidiary and VIE subject to the approval or registration from governmental authorities and limitation of amount, or we may make additional capital contributions to our wholly foreign-owned subsidiary in China. Any loans to our wholly foreign-owned subsidiary in China, which are treated as foreign-invested enterprises under PRC law, are subject to foreign exchange loan registrations. In addition, a foreign-invested enterprise, or FIE, shall use its capital pursuant to the principle of authenticity and self-use within its business scope. The capital of an FIE shall not be used for the following purposes: (i) directly or indirectly used for payment beyond the business scope of the enterprises or the payment prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities or investments other than banks' principal-secured products unless otherwise provided by relevant laws and regulations; (iii) the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) paying the expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans by us to our PRC subsidiary or VIE or with respect to future capital contributions by us to our PRC subsidiary. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds from this offering and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We may rely on dividends and other distributions on equity paid by our PRC subsidiary to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiary to make payments to us could have a material and adverse effect on our ability to conduct our business.

We are a Cayman Islands holding company and we rely principally on dividends and other distributions on equity from our PRC subsidiary for our cash requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders for services of any debt we may incur. If our PRC subsidiary incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Under PRC laws and regulations, our PRC subsidiary, which is a wholly foreign-owned enterprise, may pay dividends only out of its respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends. At its discretion, a wholly foreign-owned enterprise may allocate a portion of its after-tax profits based on PRC accounting standards to an enterprise expansion fund, or a staff welfare and bonus fund.

Our PRC subsidiaries generate primarily all of their revenue in Renminbi, which is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of our PRC subsidiary to use their Renminbi revenues to pay dividends to us.

The PRC government may continue to strengthen its capital controls, and more restrictions and substantial vetting process may be put forward by SAFE for cross-border transactions falling under both the current account

and the capital account. Any limitation on the ability of our PRC subsidiary to pay dividends or make other kinds of payments to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

In addition, the Enterprise Income Tax Law and its implementation rules provide that a withholding tax rate of up to 10% will be applicable to dividends payable by Chinese companies to non-PRC-resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC-resident enterprises are incorporated.

Fluctuations in exchange rates could have a material adverse effect on our results of operations and the value of your investment.

The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions in China and by China's foreign exchange policies. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar, and the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. Since October 1, 2016, Renminbi has joined the International Monetary Fund's basket of currencies that make up the Special Drawing Right (SDR) along with the U.S. dollar, the Euro, the Japanese yen and the British pound. In the fourth quarter of 2016, the Renminbi has depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

Significant revaluation of the Renminbi may have a material and adverse effect on your investment. For example, to the extent that we need to convert U.S. dollars we receive from this offering into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or the ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount available to us.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency.

Governmental control of currency conversion may limit our ability to utilize our cash balance effectively and affect the value of your investment.

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in Renminbi. Under our current corporate structure, our Cayman Islands holding company primarily relies on dividend payments from our PRC subsidiary to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest

payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval of SAFE by complying with certain procedural requirements. Specifically, under the existing exchange restrictions, without prior approval of SAFE, cash generated from the operations of our PRC subsidiary in China may be used to pay dividends to our company. However, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. As a result, we need to obtain SAFE approval to use the cash generated from the operations of our PRC subsidiary and VIE to pay off their respective debt in a currency other than Renminbi owed to entities outside China, or to make other capital expenditure payments outside China in a currency other than Renminbi. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of the ADSs.

The audit report included in this prospectus is prepared by an auditor who is not inspected by the Public Company Accounting Oversight Board and, as such, our investors are deprived of the benefits of such inspection.

Our independent registered public accounting firm that issues the audit report included in our prospectus filed with the U.S. Securities and Exchange Commission, or the SEC, as auditor of companies that are traded publicly in the United States and a firm registered with the U.S. Public Company Accounting Oversight Board, or the PCAOB, is subject to the laws in the United States to undergo regular inspections by the PCAOB to assess its compliance with the laws of the United States and professional standards. Because our auditors are located in the PRC, and organized under the laws of the PRC, which is a jurisdiction where the PCAOB is currently unable to conduct inspections without the approval of the Chinese authorities, our auditor is not currently inspected by the PCAOB.

Inspections of other firms that the PCAOB has conducted outside China have identified deficiencies in those firms' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. This lack of PCAOB inspections in China prevents the PCAOB from regularly evaluating our auditor's audits and its quality control procedures. As a result, investors may be deprived of the benefits of PCAOB inspections.

The inability of the PCAOB to conduct inspections of auditors in China makes it more difficult to evaluate the effectiveness of our auditor's audit procedures or quality control procedures as compared to auditors outside of China that are subject to PCAOB inspections. Investors may lose confidence in our reported financial information and procedures and the quality of our financial statements, which may have a material adverse effect on our ADS price.

In May 2013, PCAOB announced that it had entered into a Memorandum of Understanding on Enforcement Cooperation with the CSRC and the PRC Ministry of Finance, which establishes a cooperative framework between the parties for the production and exchange of audit documents relevant to investigations undertaken by PCAOB, the CSRC or the PRC Ministry of Finance in the United States and the PRC, respectively. PCAOB continues to be in discussions with the CSRC, and the PRC Ministry of Finance to permit joint inspections in the PRC of audit firms that are registered with PCAOB and audit Chinese companies that trade on U.S. exchanges.

On December 7, 2018, the SEC and the PCAOB issued a joint statement highlighting continued challenges faced by the U.S. regulators in their oversight of financial statement audits of U.S.-listed companies with significant operations in China. However, it remains unclear what further actions the SEC and PCAOB will take to address the problem.

Proceedings instituted by the SEC against four PRC-based accounting firms, including our independent registered public accounting firm, could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act.

Starting in 2011 the China based "big four" accounting firms, including our independent registered public accounting firm, were affected by a conflict between U.S. and PRC law. Specifically, for certain U.S.-listed companies operating and audited in mainland China, the SEC and the PCAOB sought to obtain from the Chinese firms access to their audit work papers and related documents. The firms were, however, advised and directed that under PRC law, they could not respond directly to the U.S. regulators on those requests, and that requests by foreign regulators for access to such papers in China had to be channelled through the China Securities Regulatory Commission, or the CSRC.

In late 2012, this impasse led the SEC to commence administrative proceedings under Rule 102(e) of its Rules of Practice and also under the Sarbanes-Oxley Act of 2002 against the Chinese accounting firms, including our independent registered public accounting firm. A first instance trial of the proceedings in July 2013 in the SEC's internal administrative court resulted in an adverse judgment against the firms. The administrative law judge proposed penalties on the firms including a temporary suspension of their right to practice before the SEC, although that proposed penalty did not take effect pending review by the Commissioners of the SEC. On February 6, 2015, before a review by the Commissioners had taken place, the firms reached a settlement with the SEC. Under the settlement, the SEC accepted that future requests by the SEC for the production of documents will normally be made to the CSRC. The firms were to receive matching Section 106 requests, and were required to abide by a detailed set of procedures with respect to such requests, which in substance require them to facilitate production via the CSRC. If they failed to meet specified criteria, the SEC retained authority to impose a variety of additional remedial measures on the firms depending on the nature of the failure. Under the terms of the settlement, the underlying proceeding against the four PRC-based accounting firms was deemed dismissed with prejudice at the end of four years starting from the settlement date, which was February 6, 2019. We cannot predict if the SEC will further challenge the four PRC-based accounting firms' compliance with U.S. law in connection with U.S. regulatory requests for audit work papers or if the results of such a challenge would result in the SEC imposing penalties such as suspensions. If additional remedial measures are imposed on the China based "big four" accounting firms, we could be unable to timely file future financial statements in compliance with the requirements of the Exchange Act.

In the event that the SEC restarts the administrative proceedings, depending upon the final outcome, listed companies in the United States with major PRC operations may find it difficult or impossible to retain auditors in respect of their operations in the PRC, which could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act, including possible delisting. Moreover, any negative news about any such future proceedings against these audit firms may cause investor uncertainty regarding China-based, U.S.-listed companies and the market price of our ADSs may be adversely affected.

If our independent registered public accounting firm was denied, even temporarily, the ability to practice before the SEC and we were unable to timely find another registered public accounting firm to audit and issue an opinion on our financial statements, our financial statements could be determined not to be in compliance with the requirements of the Exchange Act. Such a determination could ultimately lead to the delisting of our ADSs from the Nasdaq Global Market or deregistration from the SEC, or both, which would substantially reduce or effectively terminate the trading of our ADSs in the United States.

RISKS RELATING TO THE ADSS AND THIS OFFERING

An active trading market for our ordinary shares or the ADSs may not develop and the trading price for the ADSs may fluctuate significantly.

[The ADSs have been approved for listing on the Nasdaq Global Market.] We have no current intention to seek a listing for our ordinary shares on any stock exchange. Prior to the completion of this offering, there has

been no public market for the ADSs or our ordinary shares, and we cannot assure you that a liquid public market for the ADSs will develop. If an active public market for the ADSs does not develop following the completion of this offering, the market price and liquidity of the ADSs may be materially and adversely affected. The initial public offering price for the ADSs will be determined by negotiation between us and the underwriters based upon several factors, and we can provide no assurance that the trading price of the ADSs after this offering will not decline below the initial public offering price. As a result, investors in our securities may experience a significant decrease in the value of their ADSs.

The trading price of the ADSs is likely to be volatile, which could result in substantial losses to investors.

The trading price of the ADSs is likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in the United States. In addition to market and industry factors, the price and trading volume for the ADSs may be highly volatile for factors specific to our own operations, including the following:

- variations in our net revenues, earnings and cash flow;
- announcements of new investments, acquisitions, strategic partnerships, or joint ventures by us or our competitors;
- announcements of new products and services and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- fluctuations in operating metrics;
- failure on our part to realize monetization opportunities as expected;
- changes in revenues generated from our significant business partners;
- additions or departures of key personnel;
- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;
- detrimental negative publicity about us, our management, our competitors or our industry;
- regulatory developments affecting us or our industry; and
- potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the trading volume and price of the ADSs.

In the past, shareholders of public companies have often brought securities class action suits against those companies following periods of instability in the market price of their securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations and require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

We are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements.

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from requirements applicable to other public companies that are not emerging growth companies

including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 for so long as we remain an emerging growth company. As a result, if we elect not to comply with such auditor attestation requirements, our investors may not have access to certain information they may deem important.

If securities or industry analysts cease to publish research or reports about our business, or if they adversely change their recommendations regarding the ADSs, the market price for the ADSs and trading volume could decline.

The trading market for the ADSs will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade the ADSs, the market price for the ADSs would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for the ADSs to decline.

The sale or availability for sale, or perceived sale or availability for sale, of substantial amounts of the ADSs could adversely affect their market price.

Sales of substantial amounts of the ADSs in the public market after the completion of this offering, or the perception that these sales could occur, could adversely affect the market price of the ADSs and could materially impair our ability to raise capital through equity offerings in the future. The ADSs sold in this offering will be freely tradable without restriction or further registration under the Securities Act, and shares held by our existing shareholders may also be sold in the public market in the future subject to the restrictions in Rule 144 and Rule 701 under the Securities Act and the applicable lock-up agreements. There will be ADSs (equivalent to ordinary shares) outstanding immediately after this offering, or ADSs (equivalent to ordinary shares) if the underwriters exercise their over-allotment option in full. [In connection with this offering, we, our directors and executive officers, our existing shareholders and certain of our award holders have agreed not to sell any ordinary shares or ADSs for 180 days after the date of this prospectus without the prior written consent of the underwriters, subject to certain exceptions. However, the underwriters may release these securities from these restrictions at any time, subject to applicable regulations of the Financial Industry Regulatory Authority, Inc.] We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of the ADSs. See “Underwriting” and “Shares Eligible for Future Sale” for a more detailed description of the restrictions on selling these securities after this offering.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to vote the underlying ordinary shares represented by your ADSs.

Holders of ADSs do not have the same rights as our registered shareholders. As a holder of ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. You will only be able to exercise the voting rights which are carried by the underlying ordinary shares represented by your ADSs indirectly by giving voting instructions to the depositary in accordance with the provisions of the deposit agreement. If we instruct the depositary to solicit voting instructions, then upon receipt of your voting instructions, the depositary will try, as far as is practicable, to vote the underlying ordinary shares represented by your ADSs in accordance with your instructions. If we do not instruct the depositary to ask for your instructions, the depositary may still vote in accordance with the instructions you give, but it is not required to do so. You will not be able to directly exercise your right to vote with respect to the underlying ordinary shares unless you cancel your ADSs and withdraw the shares, and become the registered holder of such shares prior to the record date for the general meeting. When a general meeting is convened, you may not receive sufficient advance notice of the meeting to withdraw the ordinary shares represented by your ADSs and become the registered holder of such shares to allow you to attend the general meeting and to vote directly with respect to any specific matter or resolution to be considered and voted upon at the general meeting. In addition, under our

post-offering memorandum and articles of association that will become effective immediately prior to completion of this offering, for the purposes of determining those shareholders who are entitled to attend and vote at any general meeting, our directors may close our register of members and/or fix in advance a record date for such meeting, and such closure of our register of members or the setting of such a record date may prevent you from withdrawing the underlying ordinary shares represented by your ADSs and becoming the registered holder of such shares prior to the record date, so that you would not be able to attend the general meeting or to vote directly. If we ask for your instructions, the depositary will notify you of the upcoming vote and will arrange to deliver our voting materials to you. If we will instruct the depositary to solicit voting instructions, we will give the depositary at least [30] days' prior notice of shareholder meetings. Nevertheless, we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the underlying ordinary shares represented by your ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to direct how the underlying ordinary shares represented by your ADSs are voted and you may have no legal remedy if the underlying ordinary shares represented by your ADSs are not voted as you requested. In addition, in your capacity as an ADS holder, you will not be able to call a shareholders' meeting.

We are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement, or to terminate the deposit agreement, without the prior consent of the ADS holders.

We are entitled to amend the deposit agreement and to change the rights of the ADS holders under the terms of such agreement, without the prior consent of the ADS holders. We and the depositary may agree to amend the deposit agreement in any way we decide is necessary or advantageous to us. Amendments may reflect, among other things, operational changes in the ADS program, legal developments affecting ADSs or changes in the terms of our business relationship with the depositary. In the event that the terms of an amendment are disadvantageous to ADS holders, ADS holders will only receive 30 days' advance notice of the amendment, and no prior consent of the ADS holders is required under the deposit agreement. Furthermore, we may decide to terminate the ADS facility at any time for any reason. For example, terminations may occur when we decide to list our shares on a non-U.S. securities exchange and determine not to continue to sponsor an ADS facility or when we become the subject of a takeover or a going-private transaction. If the ADS facility will terminate, ADS holders will receive at least 90 days' prior notice, but no prior consent is required from them. Under the circumstances that we decide to make an amendment to the deposit agreement that is disadvantageous to ADS holders or terminate the deposit agreement, the ADS holders may choose to sell their ADSs or surrender their ADSs and become direct holders of the underlying ordinary shares, but will have no right to any compensation whatsoever.

ADSs holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing the ADSs representing our ordinary shares provides that, to the fullest extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement, by a federal or state court in the City of New York, which has non-exclusive jurisdiction over matters arising under the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision,

courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before entering into the deposit agreement.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us or the depositary. If a lawsuit is brought against us or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial.

No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depositary of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

Because the initial public offering price is substantially higher than the pro forma net tangible book value per share, you will experience immediate and substantial dilution.

If you purchase the ADSs in this offering, you will pay more for each ADS than the corresponding amount paid by existing shareholders for their ordinary shares. As a result, you will experience immediate and substantial dilution of approximately US$ per ADS, assuming that no outstanding options to acquire ordinary shares are exercised. This number represents the difference between the assumed initial public offering price of US$ per ADS, being the mid-point of the estimated range of the initial offering price shown on the front cover of this prospectus, and our pro forma net tangible book value per ADS as of , 2019, after giving effect to this offering. You may experience further dilution to the extent that our ordinary shares are issued upon exercise of any share options. See “Dilution” for a more complete description of how the value of your investment in ADSs will be diluted upon completion of this offering.

Because we do not expect to pay dividends in the foreseeable future after this offering, you must rely on price appreciation of the ADSs for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings after this offering to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in the ADSs as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may, subject to the provisions of our articles of association, by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in the ADSs will likely depend entirely upon any future price appreciation of the ADSs. There is no guarantee that the ADSs will

appreciate in value after this offering or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in the ADSs and you may even lose your entire investment in the ADSs.

You may not receive dividends or other distributions on our ordinary shares and you may not receive any value for them, if it is illegal or impractical to make them available to you.

The depositary has agreed to distribute to you the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities underlying the ADSs, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act of 1933 but that are not properly registered or distributed under an applicable exemption from registration. The depositary may also determine that it is not feasible to distribute certain property. Additionally, the value of certain distributions may be less than the cost of distributing them. In these cases, the depositary may determine not to distribute such property. We have no obligation to register under U.S. securities laws any ADSs, ordinary shares, rights or other securities received through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available to you. These restrictions may cause a material decline in the value of the ADSs.

You may experience dilution of your holdings due to the inability to participate in rights offerings.

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities. Under the deposit agreement, the depositary will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs, or are registered under the provisions of the Securities Act. The depositary may, but is not required to, attempt to sell these undistributed rights to third parties, and may allow the rights to lapse. We may be unable to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

We will incur increased costs as a result of being a public company, particularly after we cease to qualify as an "emerging growth company."

Upon completion of this offering, we will become a public company and expect to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the Securities and Exchange Commission, or the SEC, and Nasdaq Global Market, impose various requirements on the corporate governance practices of public companies. As a company with less than US$1.07 billion in revenues for our last fiscal year, we qualify as an "emerging growth company" pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, in the assessment of the emerging growth company's internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies.

We expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly. After we are no longer an "emerging growth company," we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the other rules and

regulations of the SEC. For example, as a result of becoming a public company, we will need to increase the number of independent directors and adopt policies regarding internal controls and disclosure controls and procedures. We also expect that operating as a public company will make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we will incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the number of additional costs we may incur or the timing of such costs.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company incorporated under the laws of the Cayman Islands with limited liability. Our corporate affairs are governed by our memorandum and articles of association, the Companies Law (2018 Revision) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by our minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have the standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our articles of association that will become effective immediately prior to completion of this offering to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of our board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States. For a discussion of significant differences between the provisions of the Companies Law (2018 Revision) of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see “Description of Share Capital—Differences in Corporate Law.”

Certain judgments obtained against us by our shareholders may not be enforceable.

We are an exempted Cayman Islands company and substantially all of our assets are located outside of the United States. Our current operations are conducted in China. In addition, some of our current directors and officers are nationals and residents of countries other than the United States. Substantially all of the assets of these persons are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of China may render you unable to enforce a judgment

against our assets or the assets of our directors and officers. For more information regarding the relevant laws of the Cayman Islands and China, see "Enforceability of Civil Liabilities."

As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the Nasdaq Stock Market corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the Nasdaq Stock Market corporate governance listing standards.

As an exempted Cayman Islands company listed on the Nasdaq Global Market, we are subject to the Nasdaq Stock Market corporate governance listing standards. However, the Nasdaq Stock Market rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the Nasdaq Stock Market corporate governance listing standards. We may elect to rely on home country practice to be exempted from the corporate governance requirements. As a result, our shareholders may be afforded less protection than they would otherwise enjoy under the Nasdaq Stock Market corporate governance listing standards applicable to U.S. domestic issuers.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of the Nasdaq Global Market. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

There can be no assurance that we will not be a passive foreign investment company, or PFIC, for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. investors in the ADSs or our ordinary shares.

In general, a non-U.S. corporation is a PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average value of its assets consists of assets (generally determined on a quarterly basis) that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that owns at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents, royalties and certain gains. Cash is a passive asset for these purposes. Goodwill is an active asset under the PFIC rules to the extent attributable to activities that produce active income.

Based on the expected composition of our income and assets and the value of our assets, including goodwill, which is based on the expected price of the ADSs in this offering, we do not expect to be a PFIC for our current taxable year. However, our PFIC status for any taxable year is an annual determination that can be made only after the end of that year and will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in part, by reference to the market price of the ADSs, which could be volatile). Moreover, it is not entirely clear how the contractual arrangements between us and our VIE will be treated for purposes of the PFIC rules, and we may be or become a PFIC if our VIE is not treated as owned by us for these purposes. Furthermore, we will hold a substantial amount of cash following this offering. Accordingly, there can be no assurance that we will not be a PFIC for our current or any future taxable year.

If we were a PFIC for any taxable year during which a U.S. investor owned the ADSs or our ordinary shares, the U.S. investor generally would be subject to adverse U.S. federal income tax consequences, including increased tax liability on disposition gains and "excess distributions" and additional reporting requirements. See "Taxation—Material U.S. Federal Income Tax Consideration—Passive Foreign Investment Company Rules."

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify these forward-looking statements by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “likely to” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, but are not limited to, statements about:

- our goals and growth strategies;
- our future business development, results of operations and financial condition;
- relevant government policies and regulations relating to our business and industry;
- our expectation regarding the use of proceeds from this offering;
- general economic and business condition in China; and
- assumptions underlying or related to any of the foregoing.

You should read thoroughly this prospectus and the documents that we refer to in this prospectus with the understanding that our actual future results may be materially different from and worse than what we expect. Other sections of this prospectus include additional factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SERIES D CONVERSION

If the initial public offering price per ordinary share is equal to or greater than US$1.4642, then the 34,147,600 series D preferred shares will be converted into 34,147,600 ordinary shares on a one-to-one basis, and 354,980,600 total ordinary shares will be outstanding after the conversion of the series D preferred shares and our other series of preferred shares.

If the initial public offering price per share is less than US$1.4642, each outstanding series D preferred share will be converted into a number of ordinary shares determined by dividing the issue price of US$1.4642 per each series D preferred share, or the Series D Issue Price, by the lower of (a) the Series D Issue Price, (b) P*85%, and (c) $P / (1 + 15\%)^N$, where "P" means the initial public offering price per ordinary share and "N" means a fraction, the numerator of which is the number of calendar days between the date of the first issue of series D preferred share (being November 19, 2019) and the initial closing of this offering and the denominator of which is 365.

The following table sets forth the number of ordinary shares to be converted from the 34,147,600 outstanding series D preferred shares and number of total ordinary shares to be outstanding after the conversion of the series D preferred shares and our other series of preferred shares, assuming the initial public offering price per ordinary share as indicated below:

Assumed initial public offering price per ordinary share	US$	US$	US$
Ordinary shares converted from series D preferred shares			
Total ordinary shares outstanding			

The above discussion and table exclude the consideration of 6,829,500 series D preferred shares or corresponding number of ordinary shares to be issued in connection with series D round of financing. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Events occurring after the reporting period."

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately US$ million, or approximately US$ million if the underwriters exercise their option to purchase additional ADSs in full, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us.

We intend to use the net proceeds from this offering for the following purposes:

- 40% to further invest in technology and product development;
- 30% to expand our sales and marketing efforts; and
- 30% to meet working capital needs and other general corporate purposes.

If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus. In utilizing the proceeds from this offering, we are permitted under PRC laws and regulations to provide funding to our PRC subsidiaries only through loans or capital contributions, and to our consolidated VIE only through loans, and only if we satisfy the applicable government registration and approval requirements. We cannot assure you that we will be able to meet these requirements on a timely basis, if at all. See “Risk Factors—Risks Relating to Doing Business in the PRC—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business.”

DIVIDEND POLICY

We have not previously declared or paid cash dividends and we have no plan to declare or pay any dividends in the near future on our shares or the ADSs representing our ordinary shares. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

We are a holding company incorporated in the Cayman Islands. We rely principally on dividends from our PRC subsidiaries for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See "Regulation—Regulations relating to Dividend Distribution."

Our Board of Directors has discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may, subject to the provisions of our articles of association, by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our Board of Directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our Board of Directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the ordinary shares underlying the ADSs to the depositary, as the registered holder of such ordinary shares, and the depositary then will pay such amounts to the ADS holders in proportion to the ordinary shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See "Description of American Depositary Shares."

CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2019:

- on an actual basis;
- on a pro forma basis to reflect the automatic conversion of all of our outstanding series A-1 preferred shares, series A-2 preferred shares, series B preferred shares, and series C preferred shares into 164,150,000 ordinary shares upon the completion of this offering; and
- on a pro forma as adjusted basis to reflect (i) the repurchase of 6,933,000 preferred shares and 8,272,000 ordinary shares from certain of our shareholders, and the automatic conversion of all of our outstanding series A-1 preferred shares, series A-2 preferred shares, series B preferred shares, series C preferred shares into 164,150,000 ordinary shares upon the completion of this offering, (ii) the issuance of 15,205,000 series C-2 preferred shares and 34,147,600 series D preferred shares and the automatic conversion of all of our outstanding series C-2 preferred shares and series D preferred shares into 49,352,600 ordinary shares upon the completion of this offering, and (iii) the issuance and sale of ordinary shares in the form of ADSs by us in this offering at an assumed initial public offering price of US$ per ADS being the mid-point of the estimated range of the initial offering price shown on the front cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us (assuming the underwriters do not exercise their option to purchase additional ADSs).

You should read this table together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of September 30, 2019					
	Actual		Pro forma		Pro forma as adjusted(1)(2)	
	RMB	US$	RMB	US$	RMB	US$
	(in thousands)					
Financial instruments with preferred rights	1,643,631	229,952	—	—		
Total non-current liabilities	1,682,934	235,451	39,303	5,499		
(Deficit)/equity attributable to owners of the Company						
Share capital	—	—	23	3		
Share premium	—	—	1,643,608	229,949		
Treasury shares	(4,181)	(585)	(4,181)	(585)		
Capital reserve	35,174	4,921	35,174	4,921		
Other reserves	99,426	13,910	99,426	13,910		
Accumulated losses	(1,709,179)	(239,123)	(1,709,179)	(239,123)		
Total shareholders' (deficit)/equity	(1,578,760)	(220,877)	64,871	9,075		

Notes:

(1) The pro forma as adjusted information discussed above is illustrative only. Our share premium and total (deficit)/equity following the completion of this offering are subject to adjustment based on the actual initial public offering price and other terms of this offering determined at pricing. Assuming the number of ADSs offered by us as set forth on the cover page of this prospectus remains the same, and after deduction of underwriting discounts and commissions and the estimated offering expenses payable by us, a $1.00 change in the assumed initial public offering price of $ per ADS would, in the case of an increase, increase and, in the case of a decrease, decrease each of share premium and total shareholders' (deficit)/equity by $ million.

(2) On November 19, 2019, we issued a total of 34,147,600 series D preferred shares and subject to fulfillment of certain conditions, agreed to issue additional 6,829,500 series D preferred shares or corresponding number of ordinary shares in connection with our series D round of financing, pursuant a series D preferred shares purchase agreement dated November 19, 2019. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Events occurring after the reporting period.”

DILUTION

If you invest in our ADSs, your interest will be diluted to the extent of the difference between the initial public offering price per ADS and our net tangible book value per ADS after this offering. Dilution results from the fact that the initial public offering price per ordinary share is substantially in excess of the book value per ordinary share attributable to the existing shareholders for our presently outstanding ordinary shares.

Our net tangible book value as of September 30, 2019 was approximately US$ per ordinary share and US$ per ADS. Net tangible book value per ordinary share represents the amount of total tangible assets, minus the amount of total liabilities, divided by the total number of ordinary shares outstanding. Dilution is determined by subtracting net tangible book value per ordinary share from the public offering price per ordinary share.

Without taking into account any other changes in such net tangible book value after September 30, 2019, other than to give effect to (i) the conversion of all of our preferred shares into ordinary shares on a one-to-one basis, which will occur automatically immediately prior to the completion of this offering and (ii) our issuance and sale of ADSs offered in this offering at an assumed initial public offering price of US$ per ADS, being the mid-point of the estimated range of the initial offering price shown on the front cover of this prospectus, after deduction of the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of September 30, 2019 would have been approximately US$ million, or US$ per ordinary share and US$ per ADS, to existing shareholders and an immediate dilution in net tangible book value of US$ per ordinary share, or US$ per ADS, to purchasers of ADSs in this offering.

The following table illustrates the dilution on a per ordinary share basis at the assumed initial public offering price per ordinary share is US$ and all ADSs are exchanged for ordinary shares:

Assumed initial public offering price per ordinary share	US$
Net tangible book value per ordinary share	US$
Pro forma net tangible book value per ordinary share after giving effect to the automatic conversion of all of our outstanding preferred shares	US$
Pro forma net tangible book value per ordinary share as adjusted to give effect to the automatic conversion of all of our outstanding preferred shares, this offering as of September 30, 2019	US$
Amount of dilution in net tangible book value per ordinary share to new investors in the offering	US$
Amount of dilution in net tangible book value per ADS to new investors in the offering	US$

The pro forma information discussed above is illustrative only.

The following table summarizes, on a pro forma basis as of September 30, 2019, the differences between the existing shareholders and the new investors with respect to the number of ordinary shares purchased from us in this offering, the total consideration paid and the average price per ordinary share paid at the assumed initial public offering price of US$ per ADS, being the mid-point of the estimated range of the initial offering price shown on the front cover of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses. The total number of ordinary shares does not include ordinary shares underlying the ADSs issuable upon the exercise of the over-allotment option granted to the underwriters.

	Ordinary shares Purchased		Total Consideration		Average Price Per Ordinary Share	Average Price Per ADS
	Number	Percent	Amount (in thousands of US$) US$	Percent	US$	US$
Existing shareholders						
New investors						
Total						

The above discussion and table exclude the consideration of (i) the awards granted under our share incentive plans; and (ii) 6,829,500 series D preferred shares or corresponding number of ordinary shares to be issued in connection with series D round of financing. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Events occurring after the reporting period.”

ENFORCEABILITY OF CIVIL LIABILITIES

Cayman Islands

We are incorporated under the laws of the Cayman Islands as an exempted company with limited liability. We enjoy the following benefits:

- political and economic stability;
- an effective judicial system;
- a favorable tax system;
- the absence of exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include, but are not limited to, the following:

- the Cayman Islands has a less developed body of securities laws as compared to the United States and these securities laws provide significantly less protection to investors; and
- Cayman Islands companies may not have standing to sue before the federal courts of the United States.

Our constitutional documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated.

Substantially all of our operations are conducted in China, and a significant portion of our assets are located in China. A majority of our directors and executive officers are nationals or residents of jurisdictions other than the United States and a substantial portion of their assets are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have appointed Cogency Global Inc. as our agent upon whom process may be served in any action brought against us under the securities laws of the United States.

Walkers (Hong Kong), our counsel as to Cayman Islands law, and Shihui Partners, our counsel as to PRC law, have advised us, respectively, that there is uncertainty as to whether the courts of the Cayman Islands and China, respectively, would:

- recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or
- entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

We have been advised by our Cayman Islands legal counsel, Walkers (Hong Kong), that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any State; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the securities laws of the United States or any State, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands, will, at common law, recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on

the merits of the underlying dispute, based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For such a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

PRC

We have been advised by Shihui Partners, our PRC Legal Counsel, that there is uncertainty as to whether the courts of the PRC would enforce judgments of United States courts or Cayman courts obtained against us or these persons predicated upon the civil liability provisions of the United States federal and state securities laws. Shihui Partners has further advised us that the recognition and enforcement of foreign judgments are provided for under PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or in the Cayman Islands. Under the PRC Civil Procedures Law, foreign shareholders may originate actions based on PRC law against us in the PRC, if they can establish sufficient nexus to the PRC for a PRC court to have jurisdiction, and meet other procedural requirements, including, among others, the plaintiff must have a direct interest in the case, and there must be a concrete claim, a factual basis and a cause for the suit. However, it would be difficult for foreign shareholders to establish sufficient nexus to the PRC by virtue only of holding the ADSs or ordinary shares.

CORPORATE HISTORY AND STRUCTURE

Corporate History

We launched our clinical diagnosis and monitoring services in 2015 with the establishment of Genetron Health (Beijing) Co., Ltd., or Genetron Health.

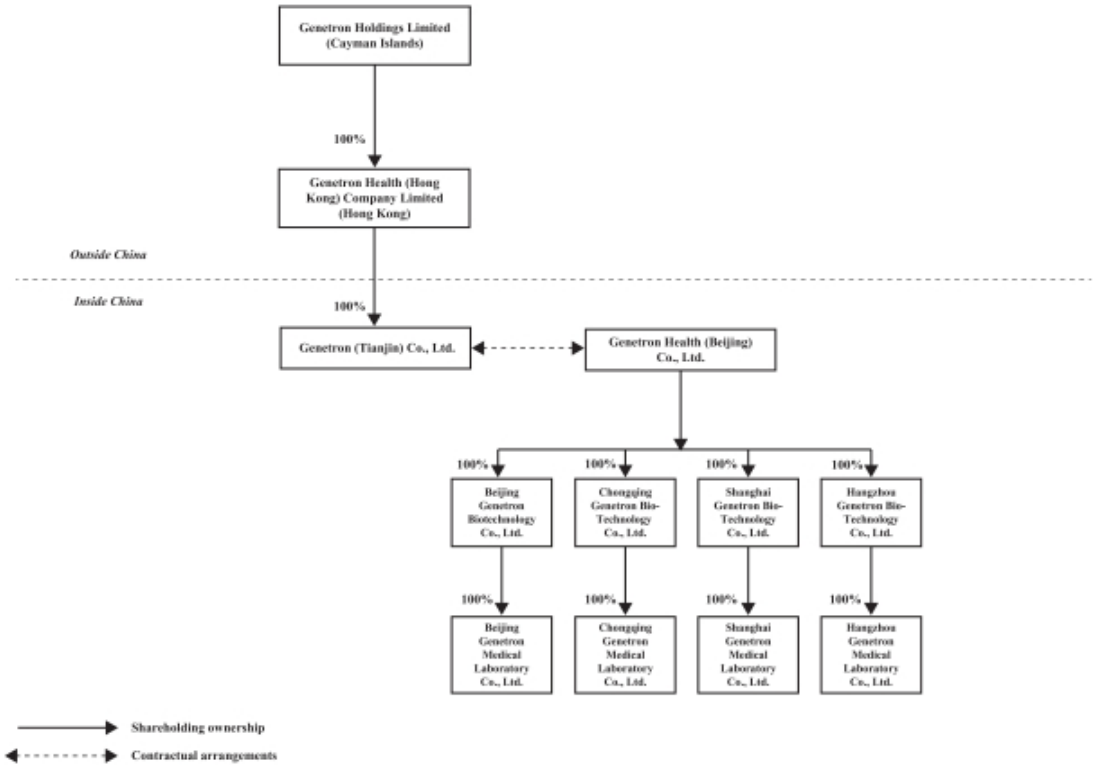
In contemplation of this offering, we underwent a series of restructuring transactions, which primarily included:

- In April 2018, Genetron Holdings Limited was incorporated under the laws of the Cayman Islands as our proposed listing entity. In connection with its incorporation, it issued ordinary and preferred shares to certain of the then existing shareholders of Genetron Health based on their equity interests held in Genetron Health. For details of the issuances of shares by Genetron Holdings Limited to its shareholders prior to this offering, please refer to "Description of Share Capital—History of Securities Issuances."
- In June 2018, Genetron Health (Hong Kong) Company Limited, or Genetron HK, was incorporated in Hong Kong, which is acting as the offshore intermediary holding company.
- In March 2019, Genetron (Tianjin) Co., Ltd., or the WFOE, was established in China as a wholly owned PRC subsidiary of Genetron HK. The WFOE is not engaged in substantive business operations in the PRC. In July 2019, the WFOE entered into a series of contractual arrangements with Genetron Health, as well as its shareholders. As a result of these contractual arrangements, we obtained effective control, and became the primary beneficiary of Genetron Health, or our VIE.

We are a holding company and do not directly own any substantive business operations in the PRC. We currently focus our business operations within the PRC through Genetron Health and its subsidiaries. See "Risk Factors—Risks Relating to Our Corporate Structure." Genetron Health and its subsidiaries hold our Medical Institution Practicing Licenses, production permits of medical devices and operation permits of medical devices that are necessary for our business operations in the PRC.

Corporate Structure

The following diagram illustrates our corporate structure as of the date of this prospectus, including our material subsidiaries and VIE:



Contractual Arrangements with our VIE and its Shareholders

Investment in the field of technology development and applications relating to human stem cells and genomic diagnosis and treatment is a prohibited category for foreign investment in the PRC. Precision oncology services fall within the scope of such prohibited category. Therefore, we established our VIE, Genetron Health (Beijing) Co., Ltd., to conduct precision oncology services business activities. We exercise effective control over our VIE through contractual arrangements among the WFOE, our VIE and its shareholders.

The contractual arrangements allow us to:

- exercise effective control over our VIE;
- receive substantially all of the economic benefits of our VIE; and
- have an exclusive option to purchase all or part of the equity interest in and/or assets of our VIE when and to the extent permitted by laws.

As a result of these contractual arrangements, we are the primary beneficiary of our VIE and, therefore, have consolidated the financial results of our VIE in our consolidated financial statements in accordance with IFRS.

In the opinion of Shihui Partners, our PRC Legal Counsel:

- the ownership structures of our VIE, currently do not, and immediately after giving effect to this offering, will not result in any violation of the applicable PRC laws or regulations currently in effect; and
- the contractual arrangements among the WFOE, our VIE and its shareholders, are governed by PRC laws or regulations, and are currently valid, binding and enforceable in accordance with the applicable PRC laws or regulations currently in effect, and do not result in any violation of the applicable PRC laws or regulations currently in effect.

However, our PRC Legal Counsel has also advised us that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules. In particular, in March 2019, the National People's Congress of the PRC adopted the PRC Foreign Investment Law, which will become effective on January 1, 2020. Among other things, the PRC Foreign Investment Law defines the "foreign investment" as investment activities in China by foreign investors in a direct or indirect manner, including those circumstances explicitly listed thereunder as establishing new projects or foreign invested enterprises or acquiring shares of enterprises in China, and other approaches of investment as stipulated by laws, administrative regulations or otherwise regulated by the State Council. The PRC Foreign Investment Law leaves uncertainty as to whether foreign investors' controlling PRC onshore variable interest entities via contractual arrangements will be recognized as "foreign investment" and thus be subject to the restrictions/prohibitions on foreign investments. Accordingly, the PRC regulatory authorities may take a view that is contrary to the opinion of our PRC legal counsel.

The following is a summary of the contractual arrangements by and among the WFOE, our VIE and the shareholders of our VIE and their spouses, as applicable.

Agreements that Provide us with Effective Control over Genetron Health

Shareholder Voting Rights Entrustment Agreement. Pursuant to the Shareholder Voting Rights Entrustment Agreement dated July 30, 2019 among the WFOE, Genetron Health and the shareholders of Genetron Health , these shareholders irrevocably authorize the WFOE or any person(s) designated by the WFOE to act as his or her attorney-in-fact to exercise all of his or her rights as a shareholder of Genetron Health, including, but not limited to, the right to call and attend shareholders' meetings, execute and deliver any and all written resolutions and meeting minutes as a shareholder, vote by itself or by proxy on any matters discussed on shareholders' meetings, sell, transfer, pledge or dispose of any or all of the shares, nominate, appoint or remove the directors, supervisors and senior management, and other shareholders rights conferred by the articles of association of Genetron Health and the relevant laws and regulations. This agreement shall terminate once (i) WFOE or its designated party directly holds the entire assets of Genetron Health, and WFOE or its designated party is allowed to conduct the business of our VIE under the then PRC laws, or (ii) WFOE or its designated party is registered as the sole shareholder of Our VIE, and WFOE or its designated party is allowed to conduct the business of our VIE under the then PRC laws. The shareholders shall not have the right to terminate this agreement or revoke the appointment of the attorney-in-fact without the prior written consent of the WFOE.

Spousal Consent Letter. The spouse of each of Mr. Sizhen Wang, Mrs. Xiaoge Wang and Mrs. Shuyan Wei has signed a spousal consent letter. Under the spousal consent letter, the spouse unconditionally and irrevocably waives any rights or entitlements whatsoever to such shares that may be granted to his/her pursuant to applicable laws and undertakes not to make any assertion of rights to such shares. The spouse agrees and undertakes that he/she will take all necessary actions to ensure the proper performance of the contractual arrangements, and will be bound by the contractual arrangements in case he/she obtains any equity of Genetron Health due to any reason.

Equity Interest Pledge Agreement. Pursuant to the Equity Interest Pledge Agreement dated July 30, 2019 among the WFOE and the shareholders of Genetron Health, the shareholders of Genetron Health have pledged

100% equity interest in Genetron Health in favor of WFOE to guarantee the performance by Genetron Health and its shareholders of their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and any other agreements to be executed among the WFOE, Genetron Health and the shareholders from time to time. If Genetron Health or its shareholders breach their contractual obligations under these agreements, the WFOE, as pledgee, will have the right to dispose of the pledged shares entirely or partially. The shareholders of Genetron Health also agreed, without the WFOE's prior written consent, not to transfer the pledged shares, establish or permit the existence of any security interest or other encumbrance on the pledged shares, or dispose of the pledged shares by any other means, except by the performance of the Exclusive Option Agreement. We have completed the registration of the pledge of equity interests in Genetron Health with the relevant office of Administration for Industry and Commerce in accordance with the PRC Property Rights Law.

Agreements that Allow us to Receive Economic Benefits from Genetron Health

Exclusive Business Cooperation Agreement. Pursuant to the Exclusive Business Cooperation Agreement dated July 2, 2019 between the WFOE and Genetron Health, the WFOE or its designated entities affiliated has the exclusive right to provide Genetron Health with technical support, business support and consulting services in return for fees equal to 100% of the consolidated net profits of Genetron Health. Without the WFOE's prior written consent, Genetron Health shall not, directly and indirectly, obtain the same or similar services as provided under this agreement from any third party, or enter into any similar agreement with any third party. The WFOE has the right to determine the service fee charged to Genetron Health under this agreement by considering, among other things, the complexity of the services, the time spent by employees of the WFOE to provide the services, contents and commercial value of the service provided, as well as the benchmark price of similar services in the market. The WFOE will have the exclusive ownership of all intellectual property rights developed by performance of this agreement. The Exclusive Business Cooperation Agreements will remain effective until it is terminated at the discretion of the WFOE or upon the transfer of all the shares of Genetron Health to the WFOE and/or a third party designated by the WFOE.

Agreements that Provide us with the Option to Purchase the Equity Interests in Genetron Health

Exclusive Option Agreement. Pursuant to the Exclusive Option Agreement dated July 30, 2019 among the WFOE, Genetron Health and its shareholders, the shareholders of Genetron Health irrevocably granted the WFOE or any third party designated by the WFOE an exclusive option to purchase all or part of their equity interests in Genetron Health at the lowest price permitted by applicable PRC laws. Those shareholders further undertake that they will neither allow the encumbrance of any security interest in Genetron Health, except for the pledge created pursuant to the Equity Interest Pledge Agreement, nor transfer, mortgage or otherwise dispose of their legal or beneficial interests in Genetron Health without the prior written consent of the WFOE, and will cause the shareholders' meeting and/or the board of directors and/or the executive directors of Genetron Health not to approve such proposal. This agreement will remain effective until it is terminated at the discretion of the WFOE or upon the transfer of all the equity interest in Genetron Health to the WFOE and/or a third party designated by the WFOE.

SELECTED CONSOLIDATED FINANCIAL DATA

The following summary consolidated statements of loss data for the years ended December 31, 2017 and 2018, summary consolidated balance sheet data as of December 31, 2017 and 2018 and summary consolidated statement of cash flow data for the years ended December 31, 2017 and 2018 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following summary consolidated statements of loss data for the nine months ended September 30, 2018 and 2019, summary consolidated balance sheet data as of September 30, 2019 and summary consolidated statement of cash flow data for the nine months ended September 30, 2018 and 2019 have been derived from our unaudited condensed consolidated interim financial statements included elsewhere in this prospectus and have been prepared on the same basis as our audited consolidated financial statements and include all adjustments, consisting only of normal and recurring adjustments, that we consider necessary for a fair statement of our financial position and operating results for the periods presented. Our consolidated financial statement are prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). Our historical results are not necessarily indicative of results expected for future periods. We have adopted IFRS 16 retrospectively from January 1, 2019, but have not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on January 1, 2019. You should read this Summary Consolidated Financial Data section together with our consolidated financial statements and the related notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this prospectus.

Consolidated Statements of Loss Data

The following table presents our selected consolidated statements of loss for the years ended December 31, 2017 and 2018 and the nine months ended September 30, 2018 and 2019.

	For the Year Ended December 31,			For the Nine Months Ended September 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands, except for percentages, shares and per share data)					
Revenue	101,033	225,176	31,503	151,192	220,485	30,847
Cost of revenue(1)	(74,211)	(132,450)	(18,530)	(90,095)	(121,315)	(16,973)
Gross profit	26,822	92,726	12,973	61,097	99,170	13,874
Selling expenses(1)	(94,569)	(182,474)	(25,529)	(120,057)	(184,549)	(25,819)
Administrative expenses(1)	(45,486)	(88,233)	(12,344)	(57,316)	(88,471)	(12,377)
Research and development expenses(1)	(45,777)	(71,411)	(9,991)	(50,257)	(59,336)	(8,301)
Net impairment losses on financial assets	(483)	(658)	(92)	(323)	(736)	(103)
Other income—net	6,953	17,074	2,388	16,760	11,813	1,653
Operating loss	(152,540)	(232,976)	(32,595)	(150,096)	(222,109)	(31,073)
Finance income	676	1,615	226	923	438	61
Finance costs	(10,669)	—	—	—	(3,603)	(504)
Finance (costs)/income—net	(9,993)	1,615	226	923	(3,165)	(443)
Fair value loss of financial instruments with preferred rights	(258,106)	(233,632)	(32,686)	(191,439)	(315,962)	(44,205)
Loss before income tax	(420,639)	(464,993)	(65,055)	(340,612)	(541,236)	(75,721)
Income tax expense	—	—	—	—	—	—
Loss for the year/period	(420,639)	(464,993)	(65,055)	(340,612)	(541,236)	(75,721)
Loss attributable to:						
Owners of the Company	(420,639)	(464,993)	(65,055)	(340,612)	(541,236)	(75,721)
Loss per share						
—Basic and diluted	(4.64)	(4.09)	(0.57)	(3.03)	(4.35)	(0.61)
Loss for the year/period	(420,639)	(464,993)	(65,055)	(340,612)	(541,236)	(75,721)
Other comprehensive income/(loss)						
Items that may be reclassified to profit or loss						
Exchange differences on translation of foreign operations	(242)	141	20	362	179	25
Items that will not be reclassified to profit or loss						
Changes in fair value of financial instruments with preferred rights due to own credit risk	2,378	(9,061)	(1,268)	(8,204)	(6,957)	(973)
Other comprehensive income/(loss) for the year/period, net of tax	2,136	(8,920)	(1,248)	(7,842)	(6,778)	(948)
Total comprehensive loss for the year/period	(418,503)	(473,913)	(66,303)	(348,454)	(548,014)	(76,669)
Total comprehensive loss attributable to:						
Owners of the Company	(418,503)	(473,913)	(66,303)	(348,454)	(548,014)	(76,669)

Note:

(1) Share-based compensation expenses were charged in the following categories:

	Year ended December 31,			For the Nine Months Ended September 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Cost of revenue	143	234	33	218	394	55
Selling expenses	989	1,186	166	1,328	2,225	311
Administrative expenses	12,145	22,259	3,114	14,208	22,757	3,184
Research and development expenses	7,418	5,965	835	4,264	6,118	856
Total	20,695	29,644	4,148	20,018	31,494	4,406

Consolidated Balance Sheet Data

The following table presents our selected consolidated balance sheet data as of December 31, 2017 and 2018 and September 30, 2019.

	As of December 31,			As of September 30,			
	2017	2018		2019			
	RMB	RMB	US$	RMB	US$	RMB	US$
			(in thousands)			Pro forma	
Summary Consolidated Balance Sheet Data:							
Cash and cash equivalents	42,030	62,126	8,692	5,388	754	5,388	754
Total assets	441,461	324,437	45,390	293,522	41,065	293,522	41,065
Financial instruments with preferred rights	1,018,019	1,320,712	184,774	1,643,631	229,952	—	—
Other payables and accruals	33,380	47,007	6,577	84,065	11,760	84,065	11,760
Total liabilities	1,063,647	1,388,483	194,256	1,872,282	261,942	228,651	31,990
Total shareholders' deficit	(622,186)	(1,064,046)	(148,866)	(1,578,760)	(220,877)	64,871	9,075

Consolidated Cash Flow Data

The following table presents our selected consolidated cash flow data for the years ended December 31, 2017 and 2018 and the nine months ended September 30, 2018 and 2019.

	For the Year Ended December 31,			For the Nine Months Ended September 30,		
	2017	2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Net cash used in operating activities	(129,920)	(201,016)	(28,123)	(165,246)	(129,181)	(18,073)
Net cash (used in)/generated from investing activities	(197,993)	171,489	23,992	107,068	22,420	3,136
Net cash generated from financing activities	351,505	49,400	6,911	49,400	50,039	7,001
Net increase/(decrease) in cash and cash equivalents	23,592	19,873	2,780	(8,778)	(56,722)	(7,936)
Cash and cash equivalents at beginning of year/period	18,360	42,030	5,880	42,030	62,126	8,692
Exchange differences	78	223	32	131	(16)	(2)
Cash and cash equivalents at end of year/period	42,030	62,126	8,692	33,383	5,388	754

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section entitled "Selected Consolidated Financial Data" and our consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus.

Overview

We are a leading and fast-growing precision oncology company in China that specializes in cancer molecular profiling and harnesses advanced technologies in molecular biology and data science to transform cancer treatment. We have developed a comprehensive product and service portfolio that covers the full-cycle of cancer care from early screening, to diagnosis and treatment recommendations, to continuous monitoring and continuous care.

According to Frost & Sullivan, we are one of the most advanced precision oncology companies that cover the full-cycle of cancer care. We provide comprehensive diagnostic products and services that cover eight out of the top ten major cancer types in China, capable of analyzing from focused gene panels to whole exome of approximately 21,000 genes. Depending on the nature of cancer and service types, we offer tissue biopsy, liquid biopsy, or both, providing great flexibility to patients and physicians to achieve the best clinical outcome. On the frontier of early screening, we have developed a leading technology platform and achieved breakthrough with our proprietary HCCscreen™ assays that enable early detection and intervention of liver cancer. We also offer a high quality, end-to-end comprehensive genomic profiling solution for global biopharmaceutical companies to support their research and drug development. Based on our comprehensive offerings and advanced by our continuous commercialization efforts, we have made significant achievements in the adoption of our services and products. Since 2017 and as of September 30, 2019, we had provided products and services to patients in approximately 415 hospitals in China. We sold approximately 15,600 diagnosis tests in the year ended December 31, 2018, an increase from approximately 6,700 in the year ended December 31, 2017, and approximately 16,500 tests in the nine months ended September 30, 2019, an increase from approximately 10,800 in the nine months ended September 30, 2018.

We offer our products and services through three business units: diagnosis and monitoring, early screening and development services.

Diagnosis and Monitoring—We offer comprehensive diagnosis and monitoring services and products through both LDT services and IVD products. Since our inception in 2015, we have developed our diagnosis and monitoring services and products with a broad coverage of eight out of the top ten major cancer types in China. Our unique mix of strong cancer research capabilities, comprehensive products and services, and focused commercialization strategies have led to our success in the brain cancer testing market, which we are adopting in other cancer types. Our LDT service portfolio consists of both specifically designed focused and comprehensive gene panel testing services, measuring from single gene to a broad 21,000 gene panel suitable for patients with different needs and affordability. In addition, we are a leading player in China with approved IVD registration of both instrument and diagnostic assays. Our digital PCR system, Genetron 3D biochip reading instrument, and IDH1/TERT gene assays for glioma were approved in 2017, and our Genetron S5 was approved in November 2019 by the NMPA or its respective provincial counterparts for clinical use, illustrating our clear leadership in the precision oncology market in China. We are currently developing advanced NGS sequencing platforms and gene assays covering multiple prevalent cancer types to seek NMPA registration.

Early Screening—We are at the forefront of the development of liver cancer early screening products, and we are currently seeking NMPA registration of IVD products for the early screening of liver cancer. In addition,

we have developed several LDT services for early cancer screening targeting asymptomatic individuals who are at a higher risk of developing cancer due to multiple factors. We focus our R&D efforts on liver cancer, lung cancer and pan-cancer.

Development Services—We collaborate with biopharmaceutical companies, hospitals, and research institutions both in China and globally to serve their needs in genomics research and clinical development. Our products and services may be used by biopharmaceutical companies for a range of applications, including biomarker evaluation for molecularly targeted therapy and immuno-therapy, clinical trial enrollment, companion diagnostics development and joint marketing post-drug approval. As of the date of this prospectus, we had collaborated with 57 hospitals in the PRC, 16 biopharmaceutical companies, and 15 research institutions.

We generated revenue from contracts with customers of RMB101.0 million and RMB225.2 million (US$31.5 million) in the years ended December 31, 2017 and 2018, respectively. We generated revenue from contracts with customers of RMB151.2 million and RMB220.5 million (US$30.8 million) for the nine months ended September 30, 2018 and 2019, respectively. We also incurred net losses of RMB420.6 million and RMB465.0 million (US$65.1 million) in the years ended December 31, 2017 and 2018, respectively. We incurred net losses of RMB340.6 million and RMB541.2 million (US$75.7 million) for the nine months ended September 30, 2018 and 2019, respectively. We have funded our operations to date principally from the historical financing activities. As of December 31, 2018 and September 30, 2019, we had RMB62.1 million (US$8.7 million) and RMB5.4 million (US$0.8 million) in cash and cash equivalents.

Key Factors Affecting Our Results of Operations

General Factors Affecting Our Results of Operations

Our business and results of operations are affected by a number of general factors, including:

- global macroeconomic environment, especially China's overall economic growth;
- technology development and commercialization of precision oncology industry;
- changes in regulations over China's precision oncology industry; and
- market acceptance of precision oncology services and products.

Unfavorable changes in any of these general factors could materially and adversely affect our business and results of operations.

Specific Factors Affecting Our Results of Operations

Increased adoption of our precision oncology services and products

Our revenue growth is mainly driven by our ability to increase the adoption of our services and products. For the year of 2018, we performed approximately 15,600 tests compared to approximately 6,700 tests in 2017. For the nine months ended September 30, 2019, we performed approximately 16,500 tests compared to approximately 10,800 tests in the same period of 2018. The results of our operations will largely depend on our ability to attract both individual customers and institutional clients, as well as retain and broaden adoption with existing institutional clients. Because our technology is relatively novel to customers in China, we have established a robust sales and marketing team to provide doctors, patients and other clients with the customized support. We especially focus on developing our partnership with both national and regional KOLs and specialists in local hospitals to promote and raise awareness of the clinical application of precision oncology among physicians and patients. Since 2017 and as of September 30, 2019, we had provided services and products to patients in approximately 415 hospitals in China.

Comprehensive offerings for broadening monetization channels

We continuously review market demands in precision oncology medicine industry, so we can strategically develop and expand our services and products. For our diagnosis and monitoring services, we have developed LDT services covering whole exome, comprehensive gene panels, and focused gene panels to address different needs across eight out of the top ten major cancer types in China. We are also a pioneer in IVD registration for both platforms and assays. We have recently entered early cancer screening market with LDT services to capture the long-term potential for early cancer screening targeting asymptomatic individuals who are at a higher risk of developing cancer and individuals who are generally concerned with cancer risks. In addition, we monetize capacity of our high-throughput sequencing platforms to provide genomic sequencing services to peer companies and institutions. We believe our comprehensive services and products will effectively address market demands and therefore drive our revenues.

Investment in technology and product innovation to support commercial growth

Investment in research and development, including development of new products, is critical to establish and maintain our industry leading position. We have developed innovative technology platforms since our inception, including Genetron One-Step Seq Method, ctDNA low frequency mutations detection technology and Mutation Capsule technology. We conduct adequate and well-controlled trials to collect scalable data for supporting the development of our technologies. Those core technologies are the basis of our growth. Our pipeline products are the main drivers for our future growth. We plan to allocate more resources to develop and market our new services and products, especially early screening services and development services. We expect to increase our research and development expense with the goal of fueling further innovation.

Obtaining regulatory approval for our pipeline products

There is an increasing demand of hospitals to provide one-stop IVD genomic testing services as the concept of precision oncology wins gradual acceptance among physicians. Adoption by public hospitals and insurance coverage often requires registration from the NMPA—each IVD product must be registered in association with a specific sequencing platform. Companies with NMPA-registered IVD products and platforms are expected to win larger market shares. We have an experienced regulatory team dedicating in handling regulatory approval for our pipeline IVD products and platforms. As of September 30, 2019, we have an in-depth IVD pipeline of two platforms and seven assays, covering both diagnosis and monitoring services and early screening. We obtained NMPA approval for Genetron S5 platform on November 1, 2019. We believe once we obtained NMPA registrations for these products and platforms, we will gain significant advantage compared to our peers and therefore, achieve future growth and create new drivers for our revenues. We believe our leadership and experience in obtaining regulatory approvals of our pipeline products will be the foundation to further achieve economies of scale. On contrast, any failure to obtain regulatory approval for our pipeline products may cause adverse impact on the results of operations.

Expanding collaboration with biopharmaceutical company customers

We intend to pursue further growth in our collaboration with biopharmaceutical companies. Our revenue and business opportunities depend in part on our ability to attract new biopharmaceutical company customers and to maintain and expand relationships with existing customers. We believe our products and services could be used by biopharmaceutical companies for a wide range of applications, including discovery of new targets and mechanisms of acquired resistance, retrospective sample analysis to rapidly identify biomarkers associated with response and lack of response, prospective screening and patient referral to accelerate clinical trial enrollment, and companion diagnostic development to support the approval and commercialization of therapeutics and may become one of our revenue drivers. As of September 30, 2019, we have partnered with 12 biopharmaceutical companies in genomics research and clinical development. We will further optimize our research and development capacities to satisfy the potential demands of existing and new biopharmaceutical company customers.

Managing our costs and expenses effectively

Our ability to manage our costs and expenses efficiently is critical to the success of our business. Our costs and expenses consist primarily of costs of raw material and consumables used, promotion expenses, employee benefits expenses and research and development expenses. We expect our costs and expenses to grow in line with our growth and our continuing investments in research and development, including the development of new technologies and innovative products. While the costs and expenses in absolute amounts may grow, the costs and expenses as percentages of our revenues are expected to reduce with the increased economies of scale and operation efficiency. Specifically, along with the growth of our business, we may leverage our growing bargaining power to negotiate favorable pricing with our raw material suppliers, and we are able to utilize infrastructure and manage operations more effectively, both of which will allow us to increase our gross margin. Meanwhile, we have historically incurred a substantial amount of promotion and marketing expenses. Such marketing and promotion efforts solidify existing customer relationships and expand business reach, which in turn will generate more revenue in the long term. As a result, we expect that our selling expenses as a percentage of our revenues will decrease overtime.

Key Components of Results of Operations

Revenue

We derive our revenues from (i) precision oncology testing; and (ii) development services.

Precision oncology testing. Precision oncology testing revenue is generated from the sales from diagnosis and monitoring service business and early screening business in the form of LDT services and IVD products. For LDT services rendered for diagnosis and monitoring service business, we primarily sell LDT services either directly to patients or to hospitals that have entered into testing services agreements with us. For IVD products sold for diagnosis and monitoring service business, we sell our IVD products either directly to hospitals or through distributors to reach more hospitals.

For LDT services rendered for early screening business, we retail such tests targeting higher risk population directly or sell such tests to medical examination centers or enterprises to reach a larger customer base.

We expect our revenue from precision oncology testing to increase as a result of our increased brand awareness, further penetration of the market, broader coverage of hospitals, institutions and enterprises, more adoptions of current IVD products and the registration of our pipeline IVD products.

Development services. Development services revenue is generated from research services and sequencing services. We provide research services to hospitals, colleges and other institutional customers, sequencing services to genomic sequencing companies, and cooperate with biopharmaceutical companies in development of new drugs. We expect our revenue from development services to increase primarily driven by our expanded collaboration with biopharmaceutical companies.

Our chief operating decision maker has determined that we have only one reportable segment.

Cost of Revenue

Our cost of revenue mainly consists of cost of raw materials, labor cost, equipment and infrastructure expenses associated with precision oncology testing and development services. Raw materials primarily include reagents such as enzymes, plasmid and buffer solution. Infrastructure expenses include depreciation of laboratory equipment, rent costs, amortization of information technology costs. We expect that our cost of revenue will increase in absolute amount in the foreseeable future in line with the growth of services and products we offer. Meanwhile, we expect cost of services and goods sold as a percentage of our revenues to decrease due to our improved bargaining power over raw material and consumables used and the increased economies of scale.

Selling Expenses

Our selling expenses consist primarily of employee benefits for our selling and marketing personnel, marketing and promotion expenses from our direct sales, and other expenses. Given the concept of precision oncology and clinical application of molecular diagnostics is relatively foreign to patients and physicians in China, we have devoted significant resources to educating the market, including hosting medical conferences and seminars, promoting awareness, and establishing collaboration with leading KOLs. We expect our selling and marketing expenses to increase in absolute amount in the foreseeable future, as we plan to continue investing substantially in our sales and marketing efforts to expand our sales and marketing team, broaden adoption of our existing services and products, further educate and promote precision oncology market, and promote our pipeline services and products to be launched in late 2019 and early 2020. Meanwhile, we expect selling expenses as a percentage of our revenues to decrease with the enhanced market acceptance of precision oncology and economies of scale.

Administrative Expenses

Our administrative expenses consist primarily of compensation for our management and administrative personnel, listing expenses, and professional fee. We expect that our administrative expenses will continue to increase in absolute dollars after this offering, primarily due to increased headcount and costs associated with operating as a public company, including expenses related to legal, accounting, maintaining compliance with exchange listing and requirements of the SEC, director and officer insurance premiums and investor relations. These expenses, though expected to increase in absolute dollars, are expected to decrease modestly as a percentage of revenue in the long term, though they may fluctuate as a percentage from period to period due to the timing and extent of these expenses.

Research and Development Expenses

Our research and development expenses mainly consist of cost of research and development materials and equipment, research and development personnel compensation expenses, and rental, utilities and office expenses. These expenses are primarily related to our clinical trials and validation. Research and development costs are expensed as incurred. We expect our research and development expenses to increase in the foreseeable future as we continue to make investments in expanding our technology infrastructure and developing new services and products.

Taxation

Cayman Islands

We are incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, we are not subject to income, corporation or capital gains tax in the Cayman Islands. In addition, our payment of dividends, if any, is not subject to withholding tax in the Cayman Islands.

Hong Kong

Our subsidiary incorporated in Hong Kong was subject to Hong Kong profits tax at a rate of 16.5% for taxable income earned in Hong Kong before April 1, 2018. Starting from the financial year commencing on April 1, 2018, the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits on the first HK$2 million and 16.5% for any assessable profits in excess of HK$2 million.

PRC

Our subsidiaries and consolidated VIE in China are companies incorporated under PRC law and, as such, are subject to PRC enterprise income tax on their taxable income in accordance with the relevant PRC income

tax laws. Pursuant to the PRC EIT Law, which became effective on January 1, 2008 and amended on December 29, 2018, a uniform 25% enterprise income tax rate is generally applicable to both foreign-invested enterprises and domestic enterprises, except where a special preferential rate applies. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards.

We were subject to VAT at a rate of 3%, 6% or 16% on the services we provided and related surcharges before April 1, 2019 and are subject to VAT at a rate of 3%, 6% or 13% on the services we provide and related surcharges after April 1, 2019. We are also subject to surcharges on VAT payments in accordance with PRC law.

As a Cayman Islands holding company, we may receive dividends from our PRC subsidiaries through Genetron Health (Hong Kong) Company Limited. The PRC EIT Law and its implementing rules provide that dividends paid by a PRC entity to a nonresident enterprise for income tax purposes is subject to PRC withholding tax at a rate of 10%, subject to reduction by an applicable tax treaty with China. Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise may be reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. Pursuant to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements, or SAT Circular 81, a Hong Kong resident enterprise must meet the following conditions, among others, in order to apply the reduced withholding tax rate: (i) it must be a company; (ii) it must directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (iii) it must have directly owned such required percentage in the PRC resident enterprise throughout the 12 months prior to receiving the dividends. In August 2015, the State Administration of Taxation promulgated the Administrative Measures for Nonresident Taxpayers to Enjoy Treatment under Tax Treaties, or SAT Circular 60, which became effective on November 1, 2015. SAT Circular 60 provides that nonresident enterprises are not required to obtain pre-approval from the relevant tax authority in order to enjoy the reduced withholding tax. Instead, nonresident enterprises and their withholding agents may, by self-assessment and on confirmation that the prescribed criteria to enjoy the tax treaty benefits are met, directly apply the reduced withholding tax rate, and file necessary forms and supporting documents when performing tax filings, which will be subject to post-tax filing examinations by the relevant tax authorities. Accordingly, Genetron Health (Hong Kong) Company Limited may be able to benefit from the 5% withholding tax rate for the dividends it receives from its PRC subsidiaries, if it satisfies the conditions prescribed under SAT Circular 81 and other relevant tax rules and regulations. However, according to SAT Circular 81 and SAT Circular 60, if the relevant tax authorities consider the transactions or arrangements we have are for the primary purpose of enjoying a favorable tax treatment, the relevant tax authorities may adjust the favorable withholding tax in the future.

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the PRC EIT Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See "Risk Factors—Risks Relating to Doing Business in the PRC—If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders."

Results of Operations

The following table summarizes our consolidated results of operations both in absolute amounts and as percentages of our revenue from contracts with customers for the periods presented. This information should be read together with our consolidated financial statements and related notes included elsewhere in this prospectus. The operating results in any period are not necessarily indicative of the results that may be expected for any future period.

	For the Year Ended December 31,					For the Nine Months Ended September 30,				
	2017		2018			2018		2019		
	RMB	%	RMB	US$	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages, shares and per share data)									
Revenue	101,033	100.0	225,176	31,503	100.0	151,192	100.0	220,485	30,847	100.0
Cost of revenue	(74,211)	(73.5)	(132,450)	(18,530)	(58.8)	(90,095)	(59.6)	(121,315)	(16,973)	(55.0)
Gross profit	26,822	26.5	92,726	12,973	41.2	61,097	40.4	99,170	13,874	45.0
Selling expenses	(94,569)	(93.6)	(182,474)	(25,529)	(81.0)	(120,057)	(79.4)	(184,549)	(25,819)	(83.7)
Administrative expenses	(45,486)	(45.0)	(88,233)	(12,344)	(39.2)	(57,316)	(37.9)	(88,471)	(12,377)	(40.1)
Research and development expenses	(45,777)	(45.3)	(71,411)	(9,991)	(31.7)	(50,257)	(33.2)	(59,336)	(8,301)	(26.9)
Net impairment losses on financial assets	(483)	(0.5)	(658)	(92)	(0.3)	(323)	(0.2)	(736)	(103)	(0.3)
Other income—net	6,953	6.9	17,074	2,388	7.6	16,760	11.1	11,813	1,653	5.4
Operating loss	(152,540)	(151.0)	(232,976)	(32,595)	(103.5)	(150,096)	(99.3)	(222,109)	(31,073)	(100.7)
Finance income	676	0.7	1,615	226	0.7	923	0.6	438	61	0.2
Finance costs	(10,669)	(10.6)	—	—	—	—	—	(3,603)	(504)	(1.6)
Finance (costs)/income—net	(9,993)	(9.9)	1,615	226	0.7	923	0.6	(3,165)	(443)	(1.4)
Fair value loss of financial instruments with preferred rights	(258,106)	(255.5)	(233,632)	(32,686)	(103.8)	(191,439)	(126.6)	(315,962)	(44,205)	(143.3)
Loss before income tax	(420,639)	(416.3)	(464,993)	(65,055)	(206.5)	(340,612)	(225.3)	(541,236)	(75,721)	(245.5)
Income tax expense	—	—	—	—	—	—	—	—	—	—
Loss for the year/period	(420,639)	(416.3)	(464,993)	(65,055)	(206.5)	(340,612)	(225.3)	(541,236)	(75,721)	(245.5)
Loss attributable to:										
Owners of the Company	(420,639)	(416.3)	(464,993)	(65,055)	(206.5)	(340,612)	(225.3)	(541,236)	(75,721)	(245.5)
Loss per share										
—Basic and diluted	(4.64)	N/A	(4.09)	(0.57)	N/A	(3.03)	N/A	(4.35)	(0.61)	N/A

Nine Months Ended September 30, 2019 Compared to Nine Months Ended September 30, 2018

Revenue

We generate revenue mainly from (i) precision oncology testing and (ii) development services.

The following table sets forth our revenue in absolute amounts and as percentages of total revenue for the periods indicated:

	For the Nine Months Ended September 30,				
	2018		2019		
	RMB	%	RMB	US$	%
	(in thousands, except for percentages)				
Revenues from					
Precision oncology testing	116,921	77.3	183,719	25,703	83.3
Development services	34,271	22.7	36,766	5,144	16.7
Total	151,192	100.0	220,485	30,847	100.0

Our revenue increased by 45.8% from RMB151.2 million for the nine months ended September 30, 2018 to RMB220.5 million (US$30.8 million) for the nine months ended September 30, 2019. The growth of our revenue was largely driven by the increase in revenue generated from precision oncology testing.

Precision oncology testing

Our precision oncology testing revenue consists of revenue generated from sales of LDT services and IVD products. Our revenue generated from precision oncology testing increased by 57.1% from approximately RMB116.9 million for the nine months ended September 30, 2018 to approximately RMB183.7 million (US$25.7 million) for the nine months ended September 30, 2019. The increase was mainly driven by the increase in the number of LDT services sold from approximately 10,800 in the first nine months of 2018 to approximately 16,500 in the first nine months of 2019. The increase in the number of LDT services sold was mainly attributable to the increase in the number of hospitals covered from approximately 225 as of September 30, 2018 to 290 as of September 30, 2019 and the coverage of additional cancer types. Our revenue generated from sales of IVD products increased by 439.6% from approximately RMB2.7 million for the nine months ended September 30, 2018 to approximately RMB14.4 million (US$2.0 million) for the nine months ended September 30, 2019. Such increase was mainly driven by the increase in the number of assays and sequencing platforms sold in the first nine months of 2019. Our revenue generated from sales of IVD products in the first nine months of 2019 accounted for 7.9% of our total precision oncology testing revenue.

Development services

Our revenue generated from development services increased by 7.3% from approximately RMB34.3 million for the nine months ended September 30, 2018 to approximately RMB36.8 million (US$5.1 million) for the nine months ended September 30, 2019, mainly driven by an increase of RMB3.9 million in the revenues generated from our sequencing services provided to other genomic sequencing companies attributable to the increase of our sequencing capacity.

Cost of revenue

Our cost of revenue primarily consists of (i) precision oncology testing and (ii) development services. The following table sets forth cost of revenue in absolute amounts and as percentages of revenue for the periods indicated:

	For the Nine Months Ended September 30,				
	2018		2019		
	RMB	%	RMB	US$	%
	(in thousands, except for percentages)				
Revenues	151,192	100.0	220,485	30,847	100.0
Cost of revenue:					
Precision oncology testing	54,888	36.3	77,610	10,858	35.2
Development services	35,207	23.3	43,705	6,115	19.8
Total	90,095	59.6	121,315	16,973	55.0

Our cost of revenue increased by 34.7% from RMB90.1 million for the nine months ended September 30, 2018 to RMB121.3 million (US$17.0 million) for the nine months ended September 30, 2019, which was in line with the increases of our revenues. This increase was primarily due to an increase in raw material and consumables used attributable to the increasing number of LDT tests and IVD products sold. Meanwhile, our cost of revenue as a percentage of our revenues decreased from 59.6% for the nine months ended September 30, 2018 to 55.0% for the nine months ended September 30, 2019, mainly driven by our improved bargaining power over raw material and consumables used and the increased economies of scale.

Cost of revenue for precision oncology testing was RMB77.6 million (US$10.9 million) for the nine months ended September 30, 2019 compared to RMB54.9 million for the nine months ended September 30, 2018. The increase in cost of revenue for precision oncology testing was in line with growth of our precision oncology testing service. Meanwhile, the cost of revenue for precision oncology as a percentage of revenues from precision oncology testing decreased from 46.9% for the nine months ended September 30, 2018 to 42.2% for the nine months ended September 30, 2019.

Cost of revenue for development services was RMB43.7 million (US$6.1 million) for the nine months ended September 30, 2019 compared to RMB35.2 million for the nine months ended September 30, 2018, and the cost of revenue for development services as a percentage of revenues from development services increased from 102.7% for the nine months ended September 30, 2018, to 118.9% for the nine months ended September 30, 2019, primarily due to the depreciation of the Renminbi against the U.S. dollar in the first nine months of 2019 which caused an increase in the cost of raw material purchased for our sequencing services.

Gross profit

As a result of the foregoing, our gross profit increased by 62.3% from approximately RMB61.1 million for the nine months ended September 30, 2018 to approximately RMB99.2 million (US$13.9 million) for the nine months ended September 30, 2019. In particular, our gross profit for precision oncology testing increased by 71.1% from RMB62.0 million for the nine months ended September 30, 2018 to RMB106.1 million (US$14.8 million) for the nine months ended September 30, 2019. Our gross margin increased from 40.4% for the nine months ended September 30, 2018 to 45.0% for the nine months ended September 30, 2019.

Selling expenses

Our selling expenses increased by 53.7% from RMB120.1 million for the nine months ended September 30, 2018 to RMB184.5 million (US$25.8 million) for the nine months ended September 30, 2019, which was mainly attributable to (i) the expansion of sales and marketing team from approximately 190 personnel as of September 30, 2018 to 270 personnel as of September 30, 2019, (ii) an increase in market education efforts on additional cancer types in connection with newly launched products, including hosting medical conferences and seminars, promoting awareness, and establishing collaboration with leading KOLs, and (iii) an increase in sales and marketing efforts, covering approximately 290 hospitals as of September 30, 2019 compared to approximately 220 hospitals as of September 30, 2018. Meanwhile, our selling expenses as a percentage of our net revenues increased from 79.4% for the nine months ended September 30, 2018 to 83.7% for the nine months ended September 30, 2019. Such increase was mainly attributable to the expansion of our direct sales in the first nine months of 2019 to further promote our early screening business, including marketing, branding and promotion. However, given the concept of cancer early screening is relatively new to the Chinese market and requires further education, we have not yet generated substantial revenues from our early screening business.

Administrative expenses

Our administrative expenses increased by 54.4% from RMB57.3 million for the nine months ended September 30, 2018 to RMB88.5 million (US$12.4 million) for the nine months ended September 30, 2019. The increase in administrative expenses was primarily due to (i) an increase in the employee benefits expenses charged in this category attributable to the share-based payment expenses and (ii) an increase in professional fees attributed to our initial public offering efforts.

Research and development expenses

Our research and development expenses increased by 18.1% from RMB50.3 million for the nine months ended September 30, 2018 to RMB59.3 million (US$8.3 million) for the nine months ended September 30, 2019, which was mainly attributable to the increase in the employee benefits expenses attributed to the increased

number of our research and development personnel. Such increases are primarily due to (i) expanded clinical trial programs that support the development of our IVD products and (ii) development of our platform and technologies, including early screening technology platform and Liquid Biopsy Low-Frequency Mutation Detection Technology.

Net impairment losses on financial assets

Our net impairment losses on financial assets increased by 127.9% from RMB0.3 million for the nine months ended September 30, 2018 to RMB0.7 million (US$0.1 million) for the nine months ended September 30, 2019, which was primarily due to the provision of impairment of trade receivables and contract assets.

Other income—net

Our other income—net was RMB11.8 million (US$1.7 million) for the nine months ended September 30, 2019 compared to RMB16.8 million for the nine months ended September 30, 2018, a decrease of RMB4.9 million, or 29.5%. This decrease was primarily attributable to a decrease of RMB5.7 million generated from investment income from wealth management products.

Operating loss

As a result of the foregoing, our operating loss increased by 48.0% from approximately RMB150.1 million for the nine months ended September 30, 2018 to approximately RMB222.1 million (US$31.1 million) for the nine months ended September 30, 2019.

Finance income

Our finance income was RMB0.4 million (US$0.06 million) for the nine months ended September 30, 2019, as compared to RMB0.9 million for the nine months ended September 30, 2018, which was primarily attributable to the decrease in the interests generated from our bank deposit and loans to related parties.

Finance costs

We incurred nil and RMB3.6 million (US$0.5 million) finance costs for the nine months ended September 30, 2018 and 2019, respectively. The finance costs incurred in the first three quarters of 2019 was primarily attributable to the interest of lease liabilities and financing activities.

Fair value loss of financial instruments with preferred right

We recorded RMB191.4 million and RMB316.0 million (US$44.2 million) fair value loss of financial instruments with preferred right for the nine months ended September 30, 2018 and 2019, respectively. The fair value loss of financial instruments with preferred right was primarily attribute to the change of fair value of our preferred shares. Our preferred shares are attached with certain key preferred rights, including anti-dilution rights, liquidation preference and redemption rights. With the increase of valuation in future rounds of financing, the fair value loss of financial instruments with preferred right may continue to incur.

Loss for the period

As a result of the foregoing, our loss for the period increased by 58.9% from RMB340.6 million for the nine months ended September 30, 2018 to RMB541.2 million (US$75.7 million) for the nine months ended September 30, 2019.

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Revenue

We generate revenue mainly from (i) precision oncology testing and (ii) development services.

The following table sets forth our revenue in absolute amounts and as percentages of total revenue for the periods indicated:

	For the Year Ended December 31,				
	2017		2018		
	RMB	%	RMB	US$	%
	(in thousands, except for percentages)				
Revenues from					
Precision oncology testing	68,949	68.2	173,293	24,244	77.0
Development services	32,084	31.8	51,883	7,259	23.0
Total	101,033	100.0	225,176	31,503	100.0

Our revenue increased by 122.9% from RMB101.0 million in 2017 to RMB225.2 million (US$31.5 million) in 2018. The growth of our revenue was largely driven by the increase in revenue generated from precision oncology testing.

Precision oncology testing

Our precision oncology testing revenue consists of revenue generated from sales of LDT services and IVD products. Our revenue generated from precision oncology testing increased by 151.3% from approximately RMB68.9 million in 2017 to approximately RMB173.3 million (US$24.2 million) in 2018. The increase was mainly driven by the increase in the number of LDT services from approximately 6,700 in 2017 to approximately 15,600 in 2018. The increase in the number of LDT services was mainly attributable to the increase in the number of hospitals covered from approximately 220 as of December 31, 2017 to approximately 270 as of December 31, 2018 and the coverage of additional cancer types. We started generating revenue from the sales of IVD products in 2018 after we obtained the NMPA registration for our platform and assays in December 2017. Our revenue generated from sales of IVD products was approximately RMB4.7 million (US$0.7 million) in 2018 and accounted for 2.7% of our total precision oncology testing revenue in 2018.

Development services

Our revenue generated from development services increased by 61.7% from approximately RMB32.1 million in 2017 to approximately RMB51.9 million (US$7.3 million) in 2018, mainly driven by an increase of RMB17.7 million in the revenues generated from our sequencing services provided to other genomic sequencing companies attributable to the increase of our sequencing capacity.

Cost of revenue

Our cost of revenue primarily consists of (i) precision oncology testing and (ii) development services. The following table sets forth cost of revenue in absolute amounts and as percentages of revenue for the periods indicated:

	For the Year Ended December 31,				
	2017		2018		
	RMB	%	RMB	US$	%
	(in thousands, except for percentages)				
Revenues	101,033	100	225,176	31,503	100
Cost of revenue:					
Precision oncology testing	39,121	38.7	78,257	10,948	34.7
Development services	35,090	34.8	54,193	7,582	24.1
Total	74,211	73.5	132,450	18,530	58.8

Our cost of revenue increased by 78.5% from RMB74.2 million in 2017 to RMB132.5 million (US$18.5 million) in 2018, which was in line with the increases of our revenues. This increase was primarily due to an increase in raw material and consumables used attributable to the increasing sale amounts of LDT tests and IVD products. Meanwhile, our cost of revenue as a percentage of our revenues decreased from 73.5% in 2017 to 58.8% in 2018, mainly driven by our improved bargaining power over raw material and consumables used and the increased economies of scale.

Cost of revenue for precision oncology testing was RMB78.3 million (US$10.9 million) in 2018 compared to RMB39.1 million in 2017. The increase in cost of revenue for precision oncology testing was in line with growth of our precision oncology testing service. Meanwhile, the cost of revenue for precision oncology as a percentage of revenues from precision oncology testing decreased from 56.7% in 2017 to 45.2% in 2018.

Cost of revenue for development services was RMB54.2 million (US$7.6 million) in 2018 compared to RMB35.1 million in 2017. The increase of cost of revenue for development services was in line with the growth of our development services business. In 2017 and 2018, the cost of revenue for development service was close to break-even with revenue from development service since we priced our sequencing services around the cost.

Gross profit

As a result of the foregoing, our gross profit increased by 245.7% from approximately RMB26.8 million in 2017 to approximately RMB92.7 million (US$13.0 million) in 2018. In particular, our gross profit for precision oncology testing increased by 218.6% from RMB29.8 million in 2017 to RMB95.0 million in 2018. Our gross margin increased from 26.5% in 2017 to 41.2% in the 2018.

Selling expenses

Our selling expenses increased by 93.0% from RMB94.6 million in 2017 to RMB182.5 million (US$25.5 million) in 2018, which was mainly attributable to (i) the expansion of sales and marketing team from approximately 180 personnel as of December 31, 2017 to approximately 240 personnel as of December 31, 2018, (ii) an increase in market education efforts on additional cancer types in connection with newly launched products, including hosting medical conferences and seminars, promoting awareness, and establishing collaboration with leading KOLs, and (iii) an increase in sales and marketing efforts, covering approximately 270 hospitals as of December 31, 2018 compared to approximately 220 hospitals as of December 31, 2017. Meanwhile, our selling expenses as a percentage of our net revenues decreased from 93.6% in 2017 to 81.0% in 2018.

Administrative expenses

Our administrative expenses increased by 94.0% from RMB45.5 million in 2017 to RMB88.2 million (US$12.3 million) in 2018. The increase in administrative expenses was primarily due to (i) an increase in the employee benefits expenses charged in this category attributable to increase in fair value of share options and (ii) an increase in professional fees attributed to our initial public offering efforts and re-branding.

Research and development expenses

Our research and development expenses increased by 56.0% from RMB45.8 million in 2017 to RMB71.4 million (US$10.0 million) in 2018, which was mainly attributable to (i) the increased raw material and consumables used in research and development activities, and (ii) the increase in the employee benefits expenses attributed to the increased number of our research and development personnel. Such increases are primarily due to (i) expanded clinical trial programs that support the development of our IVD products and (ii) development of our platform and technologies, including early screening technology platform and Genetron One-Stop Seq Method ctDNA.

Net impairment losses on financial assets

Our net impairment losses on financial assets increased by 36.2% from RMB0.5 million in 2017 to RMB0.7 million in 2018, which was primarily due to the provision of impairment of trade receivables and contract assets.

Other income—net

Our other income—net was RMB17.1 million (US$2.4 million) in 2018 compared to RMB7.0 million in 2017, an increase of RMB10.1 million, or 145.6%. This increase was primarily attributable to an increase of RMB4.6 million in our investment income on wealth management products and an increase of RMB5.9 million in the government grants, which were subsidies received for compensating our research and development expenses incurred for certain projects.

Operating loss

As a result of the foregoing, our operating loss increased by 52.7% from approximately RMB152.5 million in 2017 to approximately RMB233.0 million (US$32.6 million) in 2018.

Finance income

Our finance income was RMB1.6 million (US$0.2 million) in 2018, as compared to RMB0.7 million in 2017, which was primarily attributable to the increase in the interests generated from our bank deposit and loans to related parties.

Finance costs

We incurred RMB10.7 million and nil finance costs in 2017 and 2018, respectively. The finance costs incurred in 2017 were primarily in relation to fees for the financial advisor of our previous financing activities.

Fair value loss of financial instruments with preferred right

We recorded RMB258.1 million and RMB233.6 million (US$32.7 million) fair value loss of financial instruments with preferred right in 2017 and 2018, respectively. The fair value loss of financial instruments with preferred right was primarily attribute to the change of fair value of our preferred shares. Our preferred shares are

attached with certain key preferred rights, including anti-dilution rights, liquidation preference and redemption rights. With the increase of valuation in future rounds of financing, the fair value loss of financial instruments with preferred right may continue to incur.

Loss for the year

As a result of the foregoing, our loss for the year increased by 10.5% from RMB420.6 million in 2017 to RMB465.0 million (US$65.1 million) in 2018.

Events occurring after the reporting period

On November 18, 2019, we repurchased 6,933,000 preferred shares and 8,272,000 ordinary shares from certain of our shareholders for an aggregate consideration of US$15.0 million, pursuant to four share repurchase agreements dated October 1, 2019. On November 19, 2019, we issued 15,205,000 series C-2 preferred shares to Vivo for a consideration of US$15.0 million, pursuant to a series C-2 preferred shares purchase agreement dated October 1, 2019 and as amended on November 19, 2019. Both the fair value of the repurchase and the issuance of the Series C-2 preferred shares exceed the respective consideration. As a result, we recorded a net loss of approximately RMB 30 million in the statement of loss. Vivo is a lead investor in our series D round financing. The arrangement of series C-2 preferred shares issuance is an integral part of Vivo's overall investments in our company and is one of the closing conditions of series D round financing.

On November 19, 2019, we issued 10,244,300 series D preferred shares to Vivo for a consideration of US$15.0 million, 6,829,500 series D preferred shares to CICC Healthcare for a consideration of US$10.0 million, 6,829,500 series D preferred shares to Alexandria Venture Investments, LLC for a consideration of US$10.0 million, 6,829,500 series D preferred shares to GIANT PLAN LIMITED for a consideration of US$10.0 million, and 3,414,800 series D preferred shares to ETP BioHealth II Fund, L.P., pursuant to a series D preferred shares purchase agreement (the "**Series D Preferred Shares Purchase Agreement**") dated November 19, 2019. The investors agreed to make their respective payments in total of US$50.0 million within ten business days from November 19, 2019.

In addition, pursuant to the Series D Preferred Shares Purchase Agreement, we agree to issue additional 6,829,500 series D preferred shares (or corresponding number of ordinary shares subject to series D conversion mechanism) (the "**Additional Purchased Shares**") for a consideration of US$10.0 million to CICC Healthcare (the "**Additional Installment**"), on the condition that CICC Healthcare will pay the Additional Installment after the completion of necessary filings with and approval from relevant PRC governmental authorities for the purpose of outbound direct investments but in any event no later than ninety (90) days from November 19, 2019 (the "**Extension Period**"). In the event that the Additional Installment is not paid by CICC Healthcare within the Extension Period, CICC Healthcare's right to purchase the Additional Purchased Shares shall be cancelled and terminated automatically upon the expiration of the Extension Period, without any further action from CICC Healthcare or us (the "**Automatic Cancellation**"). If this offering takes place anytime during the Extension Period when CICC Healthcare yet pays for the Additional Installment, then we can, at our full discretion and with a written notice to all Investors (as defined in Series D Preferred Shares Purchase Agreement) within five (5) business days after the consummation of this offering, cancel and terminate CICC Healthcare's right to purchase the Additional Purchased Shares without any further action from CICC Healthcare. Immediately upon the Automatic Cancellation, Emerging Technology Partners LLC shall be obligated to purchase the Additional Purchased Shares and pay the Additional Installment to us within 15 days upon the Automatic Cancellation.

Liquidity and Capital Resources

Since our inception, we have incurred net losses and negative cash flow from our operations. We expect to incur additional operating losses in the near future and our operating expenses will increase as we continue to expand our sales organization, increase our marketing efforts to drive market adoption, invest in clinical trials,

develop new IVD product offerings and increase in administrative expenses as a public company. We anticipate that our capital expenditure requirements will also increase in order to build additional capacity. Moreover, following the completion of this offering, we expect to incur additional costs associated with operating as a public company, including expenses related to legal, accounting, regulatory, maintaining compliance with exchange listing and SEC requirements, director and officer insurance premiums, and investor relations.

Prior to this offering, our principal source of liquidity has been cash generated from historical financing activities. As of December 31, 2018, we had RMB62.1 million (US$8.7 million) in cash and cash equivalents, a significant portion of which were held by our PRC subsidiaries and VIE and their subsidiaries in China. Our cash and cash equivalents consist primarily of bank deposits and are primarily denominated in Renminbi. In March 2019, we received RMB25.0 million from a sale and leaseback transaction, in which we transferred the ownership of certain equipment and pledged all equity interest of Beijing Genetron Medical Laboratory Co., Ltd. to an independent third party. In June 2019, we received RMB6.96 million from a similar sale and leaseback transaction. In June 2019, we received RMB5.0 million from a loan facility. On November 19, 2019, we closed our series D round of financing. The investors agreed to make their respective payments in total of US50.0 million within ten business days from November 19, 2019. We expect to receive net proceeds of US$10.0 million upon the issuance of additional 6,829,500 series D preferred shares, or corresponding number of ordinary shares subject to series D conversion mechanism, to CICC Healthcare subject to the fulfillment of certain conditions, or in case that the automatic cancellation occurs after ninety (90) days from November 19, 2019, to Emerging Technology Partners LLC or its affiliated fund. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Events occurring after the reporting period.” In addition, we received a loan of RMB35.0 million from Juventas Cell Therapy Ltd in August 2019 with an outstanding balance of RMB25.0 million as of the date of this prospectus. See “Related Party Transactions—Transaction with Juventas Cell Therapy Ltd.” Based on our current business plan, we believe the proceeds from our financing activities and our current cash and cash equivalents will be sufficient to meet our anticipated cash needs, including our cash needs for working capital and capital expenditures, for at least the next 12 months.

We have based these future funding requirements on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we expect. We may, therefore, require additional cash due to changing business conditions or other future developments. If our available cash balances, anticipated cash generated from precision oncology testing and development services, and the proceeds from our financing activities, including net proceeds from this offering, are insufficient to satisfy our liquidity requirements, we may seek to sell additional common or preferred equity or convertible debt securities, enter into an additional credit facility or another form of third-party funding or seek other debt financing. See “Risk Factors—Risks Relating to our Financial Prospects and Need for Additional Capital—We may need to obtain substantial additional financing to fund our growth and operations.” The sale of equity and convertible debt securities may result in dilution to our stockholders and, in the case of preferred equity securities or convertible debt, those securities could provide for rights, preferences or privileges senior to those of our common stock. The terms of debt securities issued or borrowings pursuant to a credit agreement could impose significant restrictions on our operations. Additional capital may not be available on reasonable terms, or at all.

In utilizing the proceeds we expect to receive from this offering, we may make capital contributions to our PRC subsidiaries, acquire or establish new PRC subsidiaries, give loans to our PRC subsidiaries. However, most of these uses are subject to PRC regulations. See “Risk Factors—Risks Relating to Doing Business in the PRC—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business.” and “Use of Proceeds.”

Substantially all of our future revenues are likely to continue to be denominated in Renminbi. Under existing PRC foreign exchange regulations, Renminbi may be converted into foreign currencies for current account items, including profit distributions, interest payments and trade- and service-related foreign exchange transactions, without prior SAFE approval as long as certain routine procedural requirements are fulfilled. Therefore, our PRC subsidiaries are allowed to pay dividends in foreign currencies to us without prior SAFE

approval by following certain routine procedural requirements. However, approval from or registration with competent government authorities is required where the Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future.

The following table presents our selected consolidated cash flow data for the years ended December 31, 2017 and 2018 and the nine months ended September 30, 2018 and 2019.

	For the Year Ended December 31,			For the Nine Months Ended September 30,		
	2017	2018	2018	2018	2019	2019
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Cash flows from operating activities						
Cash used in operations	(129,920)	(201,016)	(28,123)	(165,246)	(129,181)	(18,073)
Net cash used in operating activities	(129,920)	(201,016)	(28,123)	(165,246)	(129,181)	(18,073)
Cash flows from investing activities						
Purchase of property, plant and equipment	(19,167)	(43,910)	(6,143)	(36,200)	(14,858)	(2,079)
Payments for intangible assets	(2,167)	(3,515)	(492)	(200)	(2,558)	(358)
Proceeds from disposals of property, plant and equipment	—	—	—	—	3,274	458
Purchase of wealth management products	(890,020)	(895,140)	(125,234)	(795,860)	(256,850)	(35,935)
Redemption from wealth management products	711,560	1,109,675	155,249	941,825	295,447	41,335
Investment income from wealth management products	1,801	6,929	969	6,053	715	100
Loans to related parties	—	(43,550)	(6,093)	(43,550)	(5,000)	(700)
Repayments of loans by related parties	—	41,000	5,736	35,000	2,250	315
Net cash (used in)/generated from investing activities	(197,993)	171,489	23,992	107,068	22,420	3,136
Cash flows from financing activities						
Proceeds from issuance of restricted shares	2,174	—	—	—	—	—
Proceeds from issuance of financial instruments with preferred rights	350,000	60,000	8,394	60,000	—	—
Issuance costs of financial instruments with preferred rights	—	(10,600)	(1,483)	(10,600)	—	—
Proceeds from bank borrowings	15,000	—	—	—	32,955	4,611
Repayments of bank borrowings	(15,000)	—	—	—	(6,449)	(902)
Proceeds from loans from a related party	6,000	—	—	—	35,000	4,897
Repayments of loans from a related party	(6,000)	—	—	—	—	—
Principal elements of lease payments	—	—	—	—	(8,564)	(1,198)
Interest paid	(669)	—	—	—	(2,903)	(407)
Net cash generated from financing activities	351,505	49,400	6,911	49,400	50,039	7,001
Net increase/(decrease) in cash and cash equivalents	23,592	19,873	2,780	(8,778)	(56,722)	(7,936)
Cash and cash equivalents at beginning of year/period	18,360	42,030	5,880	42,030	62,126	8,692
Exchange differences	78	223	32	131	(16)	(2)
Cash and cash equivalents at end of year/period	42,030	62,126	8,692	33,383	5,388	754

Operating activities

Net cash used in operating activities was RMB129.2 million (US$18.1 million) for the nine months ended September 30, 2019. The difference between our loss before income tax of RMB541.2 million (US$75.7 million) and the net cash used in operating activities was mainly due to (i) fair value loss/change of financial instruments with preferred rights of RMB316.0 million (US$44.2 million), (ii) share-based compensation of RMB31.5 million (US$4.4 million), (iii) depreciation and amortization of RMB34.8 million (US$4.9 million) and (iv) an increase in other payables and accruals RMB38.4 million (US$5.4 million).

Net cash used in operating activities was RMB201.0 million (US$28.1 million) in 2018. The difference between our loss before income tax of RMB465.0 million (US$65.1 million) and the net cash used in operating activities was mainly due to (i) fair value changes of financial instruments with preferred rights of RMB233.6 million (US$32.7 million), (ii) depreciation of RMB26.8 million (US$3.7 million), (iii) share-based compensation of RMB29.6 million (US$4.1 million) and (iv) an increase in other payables and accruals of RMB26.6 million (US$3.7 million), partially offset by (i) an increase in trade receivables of RMB27.4 million (US$3.8 million), (ii) an increase in other current asset of RMB11.7 million (US$1.6 million) and (iii) an increase in inventories of RMB8.8 million (US$1.2 million).

Net cash used in operating activities was RMB129.9 million in 2017. The difference between our loss before income tax of RMB420.6 million and the net cash used in operating activities was mainly due to (i) fair value changes of financial instruments with preferred rights of RMB258.1 million, (ii) depreciation of RMB19.6 million, (iii) share-based compensation of RMB20.7 million and (iv) an increase in other payables and accruals of RMB12.1 million, partially offset by (i) an increase in other current assets of RMB11.6 million and (ii) an increase in inventories of RMB9.2 million.

Investing activities

Net cash generated from investing activities was RMB22.4 million (US$3.1 million) for the nine months ended September 30, 2019, which was primarily attributable to redemption of wealth management products of RMB295.4 million (US$41.3 million), partially offset by purchase of wealth management products of RMB256.9 million (US$35.9 million).

Net cash generated from investing activities was RMB171.5 million (US$24.0 million) in 2018, which was primarily attributable to redemption of wealth management products of RMB1,109.7 million (US$155.2 million), partially offset by purchase of wealth management products of RMB895.1 million (US$125.2 million).

Net cash used in investing activities was RMB198.0 million in 2017, which was primarily attributable to purchase of wealth management products of RMB890.0 million, partially offset by redemption of wealth management products of RMB711.6 million.

Financing activities

Net cash generated from financing activities was RMB50.0 million (US$7.0 million) for the nine months ended September 30, 2019, which was mainly attributable to the proceeds from borrowings of RMB33.0 million (US$4.6 million) and the proceeds from loans from a related party of RMB35.0 million (US$4.9 million), partially offset by the repayments of borrowings RMB6.4 million (US$0.9 million), the principal elements of lease payments of RMB8.6 million (US$1.2 million) and the interest paid of RMB2.9 million (US$0.4 million).

Net cash generated from financing activities in 2018 was RMB49.4 million (US$6.9 million), which was mainly attributable to proceeds from issuance of financial instruments with preferred rights of RMB60.0 million (US$8.4 million), partially offset by RMB10.6 million (US$1.5 million) paid in 2018 which is related to the issuance costs of financial instruments with preferred rights issued in 2017.

Net cash generated from financing activities in 2017 was RMB351.5 million, which was primarily attributable to proceeds from issuance of financial instruments with preferred rights of RMB350.0 million.

Capital Expenditures

Our capital expenditures are incurred primarily in connection with purchases of equipment. Our capital expenditures were RMB21.3 million, RMB47.4 million (US$6.6 million) and RMB17.4 million (US$2.4 million), respectively, in 2017, 2018 and the nine months ended September 30, 2019. We intend to fund our future capital expenditures with our existing cash balance and net proceeds from this offering. We will continue to make capital expenditures to meet the expected growth of our business.

Contractual Obligations

The following table sets forth our commitments as of December 31, 2018 and September 30, 2019.

	Payments Due by December 31, 2018				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(RMB in thousands)				
Capital commitments(1)	7,500	7,500	—	—	—
Operating leases(2)	27,324	13,172	13,257	895	—
Total	34,824	20,672	13,257	895	—

	Payments Due by September 30, 2019				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(RMB in thousands)				
Capital commitments(1)	2,910	2,910	—	—	—
Operating leases(2)	53,482	17,348	22,525	8,726	4,883
Short-term bank borrowings	5,190	5,190	—	—	—
Short-term loan from a related party	36,008	36,008	—	—	—
Long-term borrowing	23,892	16,104	7,788	—	—
Total	121,482	77,560	30,313	8,726	4,883

(1) Capital commitments relate to contracts for equipment and intangible assets.
(2) Operating leases relate to certain office buildings under non-cancellable operating lease agreements.

Holding Company Structure

Genetron Holdings Limited is a holding company with no material operations of its own. We conduct our operations primarily through our subsidiaries and our consolidated VIE. As a result, our ability to pay dividends depends upon dividends paid by our subsidiaries. If our subsidiaries or any newly formed subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us.

In addition, our subsidiaries in China are permitted to pay dividends to us only out of their retained earnings, if any, as determined in accordance with the Accounting Standards for Business Enterprise as promulgated by the Ministry of Finance of the PRC, or PRC GAAP. In accordance with PRC company laws, our consolidated VIE in China must make appropriations from their after-tax profit to non-distributable reserve funds including (i) statutory surplus fund and (ii) discretionary surplus fund. The appropriation to the statutory surplus fund must be at least 10% of the after-tax profits calculated in accordance with PRC GAAP. Appropriation is not required if

the statutory surplus fund has reached 50% of the registered capital of our consolidated VIE. Appropriation to discretionary surplus fund is made at the discretion of our consolidated VIE. Pursuant to the law applicable to China's foreign investment enterprise, our subsidiaries that are foreign investment enterprise in the PRC have to make appropriation from their after-tax profit, as determined under PRC GAAP, to reserve funds including (i) general reserve fund, (ii) enterprise expansion fund and (iii) staff bonus and welfare fund. The appropriation to the general reserve fund must be at least 10% of the after-tax profits calculated in accordance with PRC GAAP. Appropriation is not required if the reserve fund has reached 50% of the registered capital of our subsidiary. Appropriation to the other two reserve funds are at our subsidiary's discretion.

As an offshore holding company, we are permitted under PRC laws and regulations to provide funding from the proceeds of our offshore fund raising activities to our PRC subsidiaries only through loans or capital contributions, and to our consolidated affiliated entity only through loans, in each case subject to the satisfaction of the applicable government registration and approval requirements. See "Risk Factors—Risks Relating to Doing Business in the PRC—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business." As a result, there is uncertainty with respect to our ability to provide prompt financial support to our PRC subsidiaries and consolidated VIE when needed. Notwithstanding the foregoing, our PRC subsidiaries may use their own retained earnings (rather than Renminbi converted from foreign currency denominated capital) to provide financial support to our consolidated affiliated entity either through entrustment loans from our PRC subsidiaries to our consolidated VIE or direct loans to such consolidated affiliated entity's nominee shareholders, which would be contributed to the consolidated variable entity as capital injections. Such direct loans to the nominee shareholders would be eliminated in our consolidated financial statements against the consolidated affiliated entity's share capital.

Off-Balance Sheet Commitments and Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

Critical Accounting Policies, Judgments and Estimates

Basis of Preparation

We prepare our financial statements in accordance with the IFRS issued by the IASB, which requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet dates and revenues and expenses during the reporting periods. We have adopted IFRS 16 retrospectively from January 1, 2019, but have not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on January 1, 2019. We continually evaluate these judgments and estimates based on our own historical experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and assumptions that we believe to be reasonable, which together form our basis for making judgments about matters that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates. Some of our accounting policies require a higher degree of judgment than others in their application.

The selection of critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors that should be considered when reviewing our financial statements. We believe the following accounting policies involve the most significant judgments and estimates used in the preparation of our financial statements. You should read the following description of critical accounting policies, judgments and estimates in conjunction with our consolidated financial statements and other disclosures included in this prospectus.

Revenue Recognition

We have two revenue streams including precision oncology testing and development services for the years ended December 31, 2017 and 2018 and the nine months ended September 30, 2019.

(a) Precision oncology testing

The precision oncology testing refers to diagnosis and monitoring as well as early screening performed in the form of LDT services and IVD products. The services period of each precision oncology testing is generally around 1 to 2 weeks. Our customers include individuals and enterprises, distributors and hospitals. Revenue is recognized when the performance obligations are satisfied.

Precision oncology testing is designed for each individual. We recognize revenue over time when it has an enforceable right to payment for performance completed to date. The progress of precision oncology recognized over time is measured based on our input to the satisfaction of related performance obligation.

Revenue from precision oncology testing is recognized at a point in time when we do not have enforceable right to payment for performance completed to date. For those arrangements, we recognize revenue when the report is delivered.

Revenue from sales of IVD products is recognized when control of IVD products is transferred upon that hospitals and institutional customers have received and accepted the products.

(b) Development services

Revenue from development services refers to the research services and sequencing services. Research services are recognized over time when it has an enforceable right to payment for performance completed to date. The progress of research services is measured based on our outputs to the satisfaction of related performance obligation of research services. Sequencing services are recognized at a point in time when we do not have enforceable right to payment for performance completed to date. For those arrangements, we recognize revenue when the report is delivered.

Consolidation of variable interest entity

We exercise control over the VIE and have the right to recognize and receive substantially all the economic benefits through the Contractual Arrangements. We consider that we control the VIE notwithstanding the fact that it does not hold direct equity interests in the VIE, as we have power over the VIE and receive substantially all the economic benefits from the business activities of the VIE through the Contractual Arrangements. Accordingly, the VIE is accounted for as a controlled structured entity and its financial statements have also been consolidated by us.

Impairment of receivables

We apply the IFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance and makes impairment loss based on assessments of the recoverability of the trade receivables and

contract assets, including the current creditworthiness, the past collection history of each debtor and forward looking information. A considerable amount of judgement is required to estimate the expected loss rates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade receivables and contract assets and loss allowances in the year in which such estimate is changed.

Financial instruments with preferred rights

Financial instruments with preferred rights issued by us are convertible into ordinary shares upon the completion of a qualified IPO or at the option of the holders and redeemable upon occurrence of certain future events.

We designates the financial instruments with preferred rights as financial liabilities at fair value through profit or loss. They are initially recognized at fair value. Any directly attributable transaction costs are expensed in the consolidated statements of loss.

The fair value of preferred shares that are not traded in an active market is determined using valuation techniques. We have used the discounted cash flow method to determine the equity value of our group and adopted equity allocation model to determine the fair value of the preferred shares. Key assumptions are discount rate, risk-free interest rate and discount for lack of marketability.

Subsequent to initial recognition, the amount of change in the fair value of the financial instruments with preferred rights that is attributable to changes in the credit risk of that liability shall be presented in other comprehensive income with the remaining changes in fair value recognized in the profit or loss.

The financial instruments with preferred rights are classified as non-current liabilities unless we have an obligation to settle the liabilities within 12 months after the end of the reporting period.

Share-based Payment

Share-based compensation benefits (including restricted ordinary shares and share options) are provided to employees and consultants via a share incentive plan.

The fair value of restricted shares and options granted under the plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the restricted shares and options granted:

- including any market performance conditions (e.g. the entity’s share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, we revise our estimates of the expected IPO date and the number of restricted shares and options that are expected to vest based on the service and non-market performance vesting conditions. We recognize the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. We apply prospective treatment in respect of accounting for modifications of equity-settled awards that reduce the vesting period, if any.

Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the taxable income of current period based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where we and our subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

We recognize deferred tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred tax assets mainly involves management's judgments and estimations about the timing and the amount of taxable profits of the companies which have tax losses.

Uncertain tax positions

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from us in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In determining the amount of current and deferred income tax, we take into account the impact of uncertain tax positions and whether preferential tax rates, additional taxes, interest or penalties may be due and whether future taxable profits will be available to enable deferred tax assets resulting from deductible temporary differences and tax losses to be recognized. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes us to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Lease extension options

As adopted IFRS 16 for the first time, we assess the lease extension option involving significant judgment.

Extension options are included in a number of property leases across our company. These terms are used to maximize operational flexibility in terms of managing contracts.

In determining the lease term, we consider all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Internal Control Over Financial Reporting

Prior to this offering, we have been a private company with limited accounting personnel and other resources with which to address our internal control over financial reporting. In connection with the audit of our consolidated financial statements as of and for the two fiscal years ended December 31, 2017 and 2018, our independent registered public accounting firm identified two material weaknesses in our internal control over financial reporting as at December 31, 2018. As defined in standards established by the PCAOB, a "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The two material weaknesses that has been identified related to:

- Our lack of sufficient and competent financial reporting and accounting personnel with appropriate knowledge of IFRS and reporting requirements set forth by the SEC to address complex IFRS technical accounting issues, and to prepare and review the consolidated financial statements and related disclosures in accordance with IFRS and SEC reporting requirements; and
- Our lack of formal and effective period-end financial closing policies and procedures.

Such material weaknesses, if not timely remedied, may lead to significant misstatements in our consolidated financial statements in the future.

To remediate our identified material weakness, we intend to adopt several measures to improve our internal control over financial reporting, including (i) hiring more qualified accounting personnel, with relevant IFRS and SEC reporting experience and qualifications to strengthen the financial reporting function and setting up a financial and system control framework; (ii) implementing regular and continuous IFRS accounting and financial reporting training programs for our accounting and financial reporting personnel; (iii) setting up an internal audit function as well as engaging an external consulting firm to assist us with assessment of Sarbanes-Oxley compliance requirements and improvement of overall internal controls; and (iv) preparing comprehensive accounting policies, manuals and closing procedures to improve the quality and accuracy of our period-end financial closing process.

We expect that we will incur significant costs in the implementation of such measures. However, we cannot assure you that all these measures will be sufficient to remediate our material weakness in time, or at all. See “Risk factors—Risks Relating to Our Operations—If we fail to implement and maintain an effective system of internal controls, we may be unable to accurately or timely report our results of operations or prevent fraud, and investor confidence and the market price of our ADSs may be materially and adversely affected.”

As a company with less than US$1.07 billion in revenue for our last fiscal year, we qualify as an “emerging growth company” pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, in the assessment of the emerging growth company’s internal control over financial reporting.

Quantitative and Qualitative Disclosure about Market Risk

Interest rate risk

Our exposure to interest rate risk primarily relates to the interest income generated by excess cash, which is mostly held in interest-bearing bank deposits. We have not used any derivative financial instruments to manage our interest risk exposure. Interest-earning instruments carry a degree of interest rate risk. We have not been exposed, nor do we anticipate being exposed, to material risks due to changes in interest rates. However, our future interest income may be lower than expected due to changes in market interest rates.

Foreign exchange risk

Substantially all of our net revenues and expenses are denominated in Renminbi. We do not believe that we currently have any significant direct foreign exchange risk and have not used any derivative financial instruments to hedge exposure to such risk. Although our exposure to foreign exchange risks should be limited in general, the value of your investment in the ADSs will be affected by the exchange rate between U.S. dollar and Renminbi because the value of our business is effectively denominated in RMB, while the ADSs representing our ordinary shares will be traded in U.S. dollars.

The value of the Renminbi against the U.S. dollar and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. In July 2005, the PRC government changed its decades-old policy of pegging the value of the Renminbi to the U.S. dollar, and the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation subsided and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. While appreciating approximately by 7% against the U.S. dollar in 2017, the Renminbi in 2018 depreciated approximately by 5% against the U.S. dollar. Since October 1, 2016, the RMB has joined the International Monetary Fund (IMF)'s basket of currencies that make up the Special Drawing Right (SDR), along with the U.S. dollar, the Euro, the Japanese yen and the British pound. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system and there is no guarantee that the RMB will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of Renminbi against the U.S. dollar would reduce the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs, servicing our outstanding debt, or for other business purposes, appreciation of the U.S. dollar against the Renminbi would reduce the U.S. dollar amounts available to us.

We estimate that we will receive net proceeds of approximately US$ million from this offering, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us, based on the assumed initial offering price of US$ per ADS, the midpoint of the estimated initial public offering price range set forth on the front cover of this prospectus. Assuming that we convert the full amount of the net proceeds from this offering into RMB, a 10% appreciation of the U.S. dollar against RMB, from a rate of RMB7.1477 to US$1.00, the rate in effect as of September 30, 2019, to a rate of RMB7.8625 to US$1.00, will result in an increase of RMB million in our net proceeds from this offering. Conversely, a 10% depreciation of the U.S. dollar against the RMB, from a rate of RMB7.1477 to US$1.00, the rate in effect as of September 30, 2019, to a rate of RMB6.4329 to US$1.00, will result in a decrease of RMB million in our net proceeds from this offering.

Inflation risk

Since our inception, inflation in China has not materially impacted our results of operations. According to the National Bureau of Statistics of China, the year-over-year percent changes in the consumer price index for December 2017 and 2018 were increases of 1.8% and 1.9%, respectively. Although we have not in the past been materially affected by inflation since our inception, we can provide no assurance that we will not be affected in the future by higher rates of inflation in China.

Recent Accounting Pronouncements

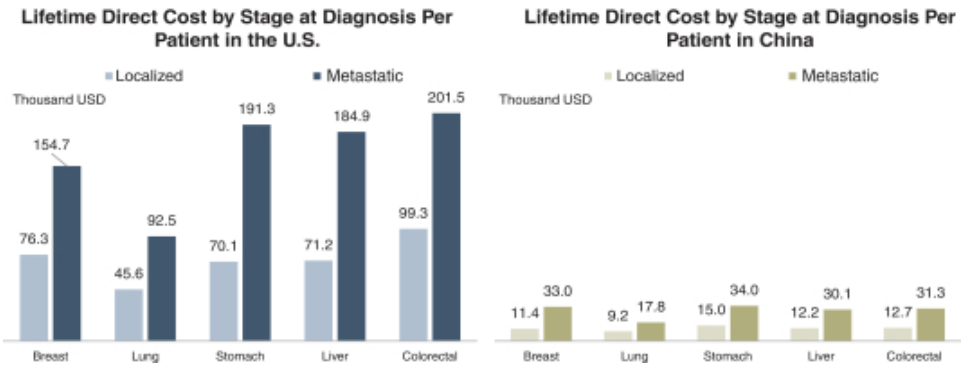
For detailed discussion on recent accounting pronouncements, see Note 2.2 to our Consolidated Financial Statements.

INDUSTRY OVERVIEW

Despite advances in new treatments, cancer remains a major challenge for modern medicine with significant unmet medical needs. According to Frost & Sullivan, cancer is the second leading cause of death in China—the number of total new cancer patients in China amounted to 4.3 million in 2018 and is expected to reach 4.9 million in 2023. Lung cancer, stomach cancer, colorectal cancer, liver cancer, breast cancer, thyroid cancer, esophagus cancer, cervix uteri cancer, CNS cancer and pancreas cancer are the top ten major cancer types in China in 2018 by incidence rate, and among all types of cancers, lung cancer, gastric cancer, liver cancer, colorectal cancer and breast cancer, together represent more than 50% of each year's new cancer patients, according to Frost & Sullivan. China accounts for 23.7% of global cancer incidences and 26.7% of the cancer deaths, mainly because China has most cancer types associated with poorer prognosis and higher mortality rates, in addition to limited access to timely diagnosis and treatment, according to Frost & Sullivan.

Costs for cancer treatments, including drug costs, surgery costs, outpatient expenditure, etc., have grown rapidly in recent years. The growth of medical cost globally is mainly driven by the increasingly available effective oncology drugs, especially emerging targeted therapies, priced at relatively high levels. The increase in new cases of cancer patients further raises the medical cost. As a result, total cost of cancer treatments in China is US$219.8 billion in 2018, and is expected to reach US$351.7 billion in 2023, with a CAGR of 9.9% from 2018 to 2023, according to Frost & Sullivan. The cost is estimated to reach US$592.0 billion in 2030, with a CAGR of 7.7% from 2023 to 2030.

Costs for cancer treatment are generally lower when the cancer is detected at an earlier stage. Early detection of cancers allows option of surgical resection rather than medical treatment, or the use of standard, front-line drugs rather than more expensive, experimental regimens. As illustrated in the below chart, the estimated lifetime costs of cancer treatment for cancer diagnosed at the metastatic stage is on average two times higher than those diagnosed at the early stage, according to Frost & Sullivan. China has a 40.5% of 5-year survival rate across all cancers, lower than 66.9% in the U.S., according to Frost & Sullivan. Direct cost of cancer treatment per patient in the U.S. is much higher than that in China, which suggests significant commercial upside potential of China market.



Source: Frost & Sullivan

China has taken multiple initiatives to advance cancer treatments and control cancer treatment costs, including setting up 20 provincial-level cancer centers in a bid to improve the prevention and treatment of cancer. China has established a cancer registry system, with 574 cancer registries set up nationwide and 438 million people covered by the system as of February 2019. In addition, China has 17 life-saving cancer drugs newly included in its national drug reimbursement list ("NDRL") in 2018 with significant price cuts after the price negotiations with pharmaceutical companies. In addition, China has adopted a fast-track approach in its drug evaluation and approval system, allowing more new domestic drugs, innovative drugs and imported drugs to be

available to patients in China. China has also created a special approval channel for clinical trials, which takes two to three years after application previously but only 60 days currently, if no queries or negative feedback are returned to the applicants. With the increase in access of new anti-cancer drugs, adoption of precision oncology, especially cancer molecular profiling, will be further improved.

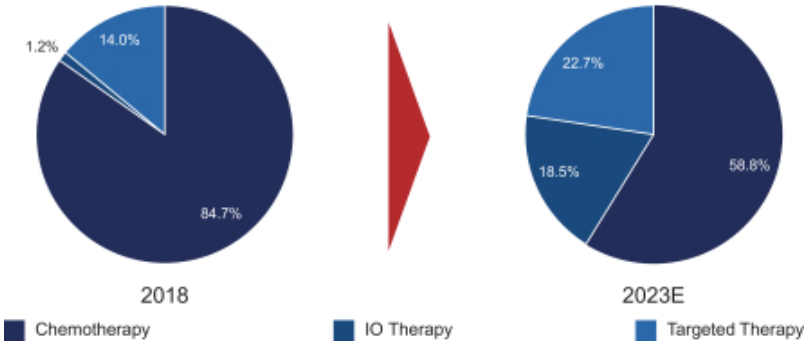
The Rise of Precision Oncology Medicine in China

Cancer treatments in China have gone through a long process of development and are evolving over time with innovative technologies. Traditionally, cancer has been classified by the specific organ in which it is located and treated independently of its molecular profile by surgery, radiotherapy or chemotherapy. China oncology market is dominant by chemotherapy drugs in 2018 with more than 80% market share, according to Frost & Sullivan. It is well understood that these traditional cancer treatments have limitations, including limited applications, serious side effects, lack of efficiency and inability to address early detection or prevent recurrence. For example, surgery is suitable for solid tumors that are contained in one area while it is not used for leukemia or for metastatic cancers; radiation not only kills or slows the growth of cancer cells, but also affects nearby healthy cells; chemotherapy usually causes serious side effects such as neutropenia, bleeding, mouth sores, nausea, and hair loss.

China's precision oncology medicine segment has demonstrated huge market potential, evidenced by the under-penetration of targeted and immuno-oncology drugs. For example, globally, the majority of top ten oncology drugs consists of molecularly targeted drugs and monoclonal antibody drugs; whereas in China, chemotherapy drugs occupy seven seats on the list of top ten oncology drugs. In addition, there are total 43 marketed mAbs and small molecular targeted drugs in China in contrast to 105 similar drugs in the U.S., according to Frost & Sullivan. The difference between the global market and the China market suggests significant potential for molecularly targeted drug and immuno-oncology drug market growth in China. In addition, three out of the top ten oncology drugs globally were recently approved by NMPA in 2018, indicating China has started its paradigm shift to molecularly targeted drugs and immuno-oncology drugs.

Indeed, cancer treatment in China is seeing a rapid adoption of precision medicine, specifically, targeted therapies and immuno-oncology therapies, the practice of which seeks to match patients to personalized, targeted therapies based on the specific molecular profile of their tumors. According to Frost & Sullivan, the targeted therapy and immuno-oncology market grows at a faster rate than radiotherapy and chemotherapy market in China. The number of patients in China receiving targeted therapies and immuno-oncology therapies reached 1.3 million in 2018 and is expected to reach 3.3 million by 2023. Targeted therapies and immuno-oncology therapies are expected to represent 41.2% of China oncology market by 2023, according to Frost & Sullivan.

Breakdown of the Oncology Market by Therapy in China, 2018 and 2023E



Source: Frost & Sullivan

As a result of the rise of immuno-oncology and target therapies and technical advancement in genomics, capital investment on global precision oncology market witnessed an explosive increase in the past several years. China precision oncology market is in line with the growth of global market and recorded a total investment of US$775.5 million in 2018.

The Promise of Cancer Molecular Profiling in China

Development of precision medicine in cancer treatment has led to increasing clinical utility and adoption of precision oncology diagnosis, or cancer molecular profiling—tests that focus on from a single or limited set of biomarkers, commonly referred to as hotspot testing, to comprehensive molecular profiling that provides a more thorough view of the tumor's molecular information. Cancer molecular profiling facilitates the process of early screening, diagnosis, treatment and monitoring and provides patients with individualized care treatment. Major cancer types, including lung, breast and colorectal cancers, have become increasingly classified by molecular profiling and treated accordingly.

Development of biomarkers

With the emergence of molecular profiling technologies and targeted therapies, biomarkers play an increasingly important role in the clinical management of cancer patients in China. Biomarker development involves multiple processes, linking initial discovery in basic studies, validation, and clinical implementation. The ultimate goal of the processes is to establish clinically accessible biomarker tests with clinical utility, informing clinical decision-making to improve cancer treatment outcomes. The NCCN treatment guidelines, which are often followed by physicians in China, support multi-biomarker testing across several cancer types, which has led to increased adoption of comprehensive NGS-based cancer molecular profiling.

Growing popularity of cancer molecular profiling

According to Frost & Sullivan, the penetration rate of cancer molecular profiling in China was 4.9% in 2018, as compared to 8.3% in the United States. Moreover, the penetration rate of NGS-based molecular profiling in China is 0.9% in 2018, which is much lower than 3.3% in the United States. The penetration rates are calculated based on the total number of estimated cancer survivors in 2018 in China and the United States. Although cancer molecular profiling is at its early development stage in China with relatively low penetration rate, it has shown rapid growth rates due to increasing household income and affordability, accelerated approval of targeted and immuno-oncology therapies, the rise of adoption of the cancer molecular profiling methods by oncologists, the increase in the use of biomarkers in cancer molecular profiling, the increase in the demand for NGS techniques in cancer profiling and the growth of cancer incidence rate in China.

The fast adoption of non-invasive prenatal testing ("NIPT") is an exemplar of commercializing precision oncology, including cancer molecular profiling, in China. Through several years of market education, the benefits and advantages of NIPT have been well accepted among physicians and families. According to Frost & Sullivan, penetration rate of NIPT in China was 22.5% in 2018, a significant increase from 0.5% in 2014. The 13th Five-Year Plan (2016-20) for Biology Industry Development issued in January 2017 by National Development and Reform Commission clarifies the objective that genomic testings should cover more than 50% of the whole birth population in China. Given the clear advantage of NIPT, such as safety and high accuracy, over other procedures, families are willing to pay for such tests out-of-pocket. The fast adoption of NIPT in China reflects that the market acceptance of NGS-based products and services that have clear clinical significance would grow rapidly in a relatively short period in China.

China's favorable governmental policies

Precision oncology is listed as one of the new strategic industries to receive support in China's 13th Five-Year Plan (2016-20) period, and breakthroughs in precision oncology are among the goals in the Health China 2030 blueprint issued by the State Council in 2016. The 13th Five-Year Plan on Science, Technology and Innovation, jointly issued by National Health Commission, Ministry of Science and Technology ("MOST") and

State Administration of Traditional Chinese Medicine in August 2016, encourages to develop the key technologies of precision medicine such as NGS technology, genomics research and big data technology and to develop precise solutions and decision support systems for early screening, molecular classification, individualized treatment, genomic monitoring of major diseases, and promote the transformation of medical diagnosis and treatments. The 13th Five-Year Plan for Biology Industry Development issued in January 2017 by National Development and Reform Commission clarifies the objective that genomic testings should cover more than 50% of the whole birth population in China, encourages to use genomic sequencing, big data and other technologies to achieve precision prevention, diagnosis and treatment in cancer, hereditary diseases, etc., and proposes to design optimal individualized treatment plans for patients, giving the right medicine at the right time, and using the right dose. At the first experts' meeting on precision medicine strategy hosted by MOST in 2015, it was announced that investment totaling approximately US$9.2 billion was expected in this sector by 2030, including approximately US$3.1 billion from China' central government.

Frost & Sullivan's analysis of all innovative cancer drugs approved in China over the past five years shows that the period between Investigational New Drug ("IND") approval and new drug application ("NDA") approval has decreased drastically on average over that time. It took an average of 2,489 days for drugs with IND approval before 2015 to reach NDA approval. For drugs with IND approval after 2015, the time to NDA approval was only 823 days. The National Medical Products Administration, or NMPA, also announced in July 2018 that foreign drugs, such as oncology drugs, could use their clinical trial data overseas for approval in China, which opens the door for the registration in China of pharmaceutical drugs and medical devices that have already undergone clinical trials in other countries but previously could not be approved in China without undergoing domestic clinical trials. It allows faster access to the Chinese market with much lower costs for international pharmaceutical companies and medical device manufacturers. For example, the NMPA approved the first anti-PD-1 therapy (nivolumab) for locally advanced or metastatic non-small cell lung cancer in June 2018. The second anti-PD-1 therapy (pembrolizumab) for advanced melanoma in China was approved by the NMPA in July 2018, only a few months after its receipt of priority review status from the NMPA in early 2018. Subsequently, three additional anti-PD-1 therapies from domestic companies have been approved by the NMPA. It is expected that the rapid development and fast approval of innovative cancer drugs will further drive the demand of cancer molecular profiling.

During the February 19, 2019 Policy Briefing of the State Council, deputy director of National Health Commission said the government is accelerating general public's access to cancer early screening, early diagnosis and early treatment. Specifically, for major cancers with high incident rate, such as upper gastrointestinal cancer, colorectal cancer and cervical cancer, that have relatively developed screening and treatment solutions, the government will formulate early screening, early diagnosis and early treatment guidelines; for major cancers with relatively under-developed or less cost-effective screening technologies, such as liver cancer and lung cancer, the government will focus on joint research and development efforts to optimize such early screening technologies. At the same time, the government will gradually expand early screening, early diagnosis and early treatment coverage of cancers with high incident rate and create favorable policies for cancer screening.

Payment Landscape in China

Unlike in the U.S., where cancer molecular profiling is largely covered by both public and commercial payers, comprehensive coverage of cancer molecular profiling by public medical insurance in China is still at its early stage. According to Frost & Sullivan, in contrast to the U.S., China currently has a large self-paid population for cancer molecular profiling services, given that comprehensive public medical insurance coverage is not readily available, yet the concept of cancer molecular profiling has increasingly been accepted among oncologists and cancer patients along with general increase of disposable income in China. With the favorable governmental policies supporting the development of precision oncology industry and increasing coverage of molecularly targeted therapies under public medical insurance, however, it is expected that in the near future China will expand its public medical insurance coverage to include cancer molecular profiling. At the same time,

commercial health insurance in China, although at its early stage compared to most developed countries, is on the fast-track. According to Frost & Sullivan, China's commercial health insurance revenue increased rapidly from US$24.4 billion to US$83.8 billion from 2014 to 2018, with a soaring annual growth rate of 36.1%. As commercial health insurance market competition intensifies, commercial health insurance plans in China are looking to differentiate and had shown great interest in the inclusion of cancer molecular profiling in their products, which is expected to further encourage development of cancer molecular profiling in China, according to Frost & Sullivan.

Market Opportunity

Introduction of advanced and rapid sequencing technologies, advancement in the bioinformatics field, supportive governmental policies, improving affordability, and growing awareness of precision medicine in China have fueled the market growth of China's cancer molecular profiling industry.

The primary application of cancer molecular profiling could be divided into three segments, including (1) early screening, which identifies specific molecular biomarkers to enable early detection of cancer in higher risk population; (2) diagnosis and monitoring, which evaluate patients' genomic profile to support treatment selection and recurrence detection; and (3) development services, which mainly involve cooperation with biopharmaceutical companies, hospitals, and research institutions in the development of new tests and treatments.

Targeted Clients	Higher risk population	Cancer Patients	Biopharma Companies, Hospitals and Research Institutions
Main Services	Screening refers to the use of simple tests across a healthy population in order to identify individuals who have disease, but do not yet have symptoms	Phyisical exam, laboratory tests, imaging tests, biopsy	Research and sequencing services
Objective	To identify individuals who have cancer at early stage	To diagnose cancer and to increase the chances for successful treatment and monitor recurrence in cancer survivors	To support biomarker evaluation, clinical trial enrollment, and companion diagnostics development

Source: Frost & Sullivan

Cancer diagnosis and monitoring market

Molecular diagnostics are increasingly used to guide patient management, from diagnosis to treatment, particularly in the fields of cancer, infectious disease, and congenital abnormalities, which makes critical differences in every stage of cancer care—risk assessment, screening, diagnosis, staging and prognosis, therapy selection, and monitoring.

According to Frost & Sullivan, the total market potential for cancer molecular diagnosis and monitoring market is estimated to be US$6.7 billion, based on estimated 31.6 million cancer survivors in China in 2023,

assuming 95.5% of the cancer survivors will accept cancer treatment and 11.1% of whom will adopt genomic testing for immuno-oncology or targeted therapies on an average of two genomic testings per year, and further assuming that the average price for genomic testing services is US$1,000 per test, based on the average costs for the NGS-based tests currently available on the market.

Most genomic testing companies in China only have one or two products and provide services of very limited scope, according to Frost & Sullivan. Market leading companies, which are able to offer services for different cancer types and provide physicians with training or knowledge on precision oncology technology, have showed rapid growth in the recent years and are expected to perform well in the near future.

Early screening market

Early detection of cancer greatly improves clinical outcomes by providing clinical care and medical intervention at early stage of cancer. Early-detection screening means that testing is applied to those who have no physical signs or symptoms of cancer. Although genomic testing that can accurately detect cancer at its earliest stages or even pre-cancer in a largely asymptomatic population remains challenging from technological, clinical and regulatory perspective, such a test can have significant benefits on mortality and perhaps eventually reduce incidence rates of cancer, if the molecular information provided can be effectively paired with the right preventative medicine or curative intervention.

According to Frost & Sullivan, cancer early screening has great market potential in China. For example, more patients of top cancers, such as liver cancer and lung cancer, in China are diagnosed at late stage. It is well understood that earlier detection of cancer is generally correlated with better clinical outcomes and a higher cure rate for many cancer types, specially liver cancer. For example, according to Frost & Sullivan, the 5-year survival rate for liver cancer at early-stage and late-stage are 45.0% and 8.7%, respectively.

Cancer early screening is expected to grow at a fast rate, according to Frost & Sullivan, as China has witnessed a rapid development of health examination industry, a closely related segment, in the past few years. The penetration rate of health examinations in China was approximately 36.0% in 2017, according to Frost & Sullivan, demonstrating well acceptance of the concept of preventive healthcare services by general public in China. As employers' rising concerns about employees' health to improve overall productivity and reduce potential future medical expenses, development of cancer early screening technologies as well as general public's rising awareness of cancer early screening, cancer early screening industry is expected to enter the fast lane.

According to Frost & Sullivan, the total market potential for liver cancer early screening is approximately US$7.2 billion. This market potential is based on: (i) an estimate of 119.6 million individuals in 2023 who are at higher risk for liver cancer as defined by Chinese Society of Clinical Oncology (CSCO) Guideline, (ii) an assumed testing price of US$200 per test, and (iii) an assumed penetration rate of 30% for cancer early screening, using the ratio of households with income above US$20,000 in China.

Frost & Sullivan also estimates the total market potential for lung cancer early screening is approximately US$5.8 billion. Such market potential is based on an estimate of 95.9 million individuals in 2023 who are at higher risk for lung cancer as defined by CSCO Guideline, with the same assumed testing price and penetration rate as those for liver cancer early screening.

Cancer early screening industry in China is in its infancy. China has a large higher risk population and relatively low penetration rate of early screening compared to that in the U.S. However, the pioneering enterprises in the cancer early screening industry in China have been establishing technical barriers and accelerating the transition of cancer early screening industry from embryonic stage to growth stage, according to Frost & Sullivan. The cancer early screening market in China is driven by advancement of science and technology. Players with strong core technology in the industrial chain may take the lead in the market.

Development services market

Companies with strong gene sequencing capability are actively partnering with biopharmaceutical companies and other research collaborators on fronts of the research, development and commercialization of products, such as oncology medicine. Development services providers mainly provide two types of services for biopharmaceutical companies, i.e. research service and sequencing service, to assist biopharmaceutical companies with research at various stages, including patient identification and patient enrollment for clinical trials, analysis of clinical trial samples, and new drug development in adjuvant cancer settings. Scientific research institutions and pharmaceutical companies are main users of the biopharma service. In particular, pharmaceutical companies are increasingly expanding their investment in research and development of new drugs in recent years, reflecting their strong willingness and abilities to pay for development services. As such, companies that are able to provide one-stop services, including development or customizing new assays, obtaining regulatory approval of assays, and potential commercializing scale manufacturing and operation, to biopharmaceutical companies and other research institutions have competitive advantages in the development services market.

Frost & Sullivan estimates that the total market potential of development services with biopharmaceutical companies in China will be US$0.5 billion, based on (i) an estimated number of new clinical trials exceeding 700 in 2023, involving more than 150,000 new patients, (ii) a estimated price of US$800 per test, and (iii) an estimated average of four tests conducted throughout the whole cancer treatment cycle per patient.

BUSINESS

OUR MISSION

Our mission is to transform cancer treatment and prevention globally by driving technological innovation and accelerating the adoption of precision oncology medicine.

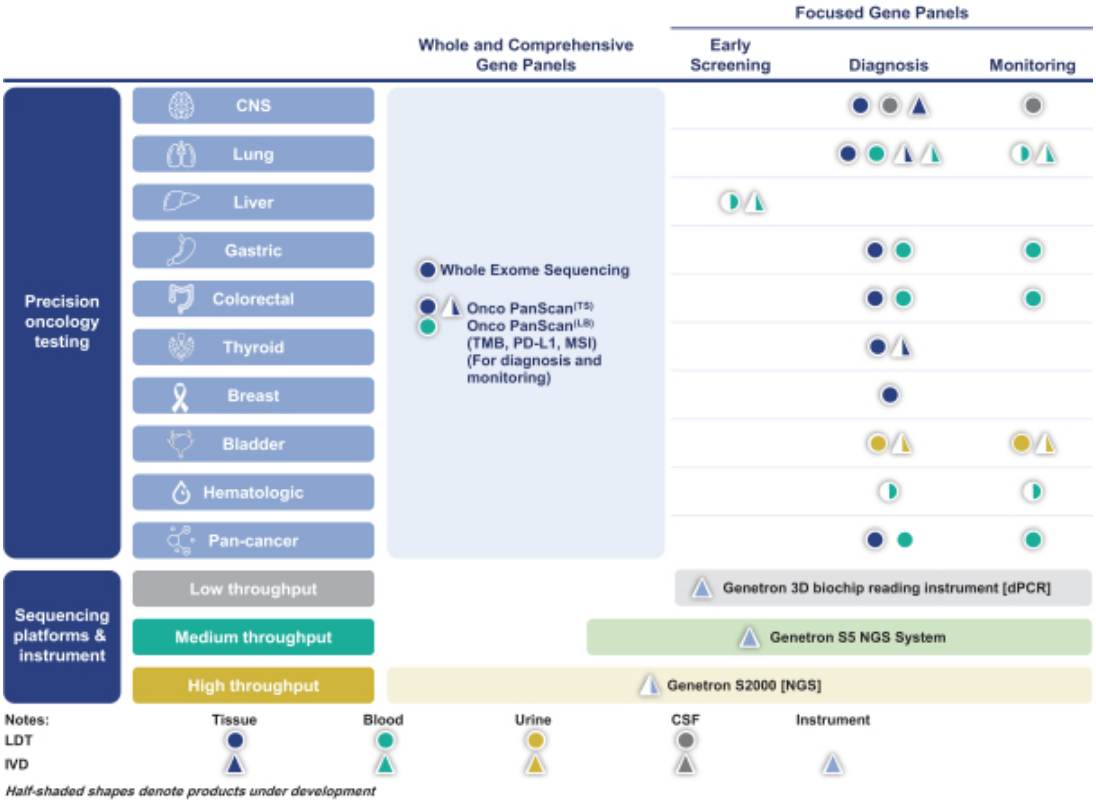
OVERVIEW

We are a leading and fast-growing precision oncology company in China that specializes in cancer molecular profiling and harnesses advanced technologies in molecular biology and data science to transform cancer treatment. We have developed a comprehensive product and service portfolio that cover the full-cycle of cancer care from early screening, to diagnosis and treatment recommendations, to continuous monitoring and continuous care.

Precision oncology is an evolving approach to cancer care that leverages new knowledge regarding the pathogenesis of cancer. It focuses on a patient's molecular profile to guide personalized clinical decisions, aiming for the right treatment for the right patient at the right time. Advancement in molecular biology globally has propelled significant advances in precision oncology. There is a critical need to offer a comprehensive profiling solution and expand the scope of precision oncology to enable early screening, diagnosis, continuous monitoring and continuous care. According to Frost & Sullivan, China has approximately 4.3 million cancer incidents in 2018, being the largest in the world. The unmet medical needs of the large cancer population in China present significant market opportunities for precision oncology, especially cancer molecular profiling.

We are one of the most advanced precision oncology companies in China that cover the full-cycle of cancer care, according to Frost & Sullivan. We provide comprehensive diagnostic services and products that cover eight out of the top ten major cancers in China, capable of analyzing from focused gene panels to whole exome of approximately 21,000 genes. Depending on the nature of cancer and service types, we offer tissue biopsy, liquid biopsy, or both, providing great flexibility to patients and physicians to achieve the best clinical outcome. On the frontier of early screening, we have developed a leading technology platform and achieved breakthrough with our proprietary HCCscreen™ assays that enable early detection and intervention of liver cancer. Liver cancer is highly correlated with HBV infection and China has approximately 73.9 million HBV carriers, representing significant market potential for precision early screening products. We also offer a high quality, end-to-end comprehensive genomic profiling solution for global biopharmaceutical companies to support their research and drug development. We believe advancing our services and products can expand the scope of precision oncology medicine to diagnosis, early screening, monitoring and continuous care, improve clinical outcomes and reduce overall cancer treatment costs.

The below chart demonstrates our comprehensive LDT service and IVD product portfolio:



We offer our products and services through three business units: diagnosis and monitoring, early screening and development services.

Diagnosis and Monitoring—We offer comprehensive diagnosis and monitoring services and products through both LDT services and IVD products. According to Frost & Sullivan, the total market potential for cancer molecular diagnosis and monitoring market in China is estimated to be US$6.7 billion in 2023. Since our inception in 2015, we have developed our diagnosis and monitoring services and products with a broad coverage of eight out of the top ten major cancer types in China. Among the precision oncology companies in China, we believe we are a dominant player in CNS cancer, a significant player in lung cancer and digestive system cancer and also a pioneer in thyroid, upper tract urothelial and bladder cancer. Our unique mix of strong cancer research capabilities, comprehensive products and services, and focused commercialization strategies have led to our success in the brain cancer testing market, which we are adopting in other cancer types. Our LDT service portfolio consist of both specifically designed focused and comprehensive gene panel testing services, measuring from single gene to a broad 21,000 gene panel suitable for patients with different needs and affordabilities. In addition, we are a leading player in China with approved IVD registration of both instrument and diagnostic assays. Our digital PCR system, Genetron 3D biochip reading instrument, and IDH1/TERT gene assays for glioma were approved in 2017, and our Genetron S5 was approved in November 2019 by the National Medical Products Administration (“NMPA”) or its provincial counterparts for clinical use, illustrating our clear leadership in the precision oncology market in China. We are currently developing advanced NGS sequencing platforms and gene assays covering multiple prevalent cancer types to seek NMPA registration. With a deep and robust IVD registration pipeline, we aim to provide one-stop diagnostics and monitoring solutions for hospitals and other medical institutions.

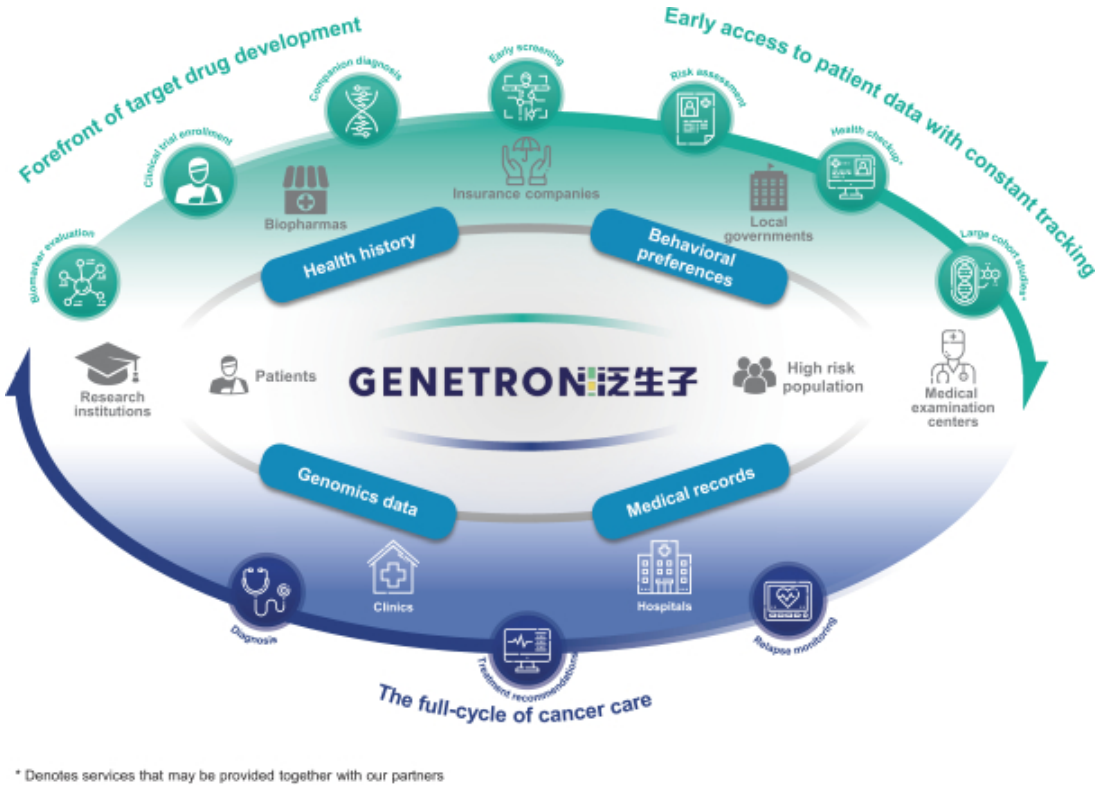
Early Screening—We are at the forefront of the development of liver cancer early screening products. We are developing LDT services for early cancer screening targeting asymptomatic individuals who are at a higher risk of developing cancer due to multiple factors, including hereditary risk, pre-existing infections or pre-disposed life habits, and individuals' general concerns about cancer risks. We believe early screening will not only benefit clinical outcomes but also improve public health and reduce healthcare expenditures. We focus our R&D efforts on liver cancer, lung cancer and pan-cancer. As it is practiced today, liver cancer is generally diagnosed at late stage due to limited diagnosis measures, resulting in a high mortality rate. Early screening of liver cancer allows earlier intervention with surgery, which significantly increases the likelihood of recovery and thus reduces overall treatment costs. Indeed, research and development of liver cancer early screening is characterized as one of the major initiatives by the PRC government to improve cancer care. We have developed HCCscreen™, our proprietary assay for the early screening of liver cancer. HCCscreen™ detects a combination of tumor-specific mutations in ctDNA and protein markers, which enabled excellent performance among 331 asymptomatic HBV carriers in a prospective cohort, with 100% sensitivity, 94% specificity and 17% positive predictive value ("PPV"). We are currently seeking NMPA registration of IVD products for the early screening of liver cancer. In addition, we have been granted to join "AIDS, Hepatitis and Other Major Infectious Disease Control and Presentation" project, one of the 2020 Major National Science and Technology Projects led by the MOST. Specifically, we are responsible for the identification and development of biomarkers for early liver cancer detection and validate liver cancer early screening assay products. One of the key benefits of joining such project is that our liver cancer early screening assay products validated in this project will enter fast-track review process by NMPA. According to Frost & Sullivan, market potential for liver cancer early screening in China in 2023 is estimated to be US$7.2 billion. As we continue to accumulate high quality data with clinical relevance through our comprehensive diagnostic products and services, we believe we will be better positioned to develop early screening assays covering additional cancer types.

Development Services—We collaborate with biopharmaceutical companies, hospitals and research institutions both in China and globally to serve their needs in genomics research and clinical development. Our products and services may be used by biopharmaceutical companies for a range of applications, including biomarker evaluation for molecularly targeted therapy and immuno-therapy, clinical trial enrollment, companion diagnostics development and joint marketing post-drug approval. We believe our collaboration with biopharmaceutical companies will also build evidence of clinical utility for our platform as an effective diagnostic for advanced cancer therapies. For instance, we provide genomic testing with Onco PanScan(TS), a comprehensive genomic testing service, and TMB and MSI evaluations for the global trial of a PD-L1 antibody that plans to enroll over 700 patients, which is expected to establish the evaluation standard for the immuno-oncology therapy. The market potential for development services with biopharmaceutical companies in China is expected to be approximately US$0.5 billion in 2023, according to Frost & Sullivan. As of the date of this prospectus, we had collaborated with 57 hospitals in the PRC, 16 biopharmaceutical companies, and 15 research institutions.

Our Platform

We have built a one-stop precision oncology platform with a suite of services and products that focus on every stage of a patient's cancer care, from early screening and risk assessment, to diagnosis and treatment recommendations, to continuous monitoring. Our platform integrates a patient's cancer care needs both when he or she is at high risk of cancer development and when he or she undergoes cancer treatment. At the same time, it collects the patient's behavioral, genomics and medical data and leverages our AI and big data analytics to depict the patient's health profile, to enable superior cancer management. Our platform cultivates a network nationwide that connects a patient with third-party healthcare service providers, including hospitals, medical examination centers, and insurance companies. We also stay at the forefront of targeted drug development by partnering with global biopharmaceutical companies and research institutions to evaluate biomarkers and facilitate clinical trials.

Our platform is illustrated in the diagram below:



* Denotes services that may be provided together with our partners

We strongly believe that a fully-integrated and best-in-class precision oncology platform is key to our business and will be the engine that drives our future success and solidifies our market leading position in the highly competitive precision oncology industry in China. Over the years, our platform has developed strengths across technology, regulatory approval and commercial adoption, which collectively form a barrier to entry and differentiate us from our peers.

Industry Leading Technology

Led by top notch scientists, our research and development team combines capabilities from multiple disciplines including biochemistry/molecular biology, next-generation sequencing and bioinformatics to enable our strong transformability from researches to applications. We have developed industry leading and differentiated technologies, including our Genetron One-Step Seq Method, liquid biopsy low-frequency mutation detection technology, Mutation Capsule technology and AI technology & big data analytics:

- *Genetron One-Step Seq Method*—Specifically designed for small to medium size panels, our proprietary One-Step Seq Method simplifies the traditional labor intensive library construction/enrichment experiments to a single mixture of DNA sample to our reagent and one PCR reaction, minimizing hands-on time and risk of contamination. With our proprietary One-Step Seq Method, total time for library construction could be reduced to 1.5 hours compared to 24 hours using hybridization capture method and eight hours using amplicon based sequencing. It is particularly suitable to develop IVD products for hospitals to carry out their own clinical tests on site due to its operational simplicity, high library quality, low risk of contamination, low cost, and low sample DNA input.

- *Liquid Biopsy Low-Frequency Mutation Detection Technology*—Our proprietary liquid biopsy low-frequency mutation detection technology effectively detects rare gene mutations with a sensitivity of up to 0.05% mutation frequency. The technology enables our One-Step Seq Method to detect rare molecule in liquid biopsy with high sensitivity and specificity. Furthermore, our One-Step Seq Method minimizes loss of original ctDNA molecule as the one-step feature minimizes the loss of ctDNA in the steps before the ctDNA sample is amplified. This is a critical benefit for ctDNA-based liquid biopsy because the limited ctDNA yield of the testing sample is one of the primary impediments of ctDNA-based liquid biopsy, and any loss of original ctDNA would decrease the sensitivity. Liquid biopsy addresses many challenges of tissue biopsies, which are often invasive, time-consuming and costly, as well as infeasible for early screening of cancer among asymptomatic individuals.
- *Mutation Capsule Technology*—In contrast to technologies that only detect a subset of alterations, Mutation Capsule technology detects a broad spectrum of ctDNA alterations, including simple mutations, such as SNVs or Indels, and complicated mutations, such as translocations, HBV integrations, and copy number variations, and methylation changes. The parallel profiling of genetic and epigenetic alterations in a single reaction enable screening for multiple tumor types while minimizing the requirement for blood samples to acquire ctDNA. In addition, Mutation Capsule technology supports multiple tests of one ctDNA sample without sacrificing sensitivity. With Mutation Capsule technology, a sample collected in one study could be used to test new biomarkers in multiple different studies retrospectively, facilitating efficient product iteration.
- *Bioinformatics*—Integration of AI and big data analytics approaches such as machine learning, deep learning, and natural language processing tackles the challenges of scalability and high dimensionality of data and transforms big data into clinically actionable knowledge is expanding and becoming the foundation of precision oncology. We have developed a proprietary database which contains high-quality genomic data of approximately 70,000 tests we have conducted. We believe we have China's largest brain tumor genomic database that contains data of approximately 16,000 tests. Further, we have applied advanced machine learning technologies in the development of diagnostic tests for detecting early stage cancers, which have increased the accuracy of our early screening services. Last but not least, we have developed our own algorithms to optimize the process for variant calling in most of our NGS products, which enable us to increase sensitivity from 95.6%, using popular and published variant callers, to 97.9% and to increase precision from 97.4%, with most published variant callers, to 98.6%, based on the simulated data. It can also reduce about half the false negative calls and false positive calls generated from other variant callers. Our variant calling platform is at least 50% faster than other publicly available softwares. We intend to further develop our bioinformatics to efficiently and accurately manage cancer diagnosis and treatment across all stages.

Regulatory Approval

As it is practiced today in China, cancer diagnosis and treatments are dominantly performed in public hospitals. Therefore, accessibility to public hospitals is critical for companies specializing in precision oncology. Adoption by public hospitals and insurance coverage often requires registration from the NMPA—each IVD product must be registered in association with a specific sequencing platform. Thus, NMPA registration will become increasingly important for diagnostic tests to gain commercial adoption in China. Companies with the NMPA-registered IVD products and platforms are expected to win larger market shares. Our regulatory capabilities are highlighted by our strong regulatory team, robust pipeline of IVD products and high-quality clinical laboratory services.

- *Regulatory capacity*—We have built a dedicated and experienced regulatory team of 12 members with average of approximately 12 years' experience in the industry responsible for preparation and coordination with NMPA registration process. We have also established a clinical development team consisting of 18 members who have completed over 66,400 validation tests and approximately 17,000 tests in five clinical trials at 17 GCP sites.
- *IVD pipeline*—We are one of the few precision oncology companies in China with NMPA IVD registrations for both assays (IDH1 and TERT assays) and platforms (Genetron 3D biochip reading

instrument and Genetron S5 medium-throughput NGS system). Genetron S5, approved by the NMPA on November 1, 2019, is a medium-throughput NGS system that enables simple targeted sequencing workflows. Genetron S5 platform is designed to enable hospitals and research institutions to manage projects across multiple applications, including human genetic mutation detection, monogenic disease research, tumor-related gene mutation detection, gastrointestinal microbiome research, and transcriptome sequencing. We have also obtained CE marking for IDH1 and TERT assays. In addition, we have a deep IVD product pipeline of one platform and seven assays, covering diagnostics, monitoring and early screening.

- 8-gene Lung Cancer Assay (Tissue), an IVD pipeline assay product based on semiconductor sequencing, is currently under review by the NMPA pending approval. With high sensitivity and specificity, this assay can detect seven genes that 2018 NCCN guideline suggests to test for lung cancer patients and will provide insights for physicians to select targeted therapy for lung cancer patients.
- Genetron S2000, an IVD pipeline platform, is a high-throughput NGS platform that enables comprehensive panel genomic testing. Genetron S2000 is currently under review by the NMPA pending approval. With Genetron S5 and Genetron S2000 targeted for different sequencing capabilities, we believe we will enjoy significant advantages in our future development of a wide range of IVD assays designed to cover different needs.

- *Clinical laboratory services*—All our clinical laboratories in Beijing, Shanghai, Chongqing and Hangzhou have conducted registrations and obtained the Medical Institution Practicing Licenses. In addition, all these clinical laboratories are authorized to perform PCR amplification for clinical use. Our clinical laboratory in Beijing has obtained comprehensive panel accreditation under the CLIA from the CMS and certification from the CAP. In particular, our clinical laboratories have passed over 120 national and provincial clinical laboratory EQA tests since our inception, covering germline, comprehensive panel, and liquid biopsy testings and bioinformatics, demonstrating our dedication to the highest service quality. Furthermore, our Beijing assays manufacturing facility has achieved both ISO 13485: 2016 certification and ISO 9001 2015 certification. Both Beijing assays manufacturing facility and Chongqing platform manufacturing facility have passed verification of quality management system for medical device registration, also known as GMP of medical devices. We also help regulators to formulate industry standards. For example, we are currently working with a municipal clinical laboratory in preparation of a draft LDT services industry standards.

Commercial Adoption

Advancement in each of the elements above lays the foundation for commercial adoption of each of our business units with patients, hospitals and biopharmaceutical companies. Additionally, we have developed the following strengths to further facilitate commercial adoption of our services and products.

- *Collaboration with hospitals*—There is significant demand from hospitals in China for high quality genome analysis with a short turnaround time and relatively low cost. Therefore, hospitals in China usually collaborate with partners that are capable of offering comprehensive services and products of high quality. We believe that we are one of few companies in China that co-develops molecular diagnostics centers with hospitals and that our comprehensive LDT/IVD portfolio, deep IVD products pipeline and cutting-edge technologies allow us to engage full-cycle collaboration with hospitals. Indeed, our TERT and IDH1 IVD assays have been approved for sunshine medical centralized procurement in seven provinces including Zhejiang, Guangdong, Sichuan, and Shandong provinces, with four other provinces pending for approval. We are also collaborating with hospitals to have our diagnosis testing services approved by provincial healthcare security bureaus so that our diagnosis testing services could be included in the charge master and ordered by the collaborating hospitals, which we regard as a significant step towards having our services covered by the basic medical insurance. Several of our LDT services have been approved by Guangzhou Municipal Health

Commission and Shandong Provincial Healthcare Security Bureau in January 2019 and October 2019, respectively, to be included in the charge master so that our LDT services could be ordered and charged by hospitals within the city or the province. We have submitted a similar proposal to Yunnan Provincial Healthcare Security Bureau for review and plan to do the same in other provinces and/or cities.

- *Collaboration with KOLs*—Despite of the huge market potential, penetration rate of precision oncology in China is lower than that in the U.S., partly due to relatively low awareness of and lack of understanding on precision oncology among physicians and patients. We collaborate with national and regional KOLs to promote and raise awareness of the clinical application of precision oncology among physicians and patients through sponsoring medical summits, conferences and seminars. To further solidify our partnership with KOLs, we closely collaborate with them in research projects and pilot studies and have co-authored many research papers in peer reviewed journals such as *Nature Genetics*, *Cell Research*, *Nature Communications*, *Acta Neuropathologica*, *PNAS*, reflecting our strong R&D capability with a focus on innovation. In addition, we cooperate with KOLs to establish and promote diagnosis and treatment guidelines in China. Further, we work closely with specialists in local hospitals by providing our proprietary know-how technologies and database to help doctors with the process of cancer therapy selection, management and monitoring. As of September 30, 2019, we are in collaboration with approximately 80 national KOLs and approximately 120 regional KOLs.
- *Partnership with biopharmaceutical companies*—We have also initiated collaborations with biopharmaceutical companies to execute clinical trials and develop companion diagnostics to support the approval and commercialization of therapeutics. In addition, we help our biopharmaceutical customers with prospective screening and patient referral to accelerate clinical trial enrollment. Further, we leverage our big data base to accelerate drug discovery.
- *Proactive participation in government-sponsored projects*—We leverage our technology and cost-efficiency proposition to partner with local governments in China to promote the awareness and use of our early screening services among key stakeholders across the oncology community. For example, we are collaborating with a municipal government in China to provide liver cancer early screening testing services to 10,000 individuals. We believe similar projects bring value to all participants and ourselves: local governments are able to improve public health and reduce healthcare expenditures; participating individuals are able to manage cancer risks by early detection and intervention; and we are able to promote awareness of our products and services, and further expand our coverage to additional cancer types. We have also applied for and hosted many major scientific and technology special projects at both national and provincial/municipal levels, such as the China Precision Medicine Initiative by Ministry of Science and Technology and “brain science special projects” hosted by Beijing Municipal Commission of Science and Technology. Further, five of our LDT testing services, including our OncoPanScan, Comprehensive Gene Panel Testing with a 509-gene Panel, 180 Genes Testing of Lung Cancer 180, 68 Genes Testing of Brain Cancer, and 6 Testing Items of Giloma, are accredited by Beijing Municipal Science & Technology Commission as “Beijing City New Technology, New Products (Services)” in September 2019. The accredited services are eligible for favorable governmental policies, such as governmental centralized procurement and promotion of service applications.
- *Comprehensive selling and distribution network*—We sell our services and products through our direct sales to individual patients in hospitals located mostly in tier-one and tier-two cities as well as to hospitals, and through a network of distributors mostly covering tier-three and tier-four cities in China. Such dual-pronged approach allows us to obtain an extensive outreach while concentrating our limited resources in the markets with most strategic values. Our well-trained sales team meets with hospitals’ representatives and doctors regularly, providing latest updates on the clinical utility of precision oncology in China, introducing our services and products and providing solutions to their technical questions. The hospitals and doctors may connect us with the patients upon consultation, in which case we may sell our clinical services directly to the individual patients or via a partnership with the

hospital. From January 1, 2017 to September 30, 2019, we had provided an aggregate of approximately 38,800 diagnosis tests to patients through both our direct sales team and distribution network. During the same period, we had provided products and services to patients in approximately 415 hospitals in China through our direct sales team.

- *Collaboration with commercial insurance service providers*—We are working with commercial insurance service providers to connect with commercial insurance companies to co-develop customized products incorporating our services and products. Under this model, we could leverage commercial insurance companies' abundant customer resources and diverse product promotion channels that are readily available for promoting our products and services. Commercial insurance companies, on the other hand, could provide the insured with market-leading genomic testing services and products and differentiate from other insurance products offered by their competitors. We believe such collaboration model could build synergies and share resources among the participants.
- *Collaboration with medical examination centers*—We recently entered into a collaboration agreement with iKang Healthcare Group, Inc. ("iKang") to promote and provide liver cancer early screening testing services through medical examination centers owned by iKang across the country. Under the agreement, iKang will include liver cancer early screening testing services in their applicable medical examination services menu. We will provide liver cancer early screening testing services to iKang medical examination centers upon selection of such testing item by their customers. We believe such collaboration model will not only benefit us to transfer our industry-leading technology to commercialization efforts and further penetrate early screening market, but also benefit iKang to enrich its services provided to the end customers. In addition, inclusion of liver cancer early screening in the testing items provided by industry-leading medical examination centers, such as iKang, on national scale will further promote market acceptance of cancer early screening technology and educate the market; meanwhile, such inclusion would increase the liver cancer screening participation rate, which would contribute to early stage diagnosis of liver cancer and greater cure rate.

OUR GROWTH STRATEGIES

Our mission is to transform cancer treatment and prevention globally by driving technological innovation and accelerating the adoption of precision oncology medicine. To achieve this, we intend to:

Commercialize our "LDT services and IVD products" model to provide full suite of services to hospitals by:

- further building awareness of genomics and precision oncology medicine;
- continuing to educate hospitals, physicians, patients and KOLs;
- applying our proprietary One-Step Seq Method to suitable pipeline IVD products to simplify on-site use by hospitals and research institutions;
- growing IVD product portfolio and maintaining comprehensive LDT services complementary to IVD products;
- further expanding cancer types; and
- further collaborating with third party distributors to expand our sales network of IVD products.

Develop early screening products and services for liver cancer, lung cancer and other major cancer types by:

- advancing NMPA registration of early screening IVD products for liver cancer, lung cancer and other major cancer types;

- collaborating with hospitals and clinics to increase awareness of clinical utility of early screening precision oncology medicine products;
- collaborating with governmental institutions to conduct nationwide large cohort clinical studies;
- partnering with local governments and healthcare institutions to implement more accessible and affordable early screening programs; and
- co-developing with health examination centers to include our early screening services as a testing item of health assessment plans.

Collaborate with biopharmaceutical companies on clinical trials and companion diagnostics development by:

- providing customized genetic sequencing services to biopharma companies;
- demonstrating the utility of our mutation capsule technology to facilitate both prospective and retrospective studies on emerging clinically relevant biomarkers, which may help biopharmaceutical companies to discover and develop drug candidates; and
- jointly developing companion diagnostics and marketing of approved products.

Acquire technology, expand accessible resources, extend overseas market coverage, and build up our own eco-system by:

- extending R&D capabilities through M&A;
- investing through potential M&A and partnership activities to prioritize frontier markets; and
- developing and promoting diagnostic products overseas.

DIAGNOSIS AND MONITORING SERVICES

We offer diagnosis and monitoring services and products through both LDT services and IVD products. To adapt to the complex and evolving understanding of cancer, we have strategically developed our LDT services to provide whole exome sequencing (WES), comprehensive gene panel sequencing (over 300 genes) and focused gene panel sequencing (less than 300 genes) to address different needs. Our comprehensive diagnostic products and services cover eight out of the top ten major cancer types in China, including CNS, lung, liver, colon, breast, urinary system and thyroid and other types of cancers. We completed over 15,600 LDT genomic tests in the year ended December 31, 2018, an increase from approximately 6,700 in the year ended December 31, 2017, and approximately 16,500 LDT genomic tests in the nine months ended September 30, 2019, an increase from approximately 10,800 in the nine months ended September 30, 2018. We have a team of top notch scientists who are at the forefront of cancer genomics research and are active in the research and discovery of new biomarkers associated with various cancers.

In addition, we are a leading precision oncology player in China with NMPA IVD registration for both platform and assays. With our NMPA registered IVD products and a deep and robust IVD registration pipeline, we aim to provide hospitals and research institutions in China with one-stop diagnostic and monitoring solutions, which we believe is the key to the commercialization in China. In comparison to our LDT services, our IVD products offer a more standardized, targeted and cost-effective way of detecting genomic mutations relating to cancer. Our registered IVD product portfolio primarily consists of a digital PCR system (Genetron 3D biochip reading instrument) and IDH1/TERT gene assays. In addition, we have an IVD product pipeline of one platform and seven assays, covering diagnosis, monitoring and early screening. Our Genetron S5 platform approved by NMPA on November 1, 2019, is a medium-throughput NGS system that enables simple targeted sequencing workflows at an affordable price, without compromising on performance or reliability. Genetron S5 platform

offers several throughput options, which provide the flexibility to scale from small to large projects, enabling multiple targeted sequencing applications on a single system. We believe Genetron S5 is particularly suitable for hospitals as it offers more practical solutions and greater scalability. In addition, our Genetron S2000, an IVD pipeline platform, is a high-throughput NGS platform that enables comprehensive gene panel sequencing. With Genetron S5 and Genetron S2000 targeted for different sequencing capabilities, we believe we will enjoy significant advantages in our future development of a wide range of IVD assays designed to cover different needs.

Comprehensive LDT Service Portfolio

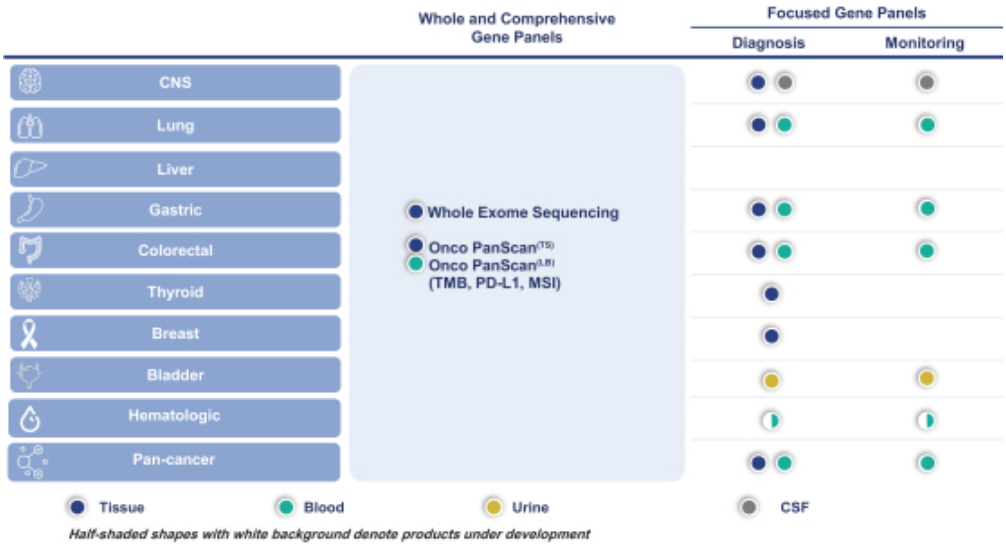
We are pioneering the full-cycle cancer management with the focus on diagnosis, monitoring and early screening. Targeting patients with basic to comprehensive testing needs, we have developed a suite of LDT services that provide swift and reliable assistance to physicians in matching the genomic alterations identified in their patients' tumors with appropriate clinical drug therapies.

The increasing diversity of targeted therapies and associated molecular biomarkers has given rise to comprehensive genomic profiling, particularly in tumor types where multiple genomic targets can be found and treated effectively. As of August 30, 2019, the NCCN treatment guidelines recommended testing for the following targetable genomic alterations across different cancer types, which demonstrates the requirement for broader genomic profiling:

Cancer Type	Targetable Genomic Alterations											
CNS	IDH1	IDH2	TERT	1p19q	ATRX	H3F3A	BRAF fusion	EGFR fusion	CDKN2A	CDKN2B	TP53	RELA fusion
NSCLC	EGFR	KRAS	BRAF	ERBB2	ALK fusion	ROS1 fusion	RET fusion	MET amp and exon 14 skipping mt	NTRK1/2/3 fusion	TMB		
Melanoma	BRAF	KIT	CDK4	CDKN2A	MC1R	BAP1	TERT	MITF				
Colorectal	KRAS	NRAS	BRAF	NTRK1/2/3 fusion	MSI							
Breast	ERBB2(HER2) amp	PIK3CA	BRCA1/2 germline									
Ovarian	BRCA1	BRCA2	MSI									
Gastric and Gastroesophageal	ERBB2(HER2) amp	MSI										
GIST	KIT	PDGFRA										
Urine	FGFR2	FGFR3										
Thyroid	BRAF											

We offer comprehensive genomic testing across all common cancer types using both comprehensive and focused assays. Our comprehensive LDT service portfolio is designed to test and analyze patients of various cancer types for clinically-relevant genomic mutations to support treatment selection. We believe that our suite of multi-tiered LDT services with proven reliability, sensitivity and specificity for clinical practice are able to provide doctors with actionable insights into each patient's cancers. With in-depth knowledge of advantages and limitations of both tissue and liquid biopsies, we have developed our LDT services to be flexible on sample requirements. Depending on the nature of the cancers, most of our LDT services could be performed by testing either tumor samples or different kinds of liquid samples, such as blood, saliva, urine, or CSF.

The following table presents our comprehensive LDT services portfolio for diagnosis and monitoring services:



Comprehensive Gene Panel Testing Services—Onco PanScan

Our comprehensive gene panel testing service, Onco PanScan, is applicable for all solid tumor patients, including newly diagnosed patients, patients with drug resistance and patients with disease relapse. Onco PanScan is evolving in nature, as increasing numbers of driver mutations are identified. We started offering comprehensive gene panel testing with a 509-gene panel in September 2016, which was updated to a 831-gene panel in December 2018. With discovery of more biomarkers, increasing availability of new targeted therapies and our continuous R&D, Onco PanScan will be able to test the increasing number of cancer mutations. Onco PanScan is designed to provide comprehensive analysis of tumor and provide immunotherapy guidance based on biopsy, and is suitable for both tissue and liquid biopsies, depending on the nature and stage of the cancer. For example, we recommend using liquid biopsy for post-operative monitoring of surgical patients or for cancer patients for whom tumor tissue sample extraction is not feasible due to physical conditions.

Using high-throughput and high-accuracy NGS technology, Onco PanScan tests mutations from more than 830 cancer genes with broad coverage of NCCN guidelines for 11 tumor types, including variants such as mutation, insertion/deletion, fusion, amplification and the key immunotherapy biomarkers: tumor mutation burden (TMB) and microsatellite instability (MSI). Onco PanScan provides a multidimensional view by examining approximately 45 chemotherapy-related genetic sites, more than 90 genes related to immuno-oncology, approximately 125 drug-targeted genes, more than 150 proto-oncogenes and tumor-suppressor genes, approximately 145 genetic susceptibility genes and over 400 genes related to tumor signalling pathways. Onco PanScan also analyzes clinical sensitivity to approximately 250 targeted therapies. We ensure data accuracy with two independent algorithms for data analysis, which provides comprehensive, rapid and accurate analysis of cancer mutations. The following table represents validation results of Onco PanScan(TS), our Onco PanScan service designed for tumor tissues:

Validation Results of Onco PanScan(TS)

Variant Categories	Level of Detection	Reporting Thresholds	Variant Level	Detection Rate
SNV	1%	0.8%/7 molecules	>5%	100%
			1%~5%	98%
Indels	1%	0.8%/7 molecules	>5%	100%
			1%~5%	99%
Fusions	1%	0.8%/4 molecules	>2%	100%
			1%~2%	99%
CNVs	4 copies	3.5 copies	>4 copies	100%

Given the practical challenges in obtaining high-quality tumor samples via biopsy, such as acquiring sufficient cancer cells for diagnosis and genomic analysis, we have developed Onco PanScan to work with a limited sample volume. We have also shown that Onco PanScan can analyze ctDNA obtained from blood plasma, also known as a liquid biopsy. Through non-invasive liquid biopsy, ctDNA fragments in a cancer patient's blood could be enriched to conduct molecular testing, which helps interpret the tumor molecular state of patients at any time.

The comprehensive and evolving coverage of genes, high level of precision and less sample volume make Onco PanScan(TS) suitable for targeted therapy guidance, immunotherapy guidance, cancer genetic risk assessment, evaluation of chemotherapy efficacy, molecular classification and disease monitoring across a wide variety of cancer types, as well as key information for new scientific discoveries.

Focused Gene Panel Testing Services

Other than comprehensive genomic testing across all cancer types, we also offer focused gene panel testing services. Focused gene panel testing services are useful tools for analyzing specific mutations in a given sample. Focused gene testing services contain a selected set of genes or gene regions that has known or suspected associations with the cancer under study. Focused gene panel testing services also produce a smaller, more manageable data set compared to broader approaches such as whole-exome sequencing. Our focused gene panel testing services currently cover a variety of cancer types, including CNS, lung, colorectal, thyroid, breast and bladder cancers.

We were the first in China to design, develop and commercialize the combination of glioma testing items, which established the foundation of our market leadership, according to Frost & Sullivan. We are the market leader in precision oncology on brain cancer in China with 58.6% market share in 2018, more than twice that of the second place market player, according to Frost & Sullivan.

Glioma is the most common type of primary brain tumor. It has high recurrence and mortality rates. Accurate molecular classification plays a guiding role in subsequent treatments and prognosis. In 2016, the

World Health Organization ("WHO") Classification of Tumors of the Central Nervous System, which Dr. Hai Yan is a co-author, for the first time, introduced classification of CNS tumors integrated with both histological phenotypes and genotyping, setting up new guidelines for molecular classification in clinical diagnosis and treatment. In particular, IDH1 and IDH2 mutations were included as the most critical biomarkers for adult malignant glioma. Of note, Dr. Yan is one of the pioneers who discovered IDH1 and IDH2 mutations. As it is practiced today, clinical treatment of glioma involves surgery in combination with radiotherapy and chemotherapy. Because sensitivity to temozolomide, a chemotherapy drug for gliomas, is correlated with the methylation level of the MGMT gene, accurate measurement of the methylation level of the MGMT gene therefore better guides the chemotherapy with temozolomide.

Developed based on our proprietary One-Step Seq platform, our Glioma 8 biomarker panel testing services provide cost effective solutions to patients, which test eight genomic alterations commonly recommended by the NCCN, WHO and ESMO treatment guidelines, including TERT, IDH1, IDH2, 1p19q, BRAF, MGMT, H3F3A and HIST1H3B. We have optimized One-Step Seq Method to detect other types of alterations such as chromosome loss/gain or methylation changes, so that we can detect 1p19q and MGMT in addition to point mutations with this platform. Applicable to patients with glioma, Glioma 8 biomarker testing assay is suitable for molecular classification, targeted therapy guidance, evaluation of chemotherapy efficacy and disease monitoring, as well as key information for scientific discoveries and researches.

The following table represents validation results of our Glioma 8 biomarker panel, which are highly consistent with those determined by current technologies such as qPCR, FISH and pyrosequencing. The superiority of Glioma 8 biomarker panel is that all the eight biomarkers for glioma can be processed with the same sequencing platform and analysis pipeline.

Validation Results of Glioma 8 biomarker panel

Biomarker	Level of Detection	Comparative method	Detection Rate
IDH1	1%	qPCR	99%
IDH2	1%	qPCR	100%
TERT	1%	qPCR	100%
BRAF	1%	qPCR	99%
H3F3A	1%	qPCR	100%
HIST1H3B	1%	qPCR	100%
1p19q	—	FISH	96%
MGMT	—	pyrosequencing	96%

LDT Service Process and Case Studies

We perform our LDT services primarily in our laboratory located in Beijing. Our clinical laboratory in Beijing has obtained comprehensive panel accreditation under the CLIA from the CMS and certification from the CAP. In addition, each of our clinical laboratories has obtained NCCL EQA Certifications in various aspects, including our high-throughput sequencing and our bioinformatics platforms. In particular, our clinical laboratories have passed over 120 national and provincial clinical laboratory EQA tests since our inception, covering germline, comprehensive panel and liquid biopsy testing and bioinformatics, demonstrating our dedication to the highest service quality.

Enjoying the benefits of our industry leading and differentiated technologies, including our Genetron One-Step Seq Method, liquid biopsy low-frequency mutation detection technology, Mutation Capsule technology and bioinformatics, we are able to shorten total time for library construction and reduce the time required to analyze DNA samples, with an average turnaround time of eight days from the collection of testing samples.

Our LDT services starts with patient's selection of relevant clinical services tests. Once the selection is made, we will collect sample (either tumor tissue or body fluids) from the patient. We will then perform genomic

sequencing of DNA extracted from the sample. Once the genomic sequencing is completed, we will conduct data analysis and prepare final test report.

The test report, designed in collaboration with leading oncologists and KOLs, delivers actionable information in a manner that seamlessly integrates into their practices. It is divided into multiple sections, presenting crucial genomic information relating to the cancer patient in a concise and practice-friendly manner that facilitates physicians to make treatment decisions. The test results and their clinical significance are summarized at the beginning of the report to give a concise overview. In addition to the most reliable clinical guidelines from WHO and NCCN, we also provide physicians with comprehensive information of the detected biomarkers at sub-guideline levels. Our database includes the information of new drugs and biomarkers at clinical trial stage (including enrollment information) and at pre-clinical stage. The report provides a note to each piece of information to clarify its reliability (i.e. whether the information is from guideline that the physicians are recommended to follow, or such information is from a pre-clinical experiment for reference only). The comprehensive information in the reports helps the physician provide precise treatment to those who have a therapeutic target and drug, and provides off-label and other treatment choices for those who have not. An illustrative report is provided below.

1. Basic Information

Basic Information of Patient	
Patient Name :	
Gender :	male
Age :	38 years old
Previous diagnosis :	Lung adenocarcinoma
Previous treatment :	None
Targeted drugs used :	None
Family history of cancer :	None

Basic Information of Specimen	
Sample NO. :	Q19080047T
Type of tumor sample:	Paraffin volume
Collection site of tumor specimen:	NA
Tumor specimen collected:	2019-08-08
Tumor specimen received:	2019-08-10
Control specimen collected:	
Control specimen received:	2019-08-10
Date of report:	2019-08-17

2. Test Items and Results

This product uses probe hybridization capture technology and Illumina high-throughput sequencing to detect the entire exon and partial intron regions of 830 genes. The results cover all these variations (SNV, Indel, CNV and fusion), and also include TMB and MSI analyses.

Test Items	Test Results
Somatic Gene Variation Test	5 gene mutations No gene fusion No gene amplification
Tumor Mutation Burden (TMB)	1.88/Mb. The results suggest that the patient may not benefit from immune checkpoint inhibitor (Nivolumab, Pembrolizumab, Atezolizumab, etc.) monotherapy.
Microsatellite Instability Analysis (MSI)	Microsatellite Stable. The results suggest that the patient may not benefit from immune checkpoint inhibitor (Nivolumab, Pembrolizumab, Atezolizumab, etc.) monotherapy.
Test of SNPs Related to Chemotherapy (SNP)	Efficacy and toxicity of common chemotherapies. See Part 5 for details.
Cancer Genetic Susceptibility Gene Test	No genetically susceptible mutations were identified.

3. Potentially Beneficial Targeted Drugs

Gene Mutation	Drugs approved by FDA/NMPA for the cancer type or recommended by NCCN	Potentially beneficial drugs, approved by the FDA/NMPA for other cancer types	Potentially beneficial drug candidates in phase II or III trials	Potentially resistant drugs
EGFR p.Glu746_Ala750del	Gefitinib, Erlotinib Icotinib, Afatinib, Osimertinib, Dacomitinib	None	None	None
TSC1 P.Tyr965Ter	None	Everolimus, Temsirolimus	None	None
TP53 p.Ala83GlyfsTer37	None	None	MK-1775, Alisertib	None

Case study #1: Sequential liquid-based genomic testing guides treatment selection of an oligoastrocytoma patient

A Chinese female was diagnosed with advanced anaplastic oligoastrocytoma (AO) at age of 20 (2012). The patient underwent adjuvant radiotherapy concurrent with temozolomide, completed in June 2014. The patient

was diagnosed of lung metastasis in April 2016. Subsequently, she received three cycles of chemotherapy. However, in November 2016 the patient developed AO metastasis to right supraclavicular lymph nodes. Two testing of ctDNA extracted from the patient's blood samples using Genetron's comprehensive and focused gene panels revealed BRAF V600E and PIK3CA K776E mutations, and so the patient was prescribed vemurafenib and everolimus with stable control of disease for 12 months. The patient re-caught cough and respiratory distress in January 2018, and was diagnosed with rapid progress in lung and brain lesions, considering drug resistance in targeted therapy. The third testing of ctDNA in January 2018 demonstrated amplification of ERBB2. BRAF V600E and PIK3CA K776E mutations still existed with similar mutation frequency. So the patient was treated with trastuzumab. However, trastuzumab failed to work this time and she died in February 2018 due to the rapid progress of the disease. The patient overall survived 22 months after metastasis with targeted therapies guided by our genomic testing service.

Case study #2: Sequential genomic testing finds targeted therapies for an EGFR T790M+ lung cancer patient

A 71-year old female was diagnosed with lung adenocarcinoma in June 2015. She was initially treated with gefitinib for approximately one year and developed resistance in June 2016. An in-hospital test revealed EGFR T790M mutation, the patient was therefore treated with osimertinib. In June 2017, a test of ctDNA extracted from the patient's blood samples using Genetron's lung cancer focused gene panel found EGFR L858R and C797S mutations while T790M mutation disappeared, and the patient was again treated with gefitinib. The patient developed resistance three months later and the second testing of ctDNA extracted from the patient's blood samples using Genetron's lung cancer focused gene panel revealed EGFR L858R and C797S mutations as well as re-appearance of T790M mutation in *cis* configuration, and all the known EGFR-TKIs were not sensitive. In March 2017, *Nature Communications* reported that combination of brigatinib and cetuximab may be effective to overcome C797S/T790M/activating-mutation (triple-mutation)-mediated EGFR-TKI resistance. The patient was treated with the combination and the tumor shrinked. This case illustrates the clinical utility of Genetron's testing in advanced lung cancer when the patient develops resistance, to identify changes in the genomic status and guide treatment selection.

Rapidly Evolving IVD Product Portfolio

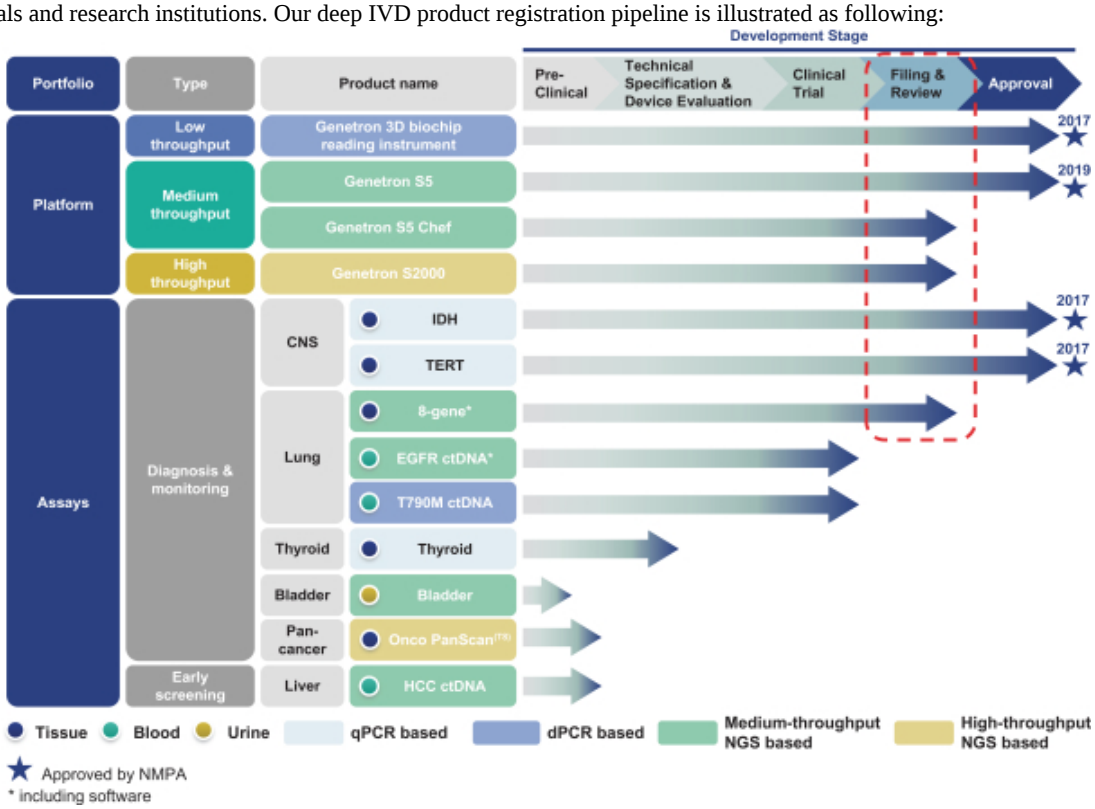
Gene sequencing IVD products generally focus on specific sets of genomic alterations relating to a certain cancer type, and are more standardized than LDT services. As such, IVD products are more suitable for hospitals to operate independently.

As hospitals rapidly develop their pathology departments and establish their own IVD genomic testing capabilities with increasing number of testing items, demand for IVD products continues to grow.

Leveraging our strong research and development capabilities, we are constantly developing innovative IVD products that enable faster, more accessible and affordable detection of cancer specific genetic alterations. We are one of the few precision oncology players in China with approved IVD registration for both instrument and assays, according to Frost & Sullivan.

The IDH1/TERT gene assays approved by NMPA for glioma diagnosis are not only important results of the clinical transformation of our research, but also embodiments of our in-depth promotion of the "LDT services and IVD products" model.

We believe with an in-depth registration pipeline of both platforms and assays, we are able to provide one-stop diagnostic and monitoring solutions for hospitals and research institutions. Our deep IVD product registration pipeline is illustrated as following:



Genetron 3D Biochip Reading Instrument, Genetron S5 Platform and IDH1/TERT Gene Assays Approved for Clinical Use

In late 2017, our digital PCR system, Genetron 3D biochip reading instrument, and first-in-class IDH1/TERT gene assays were approved by the NMPA for clinical use.

Based on digital PCR technology, our Genetron 3D biochip reading instrument presents a simple solution for testing multiple types of DNA alterations. Paired with different assays, Genetron 3D biochip reading instrument can test low frequency mutations in lung, colorectal and breast cancers and melanoma. Genetron 3D biochip reading instrument can also be used for other medical purposes such as viral load analysis, pathogen tests, prenatal screening tests and gene expression tests. Genetron 3D biochip reading instrument uses a sealed chip technology, providing a streamlined, reliable, and robust method for performing digital PCR. In addition, the risk of contamination is significantly reduced because of the fully enclosed system. With our proprietary analysis software, the testing results can be automatically generated with simple clicks.

Approved by both NMPA and CE, our IDH1 and TERT gene assays are detection assays for IDH1 R132H, TERT C228T and C250T gene mutations in brain tumor and could be a crucial tool for purposes of molecular classification and prognosis of a patient's glioma. IDH1/TERT gene assays are capable of detecting low-frequency (1%) gene mutations in 10ng of DNA sample. In a clinical trial of IDH1 assay with 1,192 valid samples, in which Sanger sequencing was used as a control group, our IDH1 gene assay received 100% sensitivity and specificity, respectively, with Kappa value at 1.000 ($p < 0.001$). According to Frost & Sullivan, our IDH1/TERT gene assays are the first specific IVD products approved by NMPA for brain cancer, illustrating our clear leadership in cancer genomics in China.

Genetron S5 Platform

Genetron S5 recently approved by the NMPA is a semiconductor-based NGS system manufactured under OEM model, which detects the nucleotide through detecting the change in pH. Compared with other sequencing systems, Genetron S5 does not require fluorescence or camera scanning, resulting in higher speed, better simplicity, lower cost and smaller instrument size.

Genetron S5 leverages the speed of semiconductor sequencing to enable the production of high quality sequencing data in a few hours and enables a laboratory technician to go from DNA library to data in as little as 24 hours with only 45 minutes of total hands-on time when paired with the Genetron Chef System. Genetron Chef System is a workflow simplification product that incorporates all steps of library preparation and all steps of template preparation and chip loading. In addition, we developed a simple One-Step library preparation method that offers a fast and efficient procedure for the preparation of high-quality libraries for as fast as 1.5 hour from as little as 10ng input samples. Genetron S5 provides a faster and easier way to promote the genomic research.

IVD Sequencing Platform Under Development

Genetron S2000 Platform

Genetron S2000, an IVD pipeline platform, is a comprehensive and flexible production-scale sequencer manufactured under OEM model. It is currently under review by the NMPA pending approval. Genetron S2000 adopts an innovative “flow cell” system that can support various sequencing modes, and an optimized optical and biochemical system which enables the whole sequencing process to complete within a short period of time, offering the user a simplified and streamlined sequencing experience. It provides two types of Flow Cell and several read length options (including but not limited to SE50, SE100, SE400, PE100, PE150, PE200). The data output could range from 55G to 1440G. Genetron S2000 could support different sequencing application such as whole genome sequencing (WGS), whole exome sequencing (WES) and focused gene sequencing.

With Genetron S5 and Genetron S2000 targeted for different sequencing capabilities, we will enjoy significant advantages in our future development of a wide range of IVD assays.

IVD Assays Under Development

8-gene Lung Cancer Assay (Tissue)

8-gene Lung Cancer Assay (Tissue) is an assay developed based on our One-Step Seq technology platform for the qualitative detection of biomarkers of non-small cell lung cancer (“NSCLC biomarkers”), the most common type of lung cancer. It is currently under review by the NMPA pending approval. NSCLC biomarkers include mutations of the Epidermal Growth Factor Receptor (EGFR), KRAS, BRAF, Human Epidermal Growth Factor Receptor 2 (HER2) and PIK3CA genes in the DNA, combination of the ALK and ROS1 translocation mutations and MET exon 14 skipping (METex14) mutation in the RNA. Several targeted therapy drugs have been approved and recognized by the NCCN as an effective clinical treatments of NSCLC. Through the identification of the presence or absence of any such NSCLC biomarkers, the 8-gene Lung Cancer Assay (Tissue) provides insights to physicians to select targeted clinical drug therapy and monitor its potential efficacy.

8-gene Lung Cancer Assay (Tissue) is compatible with both DA8600 (Ion Proton) and Genetron S5 sequencing platforms. The sequencing library is prepared using the multiplex PCR technique, specifically targeting the corresponding mutation hotspots related to these NSCLC biomarkers. The DNA or RNA library preparation process only requires one single PCR amplification and a purification. We have also developed a proprietary software for 8-gene Lung Cancer Assay (Tissue) to be used together with Genetron S5 platform. The software analyzes data generated from the assay and generates test reports with simple clicks.

We believe that our 8-gene Lung Cancer Assay (Tissue) has the following advantages:

- *Comprehensive genomic testing pool.* The 8-gene Lung Cancer Assay (Tissue) is able to detect seven genes that 2018 NCCN guideline suggests to test for lung cancer patients in a single assay.
- *Simplified sequencing process and less contamination risk.* The library preparation process only involves a single PCR amplification and its corresponding purification, which simplifies the sequencing process as well as prevents possibilities of contamination. This significantly reduces cost and time involved for the sequencing. Patients could receive test results in two days.

ctDNA Lung Cancer Assay

We have also developed ctDNA Lung Cancer assay based on our One-Step Seq ctDNA technology platform testing patients' peripheral blood samples for mutations in the EGFR gene. This IVD product is currently at the clinical trial stage. EGFR gene is located at the short arm of chromosome 7. Mutations in EGFR gene are widely regarded as one of the most common cancer biomarkers in NSCLC patients, with most of EGFR mutations located in exons 18,19, 20 and 21. Our ctDNA Lung Cancer Assay is for the qualitative detection of ten EGFR mutations that occur in exons 18, 19, 20 and 21.

We have also developed a proprietary software for ctDNA lung cancer assay to be used together with Genetron S5 platform. The software analyzes data from the assay, detects SNVs and Indels and other variants and generates test reports with simple clicks.

EARLY SCREENING SERVICES

China accounts for 23.7% of global cancer incidences and 26.7% of the cancer deaths, mainly because China has most cancer types associated with poorer prognosis and higher mortality rates, in addition to limited access to timely diagnosis and treatment, according to Frost & Sullivan. We believe that there is a significant demand to develop early screening services and products to expand precision oncology to early stage cancers, which would allow physicians to precisely detect and select appropriate interventions at the appropriate stages in the disease's evolution.

HCCscreen™: Milestone of Our Liver Cancer Early Screening Products and Services

Market Potential

According to Frost & Sullivan, in 2018, there were about 841,000 liver cancer incidences globally and liver cancer is the fourth largest cause of cancer deaths worldwide. China alone accounts for 47.6% of liver cancer incidences globally. Liver cancer is highly correlated with HBV infection, and China has approximately 73.9 million HBV carriers, representing significant market potential for early screening products.

Alpha-Fetoprotein ("AFP") blood test and ultrasonography are traditional screening methods to detect hepatocellular carcinoma ("HCC") cases; however precise detection remains largely challenging due to lack of experienced ultrasonography specialists and limited sensitivity of these methods. As a result, most HCC cases in China, as it is practiced today, are generally diagnosed based on symptoms and detected at advanced stages, resulting in a high mortality rate. Early screening of liver cancer therefore has significant benefits on prognosis and perhaps eventually reduce the mortality rates of liver cancer.

Our Proprietary Assay

Through years of research and development, we have developed HCCscreen™ to enable early detection of liver cancer. HCCscreen™ is a liquid biopsy assay developed to identify HCCs from the surface antigen of the HBV (HBsAg) positive asymptomatic individuals. Our HCCscreen™ assay uses both ctDNA mutations and protein biomarkers. The combination of these markers enabled outstanding performance of the assay in a cohort of asymptomatic HBV carriers in a pilot clinical study. HCCscreen™ robustly identified HCC cases from those who were non-HCC with a sensitivity of 85% and a specificity of 93% in the training cohort who had liver nodules and/or elevated serum AFP levels. We further validated the HCCscreen™ in a prospective cohort of 331 asymptomatic HBV carriers who were normal in AFP blood test or ultrasonography. HCCscreen™ identified 24 positive cases and four of them were diagnosed with HCC in the 6-month follow up. Notably, all the four

HCC cases were in early stage (< 3 cm), which would have better outcome than late-stage HCCs detected on the basis of clinical symptoms. None of the 307 HCCscreen™-negative individuals were diagnosed of liver cancer in 12-month follow up. In this case, HCCscreen™ achieved 17% PPV, 100% sensitivity and 94% specificity in the validation cohort of this pilot study. The results in this study were published on *PNAS* on March 11, 2019. Our ongoing study in a larger cohort of over 4,500 HBsAg+ individuals from multiple centers, which we have completed more than 2,000 tests as of August 1, 2019, will further validate and improve HCCscreen™ to better performance and be compatible for higher risk individuals from more regions. We have also optimized our liquid biopsy technology by enabling detection of methylation alterations in parallel with somatic mutations from the same ctDNA sample, which improved HCCscreen™ to have more than 93% sensitivity, 95% specificity and more than 30% PPV.

We believe that HCCscreen™ has the following advantages:

- *Potential first-in-class liver cancer screening assay globally.* At present, there is no readily available liver cancer screening assay in the market, according to Frost & Sullivan. Our HCCscreen™ technology may successfully lead to the first-in-class liver cancer screening assay globally.
- *Non-invasive*. Utilizing our ctDNA technology, our liquid biopsy technology can provide important diagnostic indicators for asymptomatic HBV carriers with a non-invasive blood test.
- *Affordable*. We aim to price our HCCscreen™ early liver cancer screening assay competitively so that it would be accessible and affordable to the general public.

Our Development Efforts

Currently, we mainly conduct liver cancer early screening services through LDT services in our Beijing laboratory facility. We are collaborating with a municipal government in China to provide liver cancer early screening to 10,000 high-risk local residents who are either HBV carriers or aged 65 and above. In early 2019, we launched a prospective study cohort with over 4,500 HBV carriers. Data gathered from these studies will be used to support our clinical trials to register our HCCscreen™ assay with NMPA, an IVD assay for liver cancer early screening. In addition, we have been granted to join “AIDS, Hepatitis and Other Major Infectious Disease Control and Presentation” project, one of the 2020 Major National Science and Technology Projects led by the Ministry of Science and Technology. Specifically, we are responsible for identification and development of biomarkers for early liver cancer detection and validate liver cancer early screening assay products. Any products developed through this project will earn green channel fast-track review status with NMPA.

As we continue to accumulate high quality data with clinical relevance through our comprehensive diagnostic and early screening products and services, we believe we will be better positioned to develop early screening assays covering additional cancer types. We are currently developing lung cancer and pan-cancer early screening products in our IVD product pipeline. We believe early screening will not only benefit clinical outcomes but also benefit biopharmaceutical companies by identifying a much larger at-risk patient population who may benefit from early therapeutic intervention or from preventative medicines.

DEVELOPMENT SERVICES

Our leading position in precision oncology attracts biopharmaceutical companies, hospitals, and research institutions to establish strong collaboration with us. We partner with hospitals, research institutions and biopharmaceutical companies in China and globally to serve their needs in genomics research and clinical development. In particular, we believe we can provide support to pharmaceutical companies across many applications, including discovery of new targets and mechanisms of acquired resistance, retrospective sample analysis to rapidly identify biomarkers associated with response and lack of response, prospective screening and patient referral to accelerate clinical trial enrollment, and companion diagnostic development to support the approval and commercialization of therapeutics. By doing so, we are staying at the forefront of the development of targeted drugs, providing us with insights of the latest development of the industry and helping us to explore future commercialization potentials. Our products and services may be used by biopharmaceutical companies for a range of applications, including biomarker evaluation for molecularly targeted therapy and immuno-therapy,

clinical trial enrollment, companion diagnostics development and joint marketing post-drug approval. We believe our collaboration with biopharmaceutical companies will also build evidence of clinical utility for our platform as an effective diagnostic tool for advanced cancer therapies. For instance, we provide genomic testing with Onco PanScan(TS) and TMB and MSI evaluations for the global trial of a PD-L1 antibody that expects to enroll over 700 patients, which is expected to establish the evaluation standard for the immuno-oncology therapy. We also provide sequencing services to other similar genomic testing institutions as part of our development services.

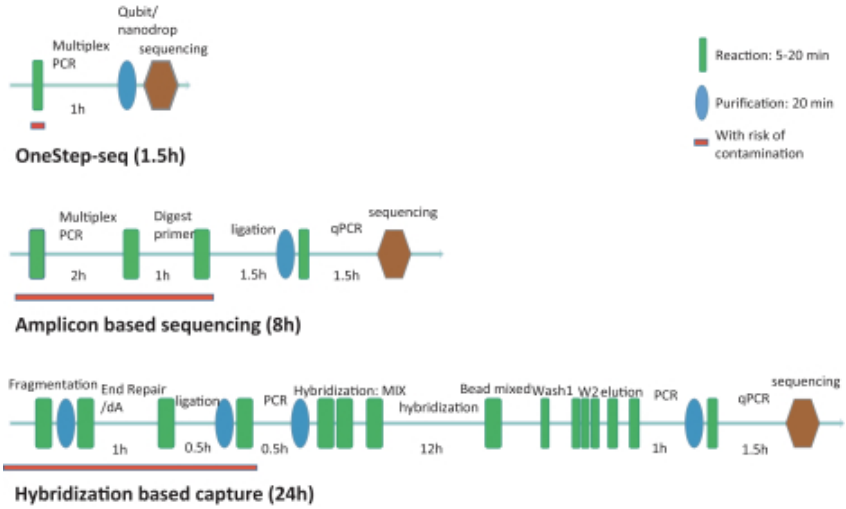
As of the date of this prospectus, we had collaborated with 57 hospitals in the PRC, 16 biopharmaceutical companies, and 15 research institutions.

OUR PROPRIETARY TECHNOLOGIES

We believe our technologies have set us apart from our competitors and made us a leader in cancer genomics, and more broadly, precision oncology medicine. Our core technologies, especially our proprietary Genetron One-Step Seq Method, liquid biopsy low-frequency mutation detection technology and Mutation Capsule have enabled us to continuously deliver high-quality results while minimizing cost, operational complexity and operational turnaround time.

Genetron One-Step Seq Method

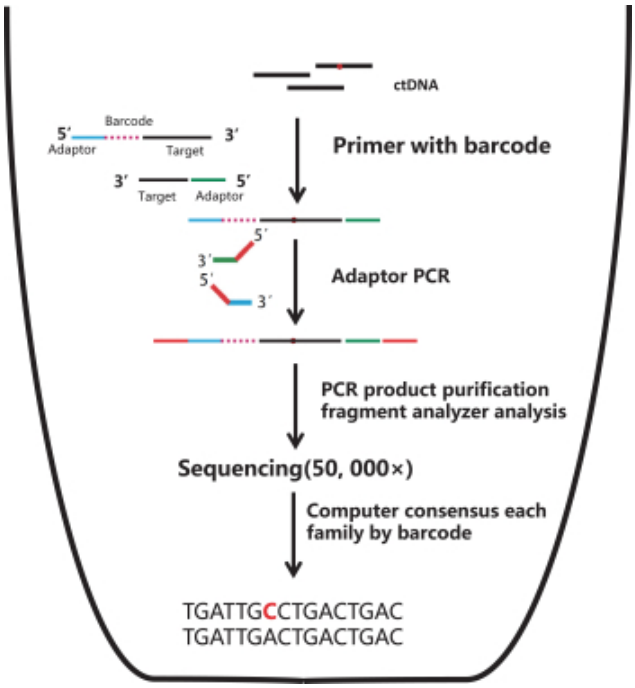
Applicable to small to medium gene panels, our One-Step Seq library construction is based on one-step multiplex PCR technology, which simplifies traditional technologies to a fast and convenient process. The traditional library construction technology involves multiple step process: construction of genomic library followed by hybridization-based enrichment of the target region, or multiplex PCR to amplify the target region and then adding adaptors to the PCR product. These strategies need complicated experiments with more than ten steps. Contamination could happen in the steps before the DNA is amplified. One-Step Seq Method allows DNA library to be prepared directly through one-step multiplex PCR reaction, minimizing the labor and the risk of contamination. One-Step Seq Method uses Qubit method for library quantitation instead of qPCR, which needs much less cost and time than the qPCR quantitation required for the library constructed by amplicon based sequencing and other traditional methods. A brief comparison of Genetron One-Step Seq Method against hybridization based capture and amplicon based sequencing is shown below:



Genetron One-Step Seq Method achieves automatic chemical reaction. The primers and adaptors are mixed with DNA sample in one tube for the multiplex PCR reaction. The primers are specially modified with special molecule linked to the DNA. Taking into consideration of the balance among primer pairs, we have built a program to design up to 10,000 pairs of primers in parallel, which is key to superior performance. We have

optimized the program through numerous rounds of experiments and are able to design the primers with high success rate. In addition, the reaction buffer, enzyme, and the PCR program have all been optimized with deep know-how.

A brief explanation of our One-Step Seq Method is shown below:



We believe that One-Step Seq Method has the following advantages compared to traditional DNA sequencing process applying to small to medium gene panels and can therefore attribute great values at clinical application stage:

- *Less time for library construction*: Through the reduction of the required number of intermediate steps, One-Step Seq Method substantially reduces the time of the library construction to 1.5 hours compared to 24 hours using hybridization based capture and eight hours using amplicon based sequencing method.
- *Higher quality of the library*: One-Step Seq Method minimizes the difference among primer pairs, leading to higher quality (balanced coverage among amplicons) of the library and high success rate of primer design.
- *Lower risk of cross-contamination*: The entire library construction process is completed in sealed centrifuge tubes with minimal hands-on time, which significantly reduced the risk of cross-contamination.
- *Lower production costs*: We produce assays developed based on this method with simple raw materials such as water, primer and enzyme, instead of purchasing commercial assays from third parties. This is especially important for commercializing IVD products.
- *Greater operational simplicity*: One-Step Seq Method has less demand on operational space, particularly suitable for hospitals to conduct genomic testings.
- *Lower sample amount DNA input*: One-Step Seq Method starts from sample amount as low as 1ng DNA and has less sample requirements and the success rate of library construction.

The following comparison chart illustrates the advantages and limitations using different methods:

	Genetron One-Step Seq	Amplicon Based Sequencing	Hybridization Capture
DNA input requirement	Low (as low as 1ng)	Low	High
Hands-on steps and time	Very simple (10 min)	Complicated (40 min)	Very complicated
Total time (from DNA to library)	1.5h	8h	24h
Contamination risk	Low	High	High
Laboratory section requirement	Low	Medium	High

We have successfully applied Genetron One-Step Method into certain of our pipeline IVD products, such as 8-gene Lung Cancer Assay and ctDNA Lung Cancer Assay. Leveraging the advantages of Genetron One-Step Method, our IVD products are particularly suitable for hospitals to carry out their own tests.

Liquid Biopsy Low-Frequency Mutation Detection Technology

Biomarkers like EGFR mutation are critical for the diagnosis and treatment selection of cancer patients. In the absence of tumor tissue samples, we could still detect the mutations from the ctDNA in the blood, urine and CSF of the cancer patient. The mutation frequency could be much lower in these sources of samples. As such, a more sensitive technology is required for the detection of mutations in ctDNA. Genetron is well experienced in ctDNA detection technology, and has developed multiple products to detect low frequency mutations.

We have integrated the DNA-barcode based technology to the One-Step Seq platform. By adding a special DNA barcode between the amplified DNA molecule and the adaptor, the false positive errors from PCR amplification and next generation sequencing would be efficiently filtered so that we can detect low-frequency mutations with high fidelity. Meanwhile, the Genetron One-Step Seq process minimizes loss of original ctDNA molecule during library construction. The limited ctDNA yield of the testing sample is one of the primary impediments of ctDNA based liquid biopsy, and higher transfer rate from ctDNA sample to detectable library means higher sensitivity to detect mutations. In this case, the combination of DNA-barcode technology and One-Step Seq process provide high sensitivity and specificity to detect low fraction mutations in ctDNA. The integration of the two technologies is particularly challenging to organize a series of molecular biology reactions, including amplification of target region, addition of barcode, and addition of adaptor, to take place in order, with all the reagents and primers mixed in the same tube.

We currently apply liquid biopsy low-frequency mutation detection technology in the following areas, all of which have achieved a high sensitivity and specificity yield and our assays are able to detect 0.05% mutation:

- *Blood samples*: we extract the ctDNA sample from the patient's blood. Relative to a tissue biopsy, collecting blood sample is minimally invasive. It is particularly suitable for minimal residual disease (MRD) testing, which is used to examine whether the cancer treatment is working and to guide further treatment plans.
- *CSF samples*: surgical extraction of brain biopsy is risky, whereas detection of ctDNA from blood for the purpose of detecting CNS cancer is infeasible due to brain-blood barrier.
- *Urine samples*: we extract DNA from patient's urine sediments. Urine samples could be used to diagnose bladder cancer and other urinary system cancer types, which offers patients painless sample collection experience. The non-invasive nature of urine samples is also suitable for cancer monitoring services.

Mutation Capsule Technology

We have developed Mutation Capsule, an early screening technology, that combines the detection of genomic mutations and methylation alterations in one reaction of one sample. Compared to technologies that

only detect a subset of alterations, Mutation Capsule technology can detect a broad spectrum of ctDNA alterations, including simple mutations, such as SNVs and Indels, complicated mutations, such as translocations, HBV integrations and CNVs and methylation changes. The parallel profiling of genomic and epigenetic alterations in a single reaction enables comprehensive profiling of ctDNA biomarkers with minimal sample requirement. In addition, Mutation Capsule technology supports multiple tests of one ctDNA sample without having to split samples and sacrificing sensitivity. To achieve this, we add DNA barcode and amplify ctDNA to generate a "mutation capsule library" ("MC Library"), which supports up to ten tests on different panels of biomarkers. After a test, the remaining MC Library could be used to detect new biomarkers in future test plans. The sensitivity of each test on MC Library is generally equivalent to the initial test directly on the original ctDNA sample, which could directly reflect mutation of the original DNA. In this case, a ctDNA sample collected in one study could be used to test new biomarkers in multiple different studies. One major hurdle of performing liquid biopsy study is not only to acquire blood samples, but also to track the individual to know the clinical outcome. With Mutation Capsule technology, clinical outcome of one study could benefit multiple studies. Moreover, certain new studies could be completed even without collecting and tracking new samples or cohorts. We believe our proprietary Mutation Capsule technology significantly saves our time and costs associated with future clinical studies and will increase the efficiency of our R&D efforts.

Furthermore, the MC Library supports both amplification and hybridization-based capture to enrich target region, which allows us to study wide range of panel sizes. Even at panel size as small as 10Kb, this technology keeps high (>80%) on-target rate, significantly increasing the efficiency of sequencing and lowering the cost. The DNA barcode added to the ctDNA molecule, in combination with our bioinformatic program, will filter false positive mutations from amplification and sequencing.

The following table reflects comparisons of different sequencing technologies:

	Mutation Capsule	Hybridization based ctDNA sequencing	Amplification based ctDNA sequencing
Mutation types to detect	SNV, indel, complicated mutations (CNV, HBV integration, translocation, etc.)	SNV, indel, complicated mutations	SNV, indel
Methylation change	detect in parallel with mutations	in separate reaction to mutations	in separate reaction to mutations
Range of panel size	Small to large	Large	Small
On-target rate for small panel	High	Low	High
High GC region (TERT promoter region for example)	Comparable to normal GC regions and can amplify in parallel	Much lower coverage	Much lower coverage, need to amplify in separate reaction
Reagent cost	Low for amplification-based	High	Low
Sequencing throughput	Flexible	High	Low
Support multiple tests and available for future study	Yes, support multiple amplification- and/or hybridization-based tests	Yes, support multiple hybridization-based tests	No, one sample only supports one test

The combination of these characteristics makes Mutation Capsule an ideal solution for cancer early detection studies—low cost yet high sensitivity. In addition, multiple types of ctDNA alterations can be detected in one reaction, and one sample can be used in multiple studies with different panels of biomarkers tested.

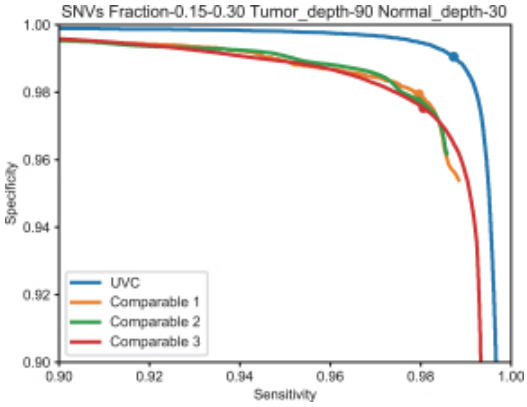
Bioinformatics

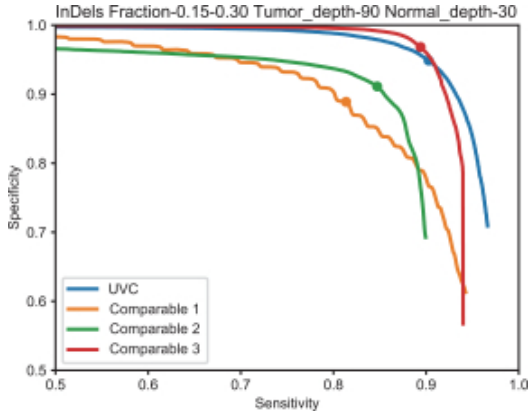
Integration of AI and big data analytics approaches such as machine learning, deep learning, and natural language processing to tackle the challenges of scalability and high dimensionality of data and to transform big data into clinically actionable knowledge is expanding and becoming the foundation of precision oncology. Our AI technology is able to automatically analyze DNA sequencing data to generate a ready-to-read data report.

As part of our AI technology capabilities and building on years of experience working with our patients, we have generated high quality genomic data, which contains approximately 70,000 accumulated tissue and blood genomic test results. We believe we also have one of the world's largest brain tumor genomic database containing data of approximately 16,000 cases, which comprises quality samples that have been compared and cross-referenced with the patient's personal medical history to ensure their clinical significance and accuracy. Our database will continue to grow along with the increasing number of tests we conducted, enabling us to continuously refine our database and enhance its predictive capability.

As an important part of our bioinformatics platform, we have developed our own algorithms to optimize the process for variant calling in most of our NGS products. Compared to other popular and published variant callers, our algorithm increased sensitivity from 95.6% to 97.9% and precision from 97.4% to 98.6% on the benchmark data. It can also reduce about half the false negative calls and false positive calls generated from other variant callers. Our variant calling platform is at least 50% faster than other commercial softwares.

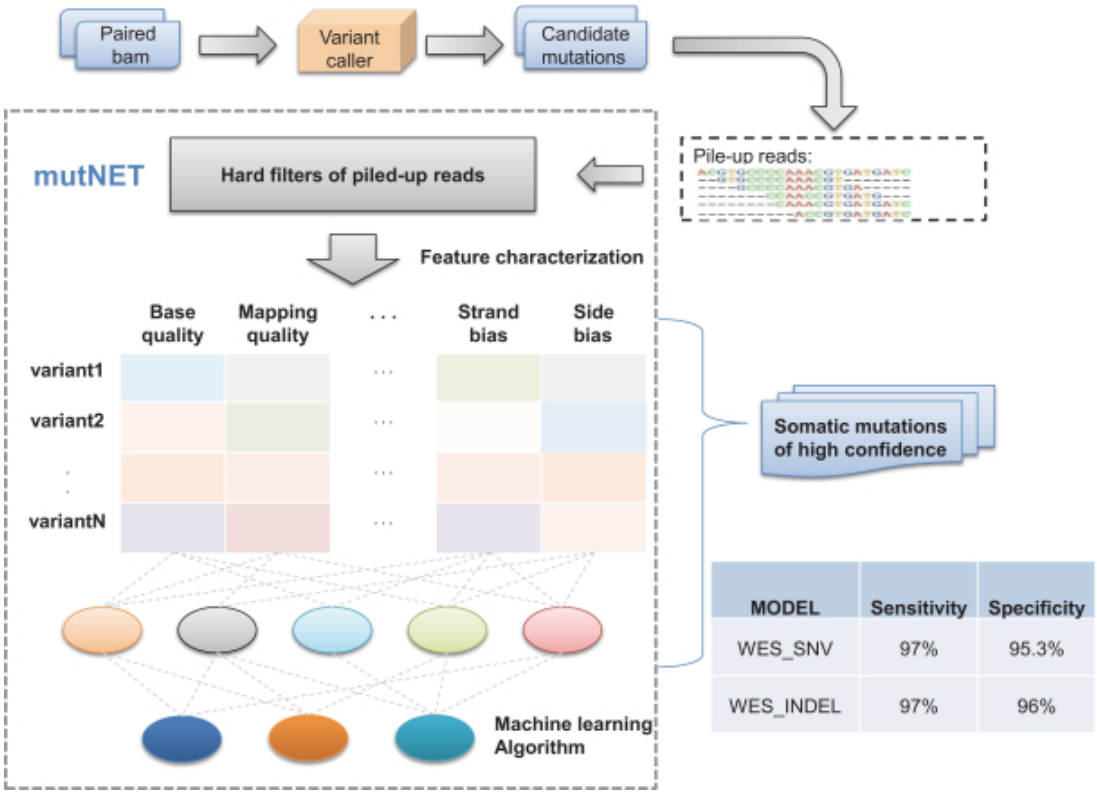
The figures below shows the precision-recall curves for calling single nucleotide variants (SNVs) and insertions and deletions (InDels) on benchmark data for our variant caller – UVC, in comparison to three other commercially available variant callers. For each variant caller, the pair of sensitivity and precision that achieved the best F-score is marked with a dot.





We also developed an automated variant reviewer mutNET to replace the manual variant review process based on a machine learning framework. mutNET reduced the variability due to human judgment during the manual review process and cut down 95% of the review time. For example, the misclassification rate of our algorithm is 3.87% and 3.59% for SNVs and Indels respectively, and the average misclassification rate of manual check was reported as around 5% and subjected to human judgment.

The below graph illustrates the workflow and performance of mutNET in our somatic mutation calling pipeline for whole exome sequencing data.



Further, we have applied AI technologies in the development of diagnostic tests for detecting early stage cancers. We applied advanced machine learning technologies to integrate different types of biomarkers for an algorithm, to select key biomarkers for a simple assay for large-scale application, and to optimize our model and product of cancer early detection with enlarged cohort studies. We also trained our bioinformatics pipeline with our evaluation of mutations from clinical outcome to call low-frequency mutations with higher fidelity. These approaches led to increased accuracy of our early screening services. Our diagnostic classifier, a method to detect early stage cancers currently based on our algorithm for liver cancer, was published in *PNAS*.

OUR RESEARCH AND DEVELOPMENT CAPACITIES

We believe our continued research and development is the key driving force behind our long-term competitiveness, as well as our future growth and development. Our overall objective is to continuously broaden the spectrum of our services and products in order to detect a wider range of cancers and to optimize the treatment of cancer.

Our industry leading research team and achievements

Our R&D capacities are supported by our best-in-class research and development team led by scientists at the forefront of cancer genomics research. Dr. Hai Yan, our Chief Scientific Officer, and Dr. Yuchen Jiao, our Chief Technology Officer, lead our in-house research and development team consisting of 90 researchers and scientists, including 16 Ph.D. degree holders and 56 Master's degree holders across medical, pharmaceutical,

molecular biology, biotechnology and other related areas. Dr. Hai Yan obtained his M.D. from Peking University Health Center and his Ph.D. in molecular and cellular biology from Columbia University and was trained as a Postdoc in Dr. Bert Vogelstein Laboratory at the Howard Hughes Medical Institute and Johns Hopkins University School of Medicine. Dr. Yan has published 115 articles in peer reviewed journals, including *New England Journal of Medicine*, *Nature*, and *Science*, as the first or corresponding authors. Dr. Yuchen Jiao obtained his M.D. from Peking Union Medical College and his Ph.D. in biological chemistry at the Johns Hopkins University. Dr. Jiao also had his postdoc training at Dr. Bert Vogelstein Laboratory at the Howard Hughes Medical Institute and Johns Hopkins University School of Medicine. His research has been published in multiple renowned academic journals such as *Science* and *Nature Genetics*. In addition, we have established a R&D center in North Carolina, Hangzhou, and Beijing, respectively.

Our research and development capabilities are well-recognized in the industry. We have obtained an approval from the National Development and Reform Commission of the PRC to establish a national demonstration center for cancer genomic testing technologies. We are also one of the few companies in the PRC who have published many research papers in highly influential worldwide peer-reviewed scientific journals, such as *Nature Genetics*, *Nature Communications*, *Cell Research* and *PNAS*. As of the date of the prospectus, 19 of our research papers have been published in scientific journals and cited frequently by other researchers.

Our research and development capabilities are also acknowledged by the government. As a leading precision oncology company, we are accredited as a National High-Tech Enterprise, after being evaluated at all factors, including core independent intellectual property rights and the ability to apply the scientific and technological achievements. In addition, we have received government grants for three consecutive years to further develop high-throughput cancer genomic testings and relevant database.

R&D Plan

We have developed innovative technology platforms since our inception, including Genetron One-Step Seq Method, ctDNA low frequency mutations detection technology and Mutation Capsule. We are fully committed to investing in R&D to develop new clinical services and IVD products. In the next three to five years, we will focus our near-term R&D efforts on early screening and seek NMPA registration of IVD products covering early screening of liver cancer, lung cancer, gastric cancer and pan-cancer.

R&D Expenses

We have invested RMB45.8 million and RMB71.4 million (US$10.4 million) in research and development for the years ended December 31, 2017 and 2018, respectively, accounting for approximately 61.7% and 53.9% of cost of revenue, demonstrating our strong commitment in R&D.

INTELLECTUAL PROPERTY

Protection of our intellectual property is fundamental to the long- term success of our business. Specifically, our success is dependent on our ability to obtain and maintain protection for our technology and the know-how related to our business, defend and enforce our intellectual property rights, and operate our business without infringing, misappropriating, or otherwise violating valid and enforceable intellectual property rights of others.

Our patent strategy is focused on seeking coverage for our core technology, such as one-step library construction method, our sequencing platform, our assay, and specific follow-on applications and implementations for detecting, monitoring and early screening cancer or other diseases by determining genetic variations in patient samples. In addition, we file for patent protection on our ongoing research and development which may be applicable in cancer cases and other diseases.

As of the date of this prospectus, we have four issued patents and 17 pending patent applications in China, and have three international patent applications under the PCT. Our patents cover our key technologies, including

Genetron One-Step Seq Method and liquid biopsy library construction sequencing analysis. We also own 57 registered trademarks, copyrights to 33 software programs developed by us relating to various aspects of our operations, and nine registered domain names.

Our key patents and patent applications include:

- Method for rapidly constructing amplicon library through one-step process
- Construction method of amplicon library for detecting low-frequency mutation of target gene
- Mutation capsule technology

We obtained an exclusive worldwide license from a leading research institution under certain patent rights make, use and sell products related to TERT mutation analysis.

We seek to ensure that investments made into the development of our technology are protected by relying on a combination of patents, trademarks, copyrights, trade secrets, including know-how, license agreements, confidentiality agreements and procedures, non-disclosure agreements with third parties, employee disclosure and invention assignment agreements and other contractual rights. We have also employed internal policies, confidentiality agreements, encryptions and data security measures to protect our proprietary rights. However, there can be no assurance that our efforts will be successful. Even if our efforts are successful, we may incur significant costs in defending our rights. From time to time, third parties may initiate litigation against us alleging infringement of their proprietary rights or declaring their non-infringement of our intellectual property rights. See “Risk Factors—Risks Related to Our Intellectual Property”.

OUR MANUFACTURING AND TESTING CAPACITY

Our Manufacturing Facilities

We use OEM model to manufacture our sequencing instruments, and all our assays are manufactured in-house. We carry out our manufacturing activities at two facilities located in Beijing and Chongqing. Our Beijing manufacturing facility has a total gross floor area of 402 square meters and is responsible for the production of our assays. Beijing manufacturing facility has designed annual production capacity of 100,000 assays with utilization rate being approximately 12%, 16% and 35% in 2017 and 2018 and for the nine months ended September 30, 2019, respectively. Our Chongqing manufacturing facility mainly assembles and manufactures medical devices and has a designed annual production capacity of 500 sequencing platforms. Utilization rate of Chongqing manufacturing facility was approximately 0.56%, 6.00% and 2.44% in 2017 and 2018 and for the nine months ended September 30, 2019, respectively. The manufacturing process of our medical devices takes approximately ten days while the manufacturing of our assays typically takes one month.

Our Testing Facilities

We have four clinical laboratories located at Beijing, Shanghai, Hangzhou and Chongqing, China. Our clinical laboratories are equipped with sequencing platforms to support our cancer molecular profiling services. Our sequencing instruments include such as Illumina Novaseq 6000 and HiSeq XTen, as well as Thermo Fisher S5 Plus and BGI SEQ2000.

All our clinical laboratories in Beijing, Shanghai, Chongqing and Hangzhou have conducted registrations and obtained the Medical Institution Practicing License. In addition, all these clinical laboratories are authorized to perform PCR amplification for clinical use. Our clinical laboratory in Beijing has obtained comprehensive panel accreditation under the CLIA from the CMS and certification from the CAP. In addition, each of our above mentioned clinical laboratories has obtained NCCL EQA Certifications in various aspects, including our high-throughput sequencing and our bioinformatics platforms. In particular, our above mentioned clinical laboratories have passed over 120 national and provincial clinical laboratory EQA tests since our inception, covering

germline, comprehensive panel and liquid biopsy testing and bioinformatics, demonstrating our dedication to the highest service quality. Furthermore, our Beijing manufacturing facility has achieved both ISO 13485: 2016 certification and ISO 9001 2015 certification. Both Beijing manufacturing facility and Chongqing platform manufacturing facility have passed verification of quality management system for medical device registration.

Quality Control

We believe that an effective quality management system is critical to ensuring the quality of our products and services. We have established an in-house quality management system and devoted significant attention to quality control of our raw materials, equipment, products and services. We have also established a quality control team consisting of 21 members who have an average of eight years of industry experience. We have established detailed quality control and assurance procedures guiding our internal production and external purchase of raw materials and equipment. We purchase our raw materials and equipment only from selected reputable suppliers. In addition, to ensure high product quality, we have implemented a "quality-by-design" approach pursuant to which manufacturing processes are designed during the research and development stage and quality control processes are continuously monitored. Furthermore, our Beijing manufacturing facility has achieved both ISO 13485: 2016 certification and ISO 9001 2015 certification. Both Beijing assays manufacturing facility and Chongqing platform manufacturing facility have met the requirements under GMP of medical devices. In addition, each of our medical devices, including platforms such as Genetron 3D biochip reading instrument, Genetron S5, Genetron Chef, and Genetron S2000 and assays such as IDH1 assay, TERT assay, and 8-gene Lung Cancer Assay (Tissue), has also satisfied such requirements. We are one of the first precision oncology companies in China that obtained both CAP and CLIA accreditations for NGS platform, according to Frost & Sullivan.

Supply of Raw Materials and Components

We have a dedicated team to procure required components to meet specific requirements of our hardware products. The primary raw materials and components used in our laboratories for our LDT services and IVD products include medical device sub-components and reagents such as enzymes, plasmid and buffer solution. We procure our raw materials from suppliers in China, the United States, Japan, Germany, South Africa, Netherlands and Singapore, which we believe have sufficient capacity to meet our commercial needs. We maintain a list of raw material suppliers and review their qualifications on an annual basis by taking into consideration the results of our on-site evaluation of their production facilities, to the extent applicable, as well as factors such as their product quality, business scale, market share and reputation. To monitor the quality of supplies, we implement a standardized operating system by setting out the procedures and guidelines on the procurement of raw materials, quality control inspection, warehousing, testing and storage. In addition, from time to time, we procure genomics sequencing machines. During the past two years and for the nine months ended September 30, 2019, we have not experienced any material shortages or delays in the supply of raw materials. The experience with our suppliers during past four years has provided us confidence in their ability to produce consistent and quality instrumentation, reagents and materials.

We have taken active measures to control the increases in procurement costs. For example, we enter into long-term framework supply agreements with our major suppliers to secure sufficient raw materials and lock the prices of raw materials for the upcoming financial year. We also purchase manufacturing equipment and tools from multiple suppliers to ensure we maintain stable supply at reasonable prices. Furthermore, we are conducting research on certain key raw materials, and upon completion of our research, we seek to manufacture these raw materials in-house to control cost and quality. During the past two years and for the nine months ended September 30, 2019, we had not experienced any material fluctuations in raw material costs that had a material impact on our results of operations.

License and Supply Agreement

In January 2018, we entered into a license and supply agreement with an international NGS instrument manufacturer (the "International Licensor"), pursuant to which the International Licensor granted a license for us to manufacture a localized version of the International Licensor's next generation sequencing instruments and diagnostic assays and the International Licensor provides certain sequencers, equipment and other materials that we use in our laboratory operations. During the term of the license and supply agreement, the International Licensor will supply us with sequencing instruments, software, reagents and other consumables for use with the International Licensor instruments.

During the term of the license and supply agreement, we are required to make a rolling quarterly forecast of our expected needs for sequencing instruments, reagents and other consumables for the following four quarters, and place purchase orders for sequencing instruments, reagents and other consumables. Subject to discounts that vary depending on the volume ordered and an annual price adjustment, the price for instruments, reagents and other consumables is based on contract prices that are fixed for a set period of time and may increase in proportion to increases in the International Licensor's published US list price for equivalent products. The license and supply agreement includes a minimum purchase requirement and requires us to source substantially similar products from the International Licensor.

The agreement contains negotiated use limitations, representations and warranties, indemnification, limitations of liability, and other provisions. The initial term of the license and supply agreement is five years and may be renewed by written mutual agreement. Either we or the International Licensor may terminate the license and supply agreement for the other's uncured material breach, bankruptcy or insolvency-related events.

OEM Collaboration Agreement

In December 2018, we entered into an OEM cooperation agreement with a domestic NGS instrument manufacturer (the "Domestic Licensor"), for it to provide certain sequencers, equipment and other materials that we use in our laboratory operations and grant a license allowing us to assemble and manufacture instruments and consumables. During the term of the OEM cooperation agreement, the Domestic Licensor will supply us with sequencing instruments, reagents and other consumables for use with the Domestic Licensor instruments.

During the term of the OEM cooperation agreement, we are required to make a rolling monthly forecast of our expected needs for reagents and other consumables for the following three months, and place purchase orders for instruments, reagents and other consumables. The Domestic Licensor may not unreasonably reject conforming purchase orders. Subject to discounts that vary depending on the volume of instruments and consumables ordered, the price for instruments, reagents and other consumables is based on contract prices that are fixed for a set period of time. The OEM cooperation agreement includes a minimum purchase requirement.

The agreement contains negotiated use limitations, representations and warranties, indemnification, limitations of liability, and other provisions. The initial term of the OEM cooperation agreement is six years (or five years starting from the date when we obtain the regulatory approval for the instruments) and may be renewed by written mutual agreement. Either we or the Domestic Licensor may terminate the OEM cooperation agreement for the other's uncured material breach, bankruptcy or insolvency-related events, acquisition by competitors or unpermitted assignment.

SALES AND MARKETING

We have established a robust sales and marketing team of approximately 270 members, consisting of both sales team and marketing team, to provide doctors, patients and other clients with the customized support. Since 2017 and as of September 30, 2019, we had provided products and services to patients in approximately 415 hospitals in China. We have also established an external sales network of distributors, covering tier-three and

tier-four cities in China. In addition, our commercialization efforts are facilitated by our dedicated marketing team, responsible for promoting our services and products, ideas and mission of our company, through both online platforms and offline channels, to our existing customers and potential new customers. Our marketing team will also co-sponsor or organize medical summits, conferences and seminars to promote and raise awareness of the clinical application of precision oncology among physicians and patients.

Direct Sales

As of September 30, 2019, our direct sales team covers over 35 cities, including three tier-one cities, located in more than 25 provinces in China. In particular, we have approximately 30 sales representatives in Beijing, over 10 sales representatives in Shanghai, and over 10 sales representatives in Guangzhou.

The following map sets forth our direct sales coverage in China as of September 30, 2019:

The majority of our business is derived from direct sales to patients, which is divided into three business units, focusing on diagnosis and monitoring services, early screening services and development services, respectively.

- *Diagnosis and monitoring services*—Our direct sales interact with doctors of respective areas in regular meetings/visits and help them to better understand the features of our services and products. We undertake various initiatives to effectively scale our business. We specifically focus on collaborating with KOLs and specialists in the local hospitals to educate the market on clinical significance of cancer molecular profiling. Our direct sales team together with our marketing team actively interact with national KOLs and reach out to regional KOLs in medical conferences, seminars and summits or through the co-authoring of research papers. We believe our close interaction and cooperation with KOLs will help us to achieve greater clinical application of our cancer genomics research and increased brand awareness of our services and products.

We sell most of our products and services to patients directly upon their consultation with physicians. We have also entered into testing services agreements with certain hospitals, where hospitals will deliver collected patients' samples to us on a regular basis. As of September 30, 2019, we have entered testing services agreements with 11 hospitals. Under the agreements, we collect payments on a regular basis from hospitals, who will then charge their patients accordingly. In addition, we have entered into purchase agreements with eight hospitals as of September 30, 2019, pursuant to which the hospitals will purchase assays directly from us for in-hospital testing services.

- *Early screening services*—We have established a special designated team covering early screening services. The early screening services sales team focuses on medical examination centers and enterprises, as we see great potential in the inclusion of our early screening services as one of the testing items on their physical examination and health assessment plans. Different from our direct sales team covering diagnosis and monitoring services, early screening services sales team has strong business-to-customer and e-commerce sales experiences as we expect a great portion of our early screening services and products customers will be individual customers acquired through online platforms.
- *Development services*—Our business development team and direct sales team covering development services is focused on selling to biopharmaceutical companies in China. Our strategy with each biopharmaceutical customer is to demonstrate our solid R&D capabilities, regulatory capability, especially registration capability, credentials, compliance and testing qualities, and strong relationship with leading KOLs and expand its utilization across the organization from early stage research through clinical development to commercialization.

We believe that precision oncology market requires further education and guidance on the benefits of genomic screening of cancer. In this regard, our sales and marketing team is well-positioned to guide and educate the market, driving market penetration in the markets we selected. In anticipation of our business expansion and as more of our pipeline products obtain approval for commercialization, we plan to further expand our sales and marketing force in the next few years.

Sales through Distributors

In addition to our direct sales, we also sell our products, primarily IVD products, to hospitals through our distributors. As of September 30, 2019, we had sold our products through approximately 20 distributors within China. We monitor the sales activities of our independent third-party distributors from time to time, including the levels of inventory of IVD assays and sequencing platforms at our distributors. We believe that our distribution model is consistent with customary industry practice and serves to complement our direct sales. In particular, to provide a wider and more comprehensive sales network, we engage our distributors mainly to penetrate into tier-three or tier-four cities in China. Combing both our sales and marketing team and our distributors network, we believe we are able to provide a more comprehensive sales network within China comparing to our peers.

COMPETITION

Growing understanding of the importance and effectiveness of precision oncology medicine is leading to more companies offering services and products in the industry. In the China market, due to various regulations, we are mainly competing with domestic players. Our competitors may include companies providing cancer molecular profiling, third-party service providers specializing in diagnosis and monitoring services, and upstream suppliers. We primarily compete on a number of factors, including efficiency and turnaround time for report preparation, support by KOLs, our product pipelines, technology platforms, ability to commercialize products, strong R&D and IVD registration capabilities.

We expect the competition in the precision oncology market to persist and intensify. Our competitors may announce or develop new clinical services, products or enhancements that allow for a more precise detection and/

or quicker turnaround. They may also establish clinical trial sites or conduct preclinical testing and clinical trials with new scientific approaches that better cater for the medical needs of patients. We believe our comprehensive LDT services, deep IVD registration pipeline and R&D capability form a barrier to entry and competitive advantages. However, we cannot assure you that we will continue to compete effectively. For more information, see "Risk Factors—Risks relating to Our Business and Industry—We may face intense competition and our competitors may develop similar, but more advanced services and products than ours, which may adversely affect our business and financial conditions."

EMPLOYEE

We had a total of 663 employees as of September 30, 2019. The following table sets forth the numbers of our employees categorized by function as of September 30, 2019.

Function	Number of Employees
Research and development	90
Testing operation	186
Sales, products, and marketing	276
Regulatory, manufacturing, and quality control	33
Administration and management	78
Total	663

Our success depends on our ability to attract, motivate, train and retain qualified personnel. We believe we offer our employees competitive compensation packages and an environment that encourages self-development and, as a result, have generally been able to attract and retain qualified personnel and maintain a stable core management team.

As required by regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time. We have granted, and plan to continue to grant, share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development.

We believe that we maintain a good working relationship with our employees, and we have not experienced any material labor disputes. None of our employees is represented by a labor union.

PROPERTIES AND FACILITIES

We are headquartered in Beijing, China and have material offices and clinical laboratories in Shanghai, Hangzhou and Chongqing, China. As of September 30, 2019, we had leased office space, plants and clinical laboratories for our material facilities as summarized below. We lease our premises under operating lease agreements from independent third parties. We believe that our existing facilities are generally adequate to meet our current needs, but we expect to seek additional space as needed to accommodate future growth.

Location	Space (in square meters)	Use	Lease Term (months)
Beijing, China	7,345	Office, manufacturing, clinical laboratory, and storage	12 – 60
Changping, Beijing, China	6,951	Office, manufacturing, clinical laboratory, and storage	12 – 60*
Huamao, Beijing, China	394	Office	36
Shanghai, China	1,201	Office and clinical laboratory	72
Hangzhou, China	986	Office and clinical laboratory	36
Chongqing, China	4,488	Office, manufacturing, clinical laboratory, and storage	63

* Our Changping facilities occupy multiple floors in different buildings at Beijing Life Science Park, therefore, we entered into multiple lease agreements, the terms of which varying from 12 months to 60 months.

INSURANCE

We provide social security insurance including pension insurance, unemployment insurance, work-related injury insurance and medical insurance for our employees. We do not maintain property insurance to protect our equipment and other properties essential to our business operation against risks and unexpected events. We do not maintain business interruption insurance or general third-party liability insurance, nor do we maintain product liability insurance or “key person” insurance. We consider our insurance coverage sufficient and in line with market practice for our business operations in China.

LEGAL PROCEEDINGS

We are currently not a party to material legal or administrative proceedings. We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. See “Risk Factors—Risks Relating to Our Operations—Allegations or lawsuits against us or our management may harm our reputation and business.”

REGULATION

This section sets forth a summary of the principal PRC laws, rules and regulations relevant to our business and operation in China.

Major Regulatory Authorities relating to Our Business in the PRC

The National Health Commission of the PRC (the "NHC"), formerly known as National Health and Family Planning Commission (the "NHFPC"), is responsible for, among others, formulating and implementing regulations relating to medical institutions, medical services and medical technologies. In particular, the medical test laboratories and clinical gene amplification test laboratories established for genomic testing services, and the medical technologies used in genomic testing services are under supervision of NHC.

The National Medical Products Administration (the "NMPA"), under and supervised by the State Administration for Market Regulation, was established to undertake part of duties of the former China Food and Drug Administration (the "CFDA"). NMPA is responsible for, among others, formulating and implementing regulations relating to research, manufacturing, operation, distribution, quality control, usage and registration of medical devices. In-vitro diagnostic reagents, gene sequencers or software relating to genomic testing services shall be deemed as medical devices and supervised by NMPA and its local counterparts.

The Ministry of Science and Technology of the PRC (the "MOST") is responsible for regulating the collection, preservation, utilization and outbound provision of human genetic resources.

Regulations relating to Laboratories

Medical Test Laboratories

According to the *Administrative Regulations on Medical Institutions*, promulgated by the State Council, effective on September 1, 1994, and amended on February 6, 2016, and the *Implementation Measures of the Administrative Regulations on Medical Institutions*, effective on September 1, 1994, latest amended by NHFPC and effective from April 1, 2017, any entity or individual which intends to establish and operate a medical institution shall apply for an approval from NHC or its local counterparts to obtain a Medical Institution Practicing License.

According to the *Basic Standards and Practice of Medical Test Laboratory*, promulgated by NHFPC and effective from July 20, 2016, a medical test laboratory, which conducts clinical tests, including clinical hematology tests and body fluid tests, clinical chemistry tests, clinical immunology tests, clinical microbiology tests, clinical molecular cytogenetic tests and clinical pathology tests, for the purpose of diagnosis, management, prevention or treatment of diseases and health assessment, shall be regulated as a medical institution. The establishment and operation of a medical test laboratory shall apply for an approval from NHC or its local counterparts to obtain a Medical Institution Practicing License. We have established four medical test laboratories in PRC with Medical Institution Practicing License as of the date of this prospectus.

Clinical Gene Amplification Test Laboratories

Pursuant to the *Administrative Measures for Clinical Gene Amplification Test Laboratories of Medical Institutions*, promulgated by the Ministry of Health, the former of NHFPC, and effective from December 6, 2010, and the *Catalogue of Clinical Laboratory Items for Medical Institutions (2013)* promulgated by NHFPC on August 5, 2013, or Testing Items Catalogue, the NHC at the provincial level is responsible for the supervision and administration of clinical gene amplification test laboratories of medical institutions. A clinical gene amplification test laboratory shall register its clinical testing items with the NHC at the provincial level after technical verification passed by the center for clinical laboratories at the provincial level. In the event that any

clinical testing items conducted by any clinical gene amplification test laboratory exceed the scope of clinical test items registered with the NHC, or clinical testing reagents used by any clinical gene amplification test laboratory for clinical gene amplification test are not registered with the NMPA, such laboratory may potentially be required to suspend its business of clinical gene amplification testing. In addition, pursuant to the Notice on Issues Related to the Management of Clinical Laboratory Items, or Circular 167, promulgated by the NHFPC on February 25, 2016, the clinical testing items which are not included in the Testing Items Catalogue, but with clear clinical significance, relatively high specificity and sensitivity, and reasonable price, shall be validated in time to meet clinical needs.

Pathogenic Microorganism Laboratories

Pursuant to the *Regulations on Administration of Bio-safety in Pathogenic Microorganism Laboratories*, promulgated by the State Council, effective on November 12, 2004, and latest amended on March 19, 2018, pathogenic microorganism laboratories are classified into four levels, namely bio-safety levels 1, 2, 3 and 4 in terms of bio-safety protection levels in accordance with national standards on biosafety of laboratories. Laboratories at bio-safety levels 1 and 2 shall not engage in laboratory activities related to highly pathogenic microorganisms. The construction, alternation or expansion of a laboratory at bio-safety level 1 or 2 shall be filed for record with the local counterparts of NHC. The entity launched a pathogenic microorganism laboratory shall develop a scientific and strict management system, regularly inspect the implementation of the regulations on bio-safety, and regularly inspect, maintain and update the facilities, equipment and materials in the laboratory, to ensure its compliance with the national standards.

Regulations relating to Medical Technologies

Pursuant to the *Administration Measures for the Clinical Application of Medical Technologies* promulgated by NHC on August 13, 2018 and effective from November 1, 2018, a negative list will be set up regarding the clinical application of medical technologies, which are classified into two categories: “restricted” and “prohibited”. Any medical institution shall refrain from conduct any clinical application of medical technologies that fall within the “prohibited” category, while a medical institution which engages in clinical application of medical technologies falling within the “restricted” category shall file with the NHC or its local counterpart within fifteen working days after the first clinical application of such technologies. In addition, pursuant to the *Notice of Strengthening the Administration of Products and Technologies Relating to Clinical Gene Sequencing*, jointly promulgated by General Office of NHFPC and CFDA on February 9, 2014, no medical institutions may apply gene sequencing technologies or products for clinical use before the issuance of relevant access standards and management regulations.

Regulations relating to Medical Devices

The manufacturing, using and operation of medical devices in China are subject to extensive regulations.

Pursuant to the *Regulations on the Supervision and Administration of Medical Devices* (the “Medical Devices Regulation”), promulgated by the State Council and effective from April 1, 2000, and latest amended on May 4, 2017, and the *Administrative Measures for In-vitro Diagnostic Reagents*, promulgated by CFDA and effective from October 1, 2014 and amended on January 25, 2017, medical devices, including in-vitro diagnostic reagents, are classified into three different categories, Class I, II and III on the basis of their respective degrees of risk. Medical devices of Class I refer to such devices with low level of risk, the safety and effectiveness of which can be ensured through routine administration. Medical devices of Class II refer to such devices with medium level of risk, the safety and effectiveness of which shall be strictly controlled. Medical devices of Class III refer to such devices with high level of risk, the safety and effectiveness of which shall be guaranteed and be subject to strict control through special administrative measures.

Pursuant to the *Notice of Strengthening the Administration of Products and Technologies Relating to Clinical Gene Sequencing*, jointly promulgated by General Office of NHFPC and CFDA on February 9, 2014,

gene sequencing diagnostic products, including gene sequencers and relevant diagnostic reagents and software, shall be regulated as medical devices.

Registration and Fling of Medical Devices

Pursuant to the *Administrative Measures for Registration of Medical Devices*, promulgated by CFDA and effective from October 1, 2014, among domestic manufactured medical devices, medical devices of Class I shall be filed with the NMPA at the city level; medical devices of Class II shall be subject to the inspection, approval and the granting of product registration certificates by the NMPA at the provincial level; medical devices of Class III are subject to the inspection, approval and the granting of product registration certificates by the NMPA. The product registration certificate is valid for five years, and the holder of such certificate shall apply for renewal within six months prior to its expiration. We have obtained NMPA registrations for two assays and one platform, as of the date of this prospectus.

Production Permit and GMP for Medical Devices

Pursuant to the Medical Devices Regulation and the *Administrative Measures for Production of Medical Devices*, promulgated by the CFDA, amended and effective from November 17, 2017, an entity engaging in the production of medical devices of Class I shall complete record-filing with the NMPA at city level where such entity is located; and an entity engaging in the production of medical devices of Class II or III shall obtain a production permit of medical devices from the NMPA at provincial level. The production permit of medical devices is valid for five years and the holder of such permit shall apply for extension within six months prior to its expiration.

According to the *Good Manufacturing Practice of Medical Devices* promulgated by CFDA and effective from March 1, 2015, an entity engaging in the design, developing, production, sales after-sales of medical devices shall establish and effectively maintain a quality control standards.

Operation Permit and GSP for Medical Devices

Pursuant to the Medical Devices Regulation and the *Administrative Measures for Operation of Medical Devices*, promulgated by the CFDA, and amended and effective from November 17, 2017, an entity engaging in the operation of medical devices of Class I is not required to obtain approval or filing for record with the NMPA or its local counterparts; an entity engaging in the operation of medical devices of Class II shall file for record with the NMPA at city level where such entity is located; an entity engaging in the operation of medical devices of Class III shall apply for an operation permit from the NMPA at city level. The operation permit of medical devices is valid for five years and the holder of such permit shall apply for extension within six months prior to its expiration. According to Medical Devices Regulation, any entity shall not sell or use medical devices which are not properly registered or filed with the NMPA or its local counterparts.

Pursuant to the *Good Sales Practice of Medical Devices* promulgated by CFDA and effective from March 1, 2015, an entity engaging in the procurement, acceptance, preservation, sales, transportation and after-sales of medical devices shall take effectively quality control measures.

Regulations relating to Human Genetic Resources

The *Regulation for the Administration of Human Genetic Resources* (the “HGR Regulation”) promulgated by the State Council on May 28, 2019, and effective from July 1, 2019, regulates entities engaging in collection, preservation, utilization and outbound provision of human genetic resources. Human genetic recourses include (i) human genetic resources materials, such as organs, tissues and cells that contain hereditary substances such as human genomes genes, and (ii) human genetic resources information, such as data generated from human genetic resources.

According to the HGR Regulation, collection and preservation of human substances such as organs, tissues and cells and carrying out related activities for the purposes of clinical diagnosis and treatment, blood collection and supply services, crime investigation, doping detection and funeral and interment shall be subject to other applicable laws and regulations.

Pursuant to the HGR Regulation, foreign entities, individuals and such entities established or actually controlled thereby (each, a "Restricted Entity") shall not, within the territory of China, collect or preserve human genetic resources of China, nor provide human genetic resources of China outward across the border; while a Foreign Entity is allowed to conduct scientific research activities by utilizing human genetic resources of China through cooperation with scientific research institutions, higher education institutions, medical institutions or enterprises of China (each, a "Domestic Entity"). The utilization of human genetic resources of China in any international cooperative scientific research is subject to approval by the MOST. However, the aforesaid approval is not required, but instead a filing for record with the MOST is required, if human genetic resources of China are utilized for international cooperative clinical trials without any outbound provision of human genetic resources, for the purpose of obtaining product registration of relevant medicine and medical device in China.

Regulations relating to Product Quality and Consumer Protection

Product Quality

Pursuant to the *Product Quality Law of the PRC* which was promulgated by the SCNPC on February 22, 1993 and became effective as of September 1, 1993, and latest amended and came into force on December 29, 2018, and the *Regulations on Quality Responsibility for Industrial Products* which was promulgated by the State Council on April 5, 1986 and effective from July 1, 1986, a manufacturer is liable for the quality of products that it produces. The quality of a product shall be inspected and proved to be conformed to the standards. Industrial products which may be hazardous to health or safety of human life and property shall be in compliance with national and industrial standards safeguarding the health and safety of human life and property; in the absence of such national or industrial standards, such products shall meet the requirements for procuring the protection of health and safety of human life and property.

According to the *Product Quality Law of the PRC*, consumers or other victims who suffer personal injury or property losses due to product defects may demand compensation from the manufacturer as well as the seller. Where the responsibility for product defects lies with the manufacturer, the seller shall, after settling compensation, have the right to recover such compensation from the manufacturer, and vice versa.

Pursuant to the *Tort Liability Law of the PRC* which was promulgated by the SCNPC on December 26, 2009 and effective from July 1, 2010, manufacturers shall assume tort liability where the defects in relevant products cause damage to others. Sellers shall assume tort liability where the defects in relevant products causing damage to others are attributable to the sellers. The aggrieved party may claim for compensation from the manufacturer or the seller of the relevant product in which the defects have caused damage.

Consumer Protection

Pursuant to the *Consumer Protection Law of the PRC* which was promulgated by the SCNPC on October 31, 1993, and latest amended and came into force on March 15, 2014, the rights and interests of the consumers who buy or use commodities or receive services for the purposes of daily consumption are protected, and all manufacturers and sellers involved shall ensure that the products and services provided will not cause damage to the customers. Violations of *the Consumer Protection Law of the PRC* may result in the imposition of fines. In addition, the manufacturers and sellers may be ordered to suspend operations and its business license may be revoked, while criminal liability may be imposed in serious cases.

Regulations relating to Intellectual Property

China is a signatory to several major international conventions on intellectual property rights, including the *Agreement on Trade-Related Aspects of Intellectual Property Rights*, *Paris Convention for the Protection of Industrial Property*, *Berne Convention for the Protection of Literary and Artistic Works*, *World Intellectual Property Organization Copyright Treaty*, *Madrid Agreement Concerning the International Registration of Marks and Patent Cooperation Treaty*.

Patent Law

According to the *Patent Law of the PRC* (the "Patent Law"), promulgated by the SCNPC on March 12, 1984, latest amended and effective from October 1, 2009, and *the Implementation Rules of the Patent Law of the PRC*, promulgated by the State Council on June 15, 2001 and latest amended on January 9, 2010, the National Intellectual Property Administration is responsible for administering patents in the PRC. The Patent Law and its implementation rules provide for three types of patent: "invention", "utility model" and "design". The protection period is 20 years for invention patents and 10 years for utility model patents and design patents, commencing from their respective application dates. The Chinese patent system adopts a "first come, first file" principle, which means that where more than one person files a patent application for the same invention, a patent will be granted to the person who files the application first. To be patentable, invention or utility models must meet three criteria: novelty, inventiveness and practicability. Except under certain specific circumstances provided by law, any third-party user must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the use of constitutes an infringement of the patent rights, and shall pay compensation to the patentee and is subject to a fine imposed by relevant administrative authorities and, if constituting a crime, shall be held criminally liable in accordance with the law.

In addition to the above, under the HGR Regulation, patent right derived from the cross-border cooperation concerning genetic resources of China shall be shared by the parties jointly.

Trademark Law

Trademarks are protected by the *Trademark Law of the PRC* (the "Trademark Law"), promulgated by the SCNPC on August 23, 1982 and latest amended and effective from November 1, 2019, as well as the *Implementation Regulation of the PRC Trademark Law* adopted by the State Council on August 3, 2002 and further amended on April 29, 2014. In China, registered trademarks include commodity trademarks, service trademarks, collective trademarks and certification trademarks.

The Trademark Office under the National Intellectual Property Administration is responsible for registrations and administration of trademarks. The period of validity for a registered trademark is 10 years, commencing from the date of registration. Upon expiry of the period of validity, the registrant shall go through the formalities for renewal within twelve months prior to the date of expiry as required if the registrant needs to continue to use the trademark. As with trademarks, a "first come, first file" principle has been adopted with respect to trademark registration pursuant to the Trademark Law. Industrial and commercial administrative authorities have the authority to investigate any behavior in infringement of the exclusive right under a registered trademark in accordance with the law. In case of a suspected criminal offense, the case shall be timely referred to a judicial authority and decided according to law.

Copyright Law

Pursuant to the *Copyright Law of the PRC* (the "Copyright Law") which was promulgated on September 7, 1990 and latest amended on February 26, 2010, and the *Implementation Regulation of the Trademark Law of the PRC* promulgated by the State Council on August 2, 2002 and latest amended January 30, 2013, Chinese citizens, legal persons, or other organizations shall, whether published or not, enjoy copyright in their works, which

include, among others, works of literature, art, natural science, engineering technology and computer software. The purpose of the Copyright aims to encourage the creation and dissemination of works which is beneficial for the construction of socialist spiritual civilization and material civilization and promote the development and prosperity of Chinese culture.

Domain Names

The *Implementing Rules for China Internet Network Information Center Domain Name Registration*, promulgated by the China Internet Network Information Center on May 29, 2012, stipulates detailed rules for registration of domain names. Pursuant to the *Administrative Measures on Internet Domain Name* promulgated Ministry of Industry and Information Technology (the "MIIT") on August 24, 2017, and became effective from November 1, 2017, domain name owners are required to register their domain names and the MIIT is in charge of the administration of PRC Internet domain names. The domain name registrations follow a "first come, first file" principle.

Regulations relating to Information Security and Confidentiality

Pursuant to the *Regulations for Medical Institutions on Medical Records Management*, jointly promulgated by NHFPC and National Administration of Traditional Chinese Medicine on November 20, 2013, and effective from January 1, 2014, medical institutions and medical practitioners shall strictly protect the privacy information of patients, and any leakage of patients' medical records for non-medical, non-teaching or non-research purposes is prohibited. The *Administrative Measures for Population Health Information* promulgated by NHFPC on May 5, 2014, stipulates that medical service providers collecting or using population healthcare information shall guarantee the information security and protect individual privacy.

Regulations relating to Advertisement

Pursuant to the *Advertisement Law of the PRC*, which was promulgated by Standing Committee of the National People's Congress (the "SCNPC") on October 27, 1994 and effective from February 1, 1995 and latest amended and effective from October 26, 2018, advertisements shall not contain false statements or be deceitful or misleading to consumers. Advertisements which are subject to censorship, including advertisements relating to pharmaceuticals and medical devices, shall be reviewed by relevant authorities in accordance with applicable rules before being distributed by broadcasting, movies, television, newspapers, journals or otherwise. The *Advertisement Law of the PRC* further stipulates that advertisements for medical treatment, pharmaceutical products or medical devices shall not contain: (i) any assertion or guarantee for efficacy and safety; (ii) any statement on cure rate or effectiveness rate; (iii) any comparison with the efficacy and safety of other pharmaceutical products or medical devices or with other healthcare institutions; (iv) any use of endorsements or testimonials; or (v) other items as prohibited by laws and regulations.

Pursuant to the *Interim Measures for the Administration of Internet Advertisement* which was promulgated by the State Administration of Industry and Commerce on July 4, 2016 and became effective as of September 1, 2016, the Internet advertisement shall be identifiable and clearly identified as an "advertisement". Advertisement of any medical treatment, medicines, foods for special medical purpose, medical apparatuses, pesticides, veterinary medicines, dietary supplement or other special commodities or services shall not be released unless it has passed the required review by advertisement regulating authorities.

Pursuant to the *Measures for Administration of Medical Advertisement* which were jointly promulgated by the State Administration of Industry and Commerce and the Ministry of Health on November 10, 2006 and effective on January 1, 2007, medical advertisements shall be reviewed by relevant health authorities and obtain a Medical Advertisement Examination Certificate before being released. Medical Advertisement Examination Certificate is valid for one year and may be renewed upon application.

Pursuant to the *Measures for the Examination of Medical Devices Advertisements* which were jointly promulgated by the State Administration of Industry and Commerce, the Ministry of Health and the CFDA on April 7, 2009 and effective from May 20, 2009, for medical devices advertisement to be released and published, a manufacturer of medical devices shall obtain an approval code, which is valid for one year, from the NMPA at provincial level. In addition, the content of advertisements for medical devices is subject to certain guidelines as approved by the NMPA or its local counterparts at provincial level.

Pursuant to the *Measures Regarding the Administration of Drug Information Service through the Internet*, which was promulgated by the CFDA and effective from July 8, 2004, and amended and effective from November 17, 2017, the Internet drug information services, referring to that of providing medical information (including medical devices information) services to Internet users through the Internet, are classified into two categories, namely, profit-making services and non-profit services. Any website intending to provide drug information services through Internet, shall be approved by NMPA at provincial level before applying for an operation permit or record-filing from the authority in charge of information industry under the State Council or the administration of telecommunication at the provincial level.

Regulations relating to Environment Protection

Pursuant to *the Environmental Protection Law of the PRC* which was promulgated by the SCNPC on December 26, 1989, and amended on April 24, 2014 and came into force on January 1, 2015, all enterprises and institutions which discharge pollutants shall adopt measures to prevent and control pollution and damage to the environment from waste gas, waste water, waste residues, medical waste, dust, malodorous gases, radioactive substances, noise, vibration, ray radiation and electromagnetic radiation generated in the course of production, construction or other activities. Pollution prevention and control facilities of a construction project shall be simultaneously designed, constructed and put into operation with the principal part of the construction project. Enterprises that manufacture, store, transport, sell, use or dispose of chemicals and materials containing radioactive substances shall comply with the relevant State regulations to prevent environmental pollution. The relevant authorities are authorized to impose various types of penalties on the persons or entities in violation of the environmental regulations, including fines, restriction or suspension of operation, shut-down, detention of office-in-charge, etc.

Regulations relating to Anti-bribery

According to the *Anti-Unfair Competition Law of the PRC* promulgated by SCNPC on September 1, 1993 and latest amended on April 23, 2019, and the *Interim Provisions on the Prohibition of Commercial Bribery* promulgated by the State Administration for Industry and Commerce on November 15, 1996, any business operator shall not provide or promise to provide economic benefits (including cash, other property or by other means) to a counter-party in a transaction or a third party that may be able to influence the transaction, in order to entice such party to secure a transactional opportunity or a competitive advantages for the business operator. Any business operator breaching the relevant anti-bribery rules above-mentioned may be subject to administrative punishment or criminal liability depending on the seriousness of the cases.

Regulations relating to Labor

Labor Protection

The main PRC employment laws and regulations include the *Labor Law of the PRC* (the “Labor Law”) promulgated by SCNPC and latest amended on December 29, 2018, the *Labor Contract Law of the PRC* (the “Labor Contract Law”) promulgated by SCNPC and latest amended and became effective from July 1, 2013, and the *Implementing Regulations of the Labor Contract Law of the PRC* promulgated by the State Council on September 18, 2008. The Labor Law and the Labor Contract Law govern the establishment of employment relationships between employers and employees, and the execution, performance, termination of, and the

amendment to, labor contracts. The Labor Contract Law is primarily aimed at regulating rights and obligations of employee or employer, including matters with respect to the establishment, performance and termination of labor contracts. Moreover, according to the Labor Contract Law: (i) employees must comply with regulations in the labor contracts concerning commercial confidentiality and non-competition; (ii) employees may terminate their labor contracts with their employers if their employers fail to make social insurance contributions in accordance with the law; and (iii) enterprises and institutions shall establish and improve their system of workplace safety and sanitation, strictly abide by state rules and standards on workplace safety, educate laborers in labor safety and sanitation in the PRC.

Social Insurance and Housing Fund

As required under the *Regulation of Insurance for Labor Injury*, effective on January 1, 2004 and amended and came into force from in January 1, 2011, the *Provisional Measures for Maternity Insurance of Employees of Corporations*, effective on January 1, 1995, the *Decisions on the Establishment of a Unified Program for Basic Old-Aged Pension Insurance of the State Council* promulgated on July 16, 1997, the *Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council* promulgated on December 14, 1998, *the Unemployment Insurance Measure*s promulgated on January 22, 1999 and the *Social Insurance Law of the PRC* effective on July 1, 2011 and amended on December 29, 2018, enterprises are obliged to provide their employees in the PRC with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, labor injury insurance and medical insurance. These payments are made to local administrative authorities and any employer that fails to contribute may be fined and ordered to make up within a prescribed time limit.

In accordance with the *Regulations on the Management of Housing Funds* which was promulgated by the State Council in 1999 and amended in 2002 and on March 24, 2019, enterprises must register at the competent managing center for housing funds and upon the examination by such managing center of housing funds, these enterprises shall complete procedures for opening an account at the relevant bank for the deposit of employees' housing funds. Enterprises are also required to pay and deposit housing funds on behalf of their employees in full and in a timely manner.

Regulations relating to Foreign Investment

On March 15, 2019, the National People's Congress promulgated *the Foreign Investment Law*, which will come into effect on January 1, 2020 and replace the trio of existing laws regulating foreign investment in China, namely, the *Sino-foreign Equity Joint Venture Enterprise Law*, the *Sino-foreign Cooperative Joint Venture Enterprise Law* and the *Wholly Foreign-invested Enterprise Law*, together with their implementation rules and ancillary regulations. The existing foreign-invested enterprises established prior to the effective of *the Foreign Investment Law* may keep their corporate forms within five years. The implementing rules of the Foreign Investment Law will be stipulated separately by State Council.

Pursuant to the *Foreign Investment Law*, "foreign investors" means natural person, enterprise, or other organization of a foreign country, "foreign-invested enterprises" (the "FIEs") means any enterprise established under PRC law that is wholly or partially invested by foreign investors and "foreign investment" means any foreign investor's direct or indirect investment in mainland China, including: (i) establishing FIEs in mainland China either individually or jointly with other investors; (ii) obtaining stock shares, stock equity, property shares, other similar interests in Chinese domestic enterprises; (iii) investing in new projects in mainland China either individually or jointly with other investors; and (iv) making investment through other means provided by laws, administrative regulations, or State Council provisions.

The *Foreign Investment Law* stipulates that China implements the management system of pre-establishment national treatment plus a negative list to foreign investment and the government generally will not expropriate foreign investment, except under special circumstances, in which case it will provide fair and reasonable

compensation to foreign investors. Foreign investors are barred from investing in prohibited industries on the negative list and must comply with the specified requirements when investing in restricted industries on that list. When a license is required to enter a certain industry, the foreign investor must apply for one, and the government must treat the application the same as one by a domestic enterprise, except where laws or regulations provide otherwise. In addition, foreign investors or FIEs are required to file information reports and foreign investment shall be subject to the national security review.

Regulations relating to Foreign Investment Restrictions

Investment activities in China by foreign investors are classified into four categories with regard to foreign investment: (i) "encouraged", (ii) "restricted", (iii) "prohibited" and (iv) "permitted". On June 30, 2019, National Development and Reform Committee (the "NDRC") and Ministry of Commerce of the PRC (the "MOFCOM") jointly promulgated the *2019 version of Special Administrative Measures (Negative List)* and *Catalog of Industries for Encouraging Foreign Investment (2019 Version)*, both of which are became effective from July 30, 2019. Industries that are not listed in *the 2019 version of Special Administrative Measures (Negative List)* are permitted areas for foreign investments, and are generally open to foreign investment unless specifically restricted by other PRC regulations. Some restricted industries are limited to equity or contractual joint ventures, while in some cases Chinese partners are required to hold the majority interests in such joint ventures. In addition, restricted category projects may be subject to higher-level government approvals. Foreign investors are not allowed to invest in industries in the prohibited category. Pursuant to *the 2019 version of Special Administrative Measures (Negative List)*, the Gene diagnosis and treatment technology falls in the prohibited industry for foreign investment.

On August 8, 2006, Six PRC governmental and regulatory agencies, including the MOFCOM and the CSRC, jointly promulgated *the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors*, or M&A rules, a new regulation with respect to the mergers and acquisitions of domestic enterprises by foreign investors that became effective on September 8, 2006 and revised on June 22, 2009. Foreign investors shall comply with the M&A rules when they purchase equity interests of a domestic company or subscribe for the increased capital of a domestic company, and thus changing the nature of the domestic company into a foreign-invested enterprise; or when the foreign investors establish a foreign-invested enterprise in the PRC for the purpose of purchasing the assets of a domestic company and operating the asset; or when the foreign investors purchase the asset of a domestic company, establish a foreign-invested enterprise by injecting such assets, and operate the assets. The M&A rules, among other things, purport to require that an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange.

Regulations relating to Tax

Enterprise Income Tax

On March 16, 2007, the National People's Congress promulgated the *Enterprise Income Tax Law of the PRC* which was amended on February 24, 2017 and December 29, 2018, and on December 6, 2007, the State Council enacted *the Regulations for the Implementation of the Law on Enterprise Income Tax* which were amended on April 23, 2019 (collectively, the "EIT Law"). The EIT Law came into effect on January 1, 2008. According to the EIT Law, taxpayers consist of resident enterprises and non-resident enterprises. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but whose actual or de facto control is administered from within the PRC. Non-resident enterprises are defined as enterprises that are set up in accordance with the laws of foreign countries and whose actual administration is conducted outside the PRC, but have established institutions or premises in the PRC, or have no such established institutions or premises but have income generated from inside the PRC. Under the EIT Law and relevant implementing regulations, a uniform corporate

income tax rate of 25% is applicable. However, if non-resident enterprises have not formed permanent establishments or premises in the PRC, or if they have formed permanent establishment institutions or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the established institutions or premises set up by them, the enterprise income tax is, in that case, set at the rate of 10% for their income sourced from inside the PRC.

The Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies promulgated by the SAT on April 22, 2009 and amended on December 29, 2017 sets out the standards and procedures for determining whether the "de facto management body" of an enterprise registered outside of the PRC and controlled by PRC enterprises or PRC enterprise groups is located within the PRC.

According to the EIT Law, the EIT tax rate of a high-tech enterprise is 15%. Pursuant to *the Administrative Measures for the Recognition of High and New Technology Enterprises*, come into effect from January 1, 2008 and amended on January 29, 2016, the certificate of a high and new technology enterprise is valid for three years. An enterprise shall, after being accredited as a high-tech enterprise, fill out and submit the statements on annual conditions concerning the intellectual property rights, scientific and technical personnel, expenses on research and development and operating income for the previous year on the "website for the administration of accreditation of high-tech enterprises". Besides, when any high-tech enterprise has changed its name or has undergone any major change concerning the accreditation conditions (such as a division, merger, reorganization or change of business), it shall report the change to the accreditation institution within three months upon occurrence of the change. If the high-tech enterprise is qualified upon review by the accreditation institution, it continues to have the qualification as a high-tech enterprise, and in case of change in the name, a new accreditation certificate will be issued with the number and term of validity remaining the same as the previous certificate; otherwise, the qualification as a high-tech enterprise shall be canceled as of the year of change in the name or any other condition.

Value Added Tax

Pursuant to the *Provisional Regulations of the PRC on Value-added Tax*, promulgated by the State Council on November 19, 2017, *the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax*, promulgated by the Ministry of Finance and the SAT on December 15, 2008 and latest amended and came into effect on November 1, 2011 (collectively, the "VAT Law"), all enterprises and individuals engaged in the sale of goods, the provision of processing, repair and replacement services, and the importation of goods within the territory of the PRC must pay value-added tax.

Dividend Withholding Tax

Pursuant to the EIT Law and its implementation rules, if a non-resident enterprise has not set up an organization or establishment in the PRC, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10%. Pursuant to the *Arrangement Between the Mainland of china and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Tax on Income*, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. Pursuant to the *Notice of the SAT on the Issues concerning the Application of the Dividend Clauses of Tax Agreements*, or SAT Circular 81, promulgated by the SAT in February 2009, a Hong Kong resident enterprise must meet the following conditions, among others, in order to enjoy the reduced withholding tax: (1) it should be a company as provided in the tax treaty; (2) it must directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (3) it must have directly owned such percentage in the PRC resident enterprise throughout the 12 months prior to receiving the dividends. In August 2015, the SAT promulgated the *Administrative Measures for Non-Resident*

Taxpayers to Enjoy Treatments under Tax Treaties, or SAT Circular 60, which became effective in November 2015. SAT Circular 60 provides that non-resident enterprises are not required to obtain pre-approval from the relevant tax authority in order to enjoy the reduced withholding tax rate. Instead, non-resident enterprises and their withholding agents may, by self-assessment and on confirmation that the prescribed criteria to enjoy the tax treaty benefits are met, directly apply the reduced withholding tax rate, and file necessary forms and supporting documents when performing tax filings, which will be subject to post-tax filing examinations by the relevant tax authorities. If our Hong Kong subsidiary satisfies all the requirements under the tax arrangement and receives approval from the relevant tax authority, the dividends paid to the Hong Kong subsidiary would be subject to withholding tax at the standard rate of 5%.

Income Tax for Share Transfers

According to *the Public Notice Regarding Certain Enterprise Income Tax Matters on Indirect Transfer of Properties by Non-resident Enterprise*, or SAT Bulletin 7, promulgated by the SAT in February 2015, if a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by transfer of the equity interests of an offshore holding company (other than a purchase and sale of shares in public securities market) without a reasonable commercial purpose, the PRC tax authorities have the power to reassess the nature of the transaction and the indirect equity transfer will be treated as a direct transfer. As a result, the gain derived from such transfer, which means the equity transfer price less the cost of equity, will be subject to PRC withholding tax at a rate of up to 10%. In October 2017, SAT issued *the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source*, or the SAT Bulletin 37, which, among others, repeals certain rules stipulated in SAT Bulletin 7 and became effective on December 1, 2017. The SAT Bulletin 37 further details and clarifies the tax withholding methods in respect of income of non-resident enterprises.

Regulations relating to Dividend Distribution

Under our current corporate structure, our Cayman Islands holding company may rely on dividend payments from our PRC subsidiaries, which is a wholly foreign-owned enterprise incorporated in China, to fund any cash and financing requirements we may have. The principal legislation with respect to payment or distribution of dividends by wholly foreign-owned enterprises include (1) *the Company Law of the PRC*, most recently amended by the SCNPC in March 2014, and (2) *the Wholly Foreign-Owned Enterprise Law*, most recently amended by the SCNPC in September 2016, and its implementation rules. Under these laws, wholly foreign-owned enterprises in the PRC may pay dividends only out of accumulated profits, after setting aside annually at least 10% of accumulated after-tax profits as reserve fund, if any, unless these reserves have reached 50% of the registered capital of the enterprises. These reserve funds may not be distributed as cash dividends. A wholly foreign-owned enterprise may allocate a portion of its after-tax profits to its employee welfare and bonus funds at its discretion. Profit of a wholly foreign-owned enterprise shall not be distributed before the losses thereof for the previous accounting years have been made up. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

Regulations relating to Import and Export of Goods

Pursuant to *the Customs Law of the PRC* which was promulgated by the SCNPC on January 22, 1987 and became effective as of July 1, 1987, and latest amended on November 4, 2017 and came into force on November 5, 2017, the import of goods throughout the period from the time of arrival in the territory of China to the time of customs clearance, the export of goods throughout the period from the time of declaration to the customs to the time of departure from the territory of China, and the transit, transshipment and through-shipment goods throughout the period from the time of arrival in the territory of China to the time of departure from the territory of China shall be subject to customs control.

Pursuant to *the Foreign Trade Law of the PRC* which was promulgated by the SCNPC on May 12, 1994 and became effective as of July 1, 1994, and latest amended and came into force on November 7, 2016, any foreign

trade business operator that is engaged in the import and export of goods or technology shall be registered for archival purposes with the administrative authority of foreign trade of the State Council or the institution entrusted thereby, unless it is otherwise provided for by any law, administrative regulation or the foreign trade department of the State Council. Where any foreign trade business operator that fails to file for archival registration according to relevant provisions, the customs may not handle the procedures of customs declarations and release of the import or export goods.

Pursuant to *the Administrative Provisions on the Registration of Customs Declaration Entities of the PRC* which was promulgated by the General Administration of Customs on and became effective as of March 13, 2014, and amended on May 29, 2018 and came into force on July 1, 2018, the import and export of goods shall be declared by the consignor or consignee itself, or by a customs declaration enterprise entrusted by the consignor or consignee and duly registered with the customs authority. Consignors and consignees of imported and exported goods shall go through customs declaration entity registration formalities with the competent customs departments in accordance with the applicable provisions. After completing the registration formalities with the customs, consignors and consignees of the imported and exported goods may handle their own customs declarations at customs ports or localities where customs supervisory affairs are concentrated within the customs territory of the PRC.

Regulations relating to Foreign Exchange

Foreign Currency Exchange

The principal regulations governing foreign currency exchange in China are the *PRC Foreign Exchange Administration Regulations*, or *the Foreign Exchange Administration Regulations*, which were promulgated by the State Council on January 29, 1996 and last amended on August 5, 2008. Under the *Foreign Exchange Administration Regulations*, Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China, unless prior approval of State Administration of Foreign Exchange, or the SAFE, or its local counterparts has been obtained.

On February 13, 2015, SAFE promulgated *the Notice on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies*, or SAFE Notice 13, according to which, entities and individuals may apply for such foreign exchange registrations from qualified banks. The qualified banks, under the supervision of SAFE, may directly review the applications and conduct the registration.

On March 30, 2015, SAFE promulgated *the Circular on Reforming the Management Approach regarding the Settlement of Foreign Capital of Foreign-invested Enterprise*, or Circular 19, which came into effect on June 1, 2015. According to Circular 19, the foreign exchange capital of foreign-invested enterprises shall be subject to *the Discretionary Foreign Exchange Settlement*, which means that the foreign exchange capital in the capital account of a foreign-invested enterprise for which the rights and interests of monetary contribution have been confirmed by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the foreign-invested enterprise, and if a foreign-invested enterprise needs to make further payment from such account, it still needs to provide supporting documents and proceed with the review process with the banks. Furthermore, Circular 19 stipulates that the use of capital by foreign-invested enterprises shall follow the principles of authenticity and self-use within the business scope of enterprises. The capital of a foreign-invested enterprise and capital in Renminbi obtained by the foreign-invested enterprise from foreign exchange settlement shall not be used for the following purposes: (i) directly or indirectly used for payments beyond the business scope of the enterprises or payments as prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities unless otherwise provided by the relevant laws and regulations; (iii) directly or indirectly used for granting entrust loans in Renminbi (unless permitted by the scope of business), repaying inter-enterprise borrowings (including advances by the third-party) or repaying the bank loans in Renminbi that have been sub-lent to third parties; or

(iv) directly or indirectly used for expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

The Circular on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account, or Circular 16, was promulgated by SAFE on June 9, 2016 and became effective on the same date. Pursuant to Circular 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency to Renminbi on a self- discretionary basis. Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC Laws, while such converted Renminbi shall not be provided as loans to its non-affiliated entities.

On January 26, 2017, SAFE promulgated *the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification*, or Circular 3, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits. Moreover, pursuant to Circular 3, domestic entities shall make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

Foreign Exchange Registration of Overseas Investment by PRC Resident

On July 4, 2014, SAFE promulgated *the Circular on Relevant Issues Concerning Foreign Exchange Administration on Domestic Residents' Overseas Investment, Financing and Roundtrip Investment via Special Purpose Vehicles*, or SAFE Circular 37, which replaced the former circular commonly known as "SAFE Circular 75" promulgated by SAFE On October 21, 2005. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as an increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

Share Option Rules

Pursuant to *the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participation in Equity Incentive Plans of Overseas Listed Companies* promulgated by SAFE on February 15, 2012, or the SAFE Circular 7, PRC residents who are granted shares or share options by companies listed on overseas stock exchanges under share incentive plans are required to (i) register with SAFE or its local branches, (ii) retain a qualified PRC agent, which may be a PRC subsidiary of the overseas listed company or another qualified institution selected by the PRC subsidiary, to conduct SAFE registration and other procedures with respect to the share incentive plans on behalf of the participants, and (iii) retain an overseas institution to handle matters in connection with their exercise of share options, purchase and sale of shares or interests and funds transfers.

MANAGEMENT

Directors and Executive Officers

The following table sets forth information regarding our directors and executive officers as of the date of this prospectus.

Name	Age	Position/Title
Executive Officers		
Sizhen Wang	42	Chief Executive Officer and Director
Hai Yan, Ph.D./M.D.	52	Chief Scientific Officer and Director
Yuchen Jiao, Ph.D./M.D.	42	Chief Technology Officer
Evan Ce Xu	38	Chief Financial Officer
Kevin Ying Hong	48	Chief Operations Officer
Non-executive Directors		
Weiwu He, Ph.D.	54	Chairman of the Board of the Directors
Xia Wu	38	Director
Weidong Liu	51	Director
Dian Kang*	71	Independent Director Appointee*
Webster Cavenee*	67	Independent Director Appointee*

Note:

* Each of Mr. Kang and Dr. Cavenee has accepted appointment as a director, which will be immediately effective upon the declaration of effectiveness of our registration statement on Form F-1 by the SEC, of which this prospectus is a part.

Executive Officers

Sizhen Wang is our co-founder and served as our Chief Executive Officer since May 2015. Prior to founding our company, Mr. Wang co-founded iTalkBB in 2004, a company providing voice, TV, data and mobile communication services globally and served as executive vice president until October 2013. He led iTalkBB to enter America's VoIP residential service market and expand its business to Canada, Australia, Singapore and China over eight years and made iTalkBB to become the biggest VoIP and IPTV service provider for overseas Chinese. He previously spent seven years in finance industry, where he gained valuable experience working for Capital One and GD Capital. Mr. Wang received his bachelor's degree in economics from the Central University of Finance and Economics in 1995 and his M.B.A. degree from the HEC Paris School of Management in 2000.

Hai Yan, Ph.D./M.D. is our co-founder and has served as our Chief Scientific Officer since our inception. Dr. Yan serves as Henry S. Friedman professor of neuro-oncology in the School of Medicine of Duke University. Dr. Yan has been a co-director of the neuro oncology program at the Duke Cancer Center and the director of the Molecular Genomics Lab since 2016 and 2013, respectively. He has also served as an investigator at the Preston Robert Tisch Brain Tumor Center at Duke since April 2003. Dr. Yan has been a selected member of the American Society for Clinical Investigation since 2013. Throughout his career, Dr. Yan has also received various awards and prizes, including the Founders Award for Research Excellence by the National Brain Tumor Society of the United States in 2009 and AACR Team Science Award in 2014 by the American Association for Cancer Research. Dr. Yan received his M.D. in basic medicine from Peking University Health Center in 1991 and his Ph.D. degree in molecular and cellular biology from Columbia University in 1997. Dr. Yan also served as research associate at John Hopkins University.

Yuchen Jiao, Ph.D./M.D. has served as our Chief Technology Officer since August 2017. From December 2013 to date, Dr. Jiao is also serving as a professor at National Cancer Center/Cancer Hospital, Chinese Academy of Medical Sciences, focusing on the studying of cancer genomics and early diagnosis of cancer. Dr. Jiao's research has been published in multiple renowned academic journals such as *Science* and *Nature*

Genetics. Dr. Jiao has also received various awards throughout his academic and research careers, including Hans Joaquim Prochaska Research Award, which was awarded by the John Hopkins School of Medicine. Dr. Jiao received his M.D. in clinical medicine from Peking Union Medical College in July 2003, and his Ph.D. degree in biological chemistry at the Johns Hopkins University in 2009.

Evan Ce Xu has served as our Chief Financial Officer since March 2018. Mr. Xu has more than 12 years of experience in corporate finance and mergers and acquisition transactions. Prior to joining our Company, Mr. Xu served as director of investment banking division at Deutsche Bank AG, Hong Kong Branch, from December 2016 to March 2018. Prior to that, Mr. Xu served as associate and executive director at investment banking division of Goldman Sachs (Asia) L.L.C., from July 2010 to September 2016. Prior to that, Mr. Xu spent a number of years in various roles at different financial institutions, such as Citigroup, Lehman Brothers and Nomura Securities (Hong Kong) Limited. Mr. Xu received his bachelor's degree in computer engineering from the National University of Singapore in 2004 and his master's degree in information and computer engineering from the National University of Singapore in 2005.

Kevin Ying Hong has served as our Chief Operating Officer since January 2016. Mr. Hong has over 16 years of operations and general management experience in healthcare industry. Prior to joining us, Mr. Hong served as general manager of China and vice president of North Asia at C.R. Bard, Inc. from August 2008 to December 2014. Mr. Hong served as director of marketing and franchise director of Ethicon Endo-Surgery at Johnson & Johnson from August 1998 to July 2008. Mr. Hong received his bachelor's degree from Hunan University in 1994 and his M.B.A. degree from Simon Business School, University of Rochester in 1998.

Non-executive Directors

Weiwu He, Ph.D., is our co-founder and has served as our Chairman of the Board of the Directors since May 2015. Dr. He began his career as a research fellow at Massachusetts General Hospital and Mayo Clinic, then joined Human Genome Sciences, a biopharmaceutical corporation, in 1993 where he served as a scientist until 1996. Dr. He has served as chairman of OriGene Technologies, Inc. since 1995 and served as its chief executive officer from 1995 through April 2, 2019. In 2000, Dr. He founded Emerging Technology Partners, LLC, a venture capital firm specializing in the investment of biotechnology companies, where he serves as its general partner. Dr. He received his bachelor's degree in biochemistry from Nanjing University, his Ph.D. degree in molecular biology from Baylor college of Medicine in 1991, and his M.B.A. degree from Wharton Business School in 1999. Dr. He also serves on the Board of Directors of other biotechnology companies, including CASI Pharmaceuticals, Inc., a Nasdaq listed company.

Xia Wu has served as our Director since September 2017. Ms. Wu has over 10 years of experience in investments, particularly healthcare industry. Ms. Wu has been serving in CICC Jia Cheng Investment Management Company Limited since July 2008 and has served as vice president from January 2012 to December 2014, as executive director from January 2015 to February 2019, and as managing director since March 2019. She currently serves as a member of the investment committee of CICC Kangrui I (Ningbo) Equity Investment Limited Partners (Limited Partnership). Ms. Wu received her bachelor degree in finance from Peking University in 2003 and her master degree in economics and finance from the Warwick Business School of Warwick University in 2005.

Weidong Liu, Ph.D., has served as our director since November 2019. Dr. Liu has served as a managing director at Vivo Capital since August 2017. Dr. Liu served as a principal research investigator and held various positions at Array BioPharma, INC from October 2001 to May 2015. Afterwards, Dr. Liu served as a director of process chemistry at Avista Pharma Solutions from June 2015 to March 2016 and served as an executive director of process research & development at STA-WuXi AppTec from March 2016 to April 2017. Dr. Liu received his bachelor of science degree in chemistry and his master of science degree in organometallic chemistry from Peking University in July 1989 and August 1994, respectively. Dr. Liu received his Ph.D. degree in organic chemistry from University of Pittsburgh in December 1999.

Dian Kang will serve as our director immediately upon the effectiveness of our registration statement on Form F-1, of which this prospectus is a part. Mr. Kang served as the chief executive officer, and the executive director and the chairman of board of directors of New China Life Insurance Company Ltd. (HKEx: 1336) from 2013 to 2016 and from 2009 to 2016, respectively. Prior to that, he served as chairman of the board of supervisors of Shenzhen Development Bank Company Limited (a company listed on the Shenzhen Stock Exchange, stock code: 000001) from 2005 to 2009, chairman of Springridge Investment Management Limited from 2001 to 2005, director and vice president of the Guangdong Enterprises (Holdings) Limited, chairman of the board of the Guangdong Securities Limited and Guangdong Capital Holdings Ltd. from 1994 to 2000, as well as vice president of China National Packaging Corporation from 1990 to 1994. He also served as vice president of China Agribusiness Trust & Investment Corporation from 1987 to 1990 and worked at the Overseas Investment Department of China International Trust & Investment Corporation from 1984 to 1987. Mr. Kang also served as an independent non-executive director of Silver Grant International Industries Limited (a company listed on the HKSE, stock code: 00171) from May 1998 to February 2014. Mr. Kang graduated from Beijing Steel and Iron Institute in 1982. He also received a master's degree in economics from the Graduate School of the Chinese Academy of Social Sciences in 1984.

Webster Cavenee, Ph.D., will serve as our director immediately upon the effectiveness of our registration statement on Form F-1, of which this prospectus is a part. He has served as a director of Strategic Alliances in Central Nervous System Cancers at Ludwig Cancer Research since 2015 and as Distinguished Professor at the University of California San Diego since 1991. Dr. Cavenee joined Ludwig Cancer Research as a member in 1985 and served as Ludwig Montreal branch director from December 1985 to September 1991. Dr. Cavenee served as Ludwig San Diego branch director from September 1991 to June 2015. Prior to joining Ludwig Cancer Research, Dr. Cavenee did postdoctoral work between November 1977 and September 1983 at the Jackson Laboratory, at Massachusetts Institute of Technology, to and the Howard Hughes Medical Institute at the University of Utah. Dr. Cavenee held professorships at the University of Cincinnati from September 1983 to December 1985 and at McGill University from December 1985 to September 1991. Dr. Cavenee received his Bachelor of Science degree in Microbiology from Kansas State University in 1973 and his Ph.D. with honors from the University of Kansas in 1977.

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with each of our executive officers. Each of our executive officers is employed for a specified time period, which can be renewed upon both parties' agreement before the end of the current employment term. We may terminate an executive officer's employment for cause at any time without advance notice in certain events. We may terminate an executive officer's employment by giving a prior written notice or by paying certain compensation. An executive officer may terminate his or her employment at any time by giving a prior written notice.

Each executive officer has agreed to hold, unless expressly consented to by us, at all times during and after the termination of his or her employment agreement, in strict confidence and not to use, any of our confidential information or the confidential information of our customers and suppliers. In addition, each executive officer has agreed to be bound by certain non-competition and non-solicitation restrictions during the term of his or her employment and for two years following the last date of employment.

We have also entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company.

Board of Directors

Our Board of Directors will consist of directors, including independent directors, namely , upon the SEC's declaration of effectiveness of our registration statement on Form F-1 to which this

prospectus forms a part. A director is not required to hold any shares in our company to qualify to serve as a director. The Corporate Governance Rules of the Nasdaq generally require that a majority of an issuer's board of directors must consist of independent directors. However, the Corporate Governance Rules of the Nasdaq permit foreign private issuers like us to follow "home country practice" in certain corporate governance matters. We rely on this "home country practice" exception and do not have a majority of independent directors serving on our Board of Directors.

A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with our company is required to declare the nature of his or her interest at a meeting of our directors. A general notice given to the directors by any director to the effect that he or she is a member, shareholder, director, partner, officer or employee of any specified company or firm and is to be regarded as interested in any contract or transaction with that company or firm shall be deemed a sufficient declaration of interest for the purposes of voting on a resolution in respect to a contract or transaction in which he/she has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction. A director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he/she may be interested therein and if he/she does so, his/her vote shall be counted and he/she may be counted in the quorum at any meeting of the directors at which any such contract or proposed contract or arrangement is considered, subject to any separate requirement for Audit Committee approval under applicable law or the Listing Rules of the Nasdaq. Our Board of Directors may exercise all of the powers of our company to borrow money, to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock or other securities whenever money is borrowed or as security for any debt, liability or obligation of our company or of any third party. None of our directors has a service contract with us that provides for benefits upon termination of service as a director.

Committees of the Board of Directors

Prior to the completion of this offering, we intend to establish an audit committee, a compensation committee and a nominating and corporate governance committee under our Board of Directors. We intend to adopt a charter for each of the three committees prior to the completion of this offering. Each committee's members and functions are described below.

Audit Committee. Our audit committee will consist of , and is chaired by . We have determined that satisfy the requirements of Rule 5605(c)(2) of the Listing Rules of the Nasdaq and meet the independence standards under Rule 10A-3 under the Securities Exchange Act of 1934, as amended. We have determined that qualifies as an "audit committee financial expert." The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- reviewing and recommending to our board for approval, the appointment, re-appointment or removal of the independent auditor, after considering its annual performance evaluation of the independent auditor;
- approving the remuneration and terms of engagement of the independent auditor and pre-approving all auditing and non-auditing services permitted to be performed by our independent auditors at least annually;
- obtaining a written report from our independent auditor describing matters relating to quality control procedures;
- reviewing with the independent registered public accounting firm any audit problems or difficulties and management's response;
- discussing with our independent auditor, among other things, the audits of the financial statements, including whether any material information should be disclosed, issues regarding accounting and auditing principles and practices;

- reviewing and approving all proposed related party transactions, as defined in Item 404 of Regulation S-K under the Securities Act;
- discussing the annual audited financial statements with management and the independent registered public accounting firm;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any special steps taken to monitor and control major financial risk exposures;
- at least annually, reviewing and reassessing the adequacy of the committee charter;
- approving annual audit plans, and undertaking an annual performance evaluation of the internal audit function;
- establishing and overseeing procedures for the handling of complaints and whistleblowing;
- meeting separately and periodically with management and the independent registered public accounting firm;
- overseeing compliance with our code of business conduct and ethics; and
- reporting periodically to the board.

Compensation Committee. Our compensation committee will consist of and is chaired by . We have determined that satisfy the "independence" requirements of Rule 5605(c)(2) of the Listing Rules of the Nasdaq. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which their compensation is deliberated upon. The compensation committee is responsible for, among other things:

- overseeing the development and implementation of compensation programs in consultation with our management;
- at least annually, reviewing and approving, or recommending to the board for its approval, the compensation for our executive officers;
- at least annually, reviewing and recommending to the board for determination with respect to the compensation of our non-executive directors;
- at least annually, reviewing periodically and approving any incentive compensation or equity plans, programs or other similar arrangements;
- reviewing executive officer and director indemnification and insurance matters;
- overseeing our regulatory compliance with respect to compensation matters, including our policies on restrictions on compensation plans and loans to directors and executive officers;
- periodically reviewing and reassessing the adequacy of the committee charter;
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management; and
- reporting regularly to the board.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee will consist of , and is chaired by . We have determined that satisfy the "independence" requirements of Rule 5605(c)(2) of the Listing Rules of the Nasdaq. The nominating and corporate governance committee assists the board in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee is responsible for, among other things:

- recommending nominees to the board for election or re-election to the board, or for appointment to fill any vacancy on the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience, expertise, diversity and availability of service to us;
- developing and recommending to our board such policies and procedures with respect to nomination or appointment of members of our board and chairs and members of its committees or other corporate governance matters as may be required pursuant to any SEC or Nasdaq rules, or otherwise considered desirable and appropriate;
- selecting and recommending to the board the names of directors to serve as members of the audit committee and the compensation committee, as well as of the nominating and corporate governance committee itself;
- periodically reviewing and reassessing the adequacy of the committee charter;
- evaluating the performance and effectiveness of the board as a whole.

Duties and Functions of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to exercise the skill they actually possess and such care and diligence that a reasonable prudent person would exercise in comparable circumstances. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. Our company has the right to seek damages if a duty owed by our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached. The functions and powers of our Board of Directors include, among others, (i) convening shareholders' annual general meetings and reporting its work to shareholders at such meetings, (ii) declaring dividends, (iii) appointing officers and determining their terms of offices and responsibilities, and (iv) approving the transfer of shares of our company, including the registering of such shares in our share register.

Terms of Directors and Officers

Our officers are elected by and serve at the discretion of the Board of Directors. Each director is not subject to a term of office and holds office until such time as his successor takes office or until the earlier of his death, resignation or removal from office pursuant to the applicable provisions of our memorandum and articles of association. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found by our company to be of unsound mind; (iii) resigns by notice in writing to our company; (iv) is prohibited by law or applicable stock

exchange rules from being a director; (v) without special leave of absence from our Board of Directors, is absent from three consecutive meetings of the board and the board resolves that his office be vacated; or (vi) is removed from office pursuant to any other provisions of our post-offering amended and restated memorandum and articles of association.

Interested Transactions

A director may, subject to any separate requirement for audit and risk committee approval under applicable law or applicable Nasdaq listing rules, vote in respect of any contract or transaction in which he or she is interested, provided that the nature of the interest of any directors in such contract or transaction is disclosed by him or her at or prior to its consideration and any vote in that matter.

Compensation of Directors and Executive Officers

For the fiscal year ended December 31, 2018, we paid an aggregate of RMB3.8 million (US$0.5 million) in cash to our executive officers, and we did not pay any cash compensation to our non-executive directors. For share incentive grants to our directors and executive officers, see "—Share Incentive Plan."

Share Incentive Plans

2017 Genetron Health Share Incentive Plan and 2018 Genetron Health Share Incentive Plan

In January 2017, Genetron Health adopted the 2017 Genetron Health Share Incentive Plan, or the 2017 Plan. Under the 2017 Plan, Genetron Health reserved 2,375,800 options to certain of its management members and employees to purchase the equity interests of Genetron Health. The term of the options will not exceed ten years from the date of the grant.

In June 2018, Genetron Health adopted the 2018 Genetron Health Share Incentive Plan, or the 2018 Plan. Under the 2018 Plan, Genetron Health reserved 4,416,500 options to certain of its management members and employees to purchase the equity interests of Genetron Health. The term of the options will not exceed ten years from the date of the grant.

The options granted under the 2017 Plan and 2018 Plan will be completely replaced by the awards under the 2019 Plan.

2019 Genetron Health Share Incentive Plan and 2019 Genetron Health Share Incentive Scheme

We adopted the 2019 Genetron Health Share Incentive Plan, or the 2019 Plan, in July 2019, and the 2019 Genetron Health Share Incentive Scheme, or the 2019 Scheme, in November 2019. The purpose of the 2019 Plan and the 2019 Scheme is to attract and retain exceptionally qualified personnel and to encourage them to acquire a proprietary interest in our growth and performance. The 2019 Plan provides for the issuance of up to an aggregate of 33,961,500 of our ordinary shares. As of the date of this prospectus, we have granted 22,915,620 awards under the 2019 Plan to purchase up to 22,915,620 ordinary shares. The 2019 Scheme provides for the issuance of up to an aggregate of 20,830,100 of our ordinary shares. As of the date of this prospectus, we have not granted any awards under the 2019 Scheme.

The terms under the 2019 Plan and the 2019 Scheme are substantially the same. The following paragraphs summarize the principal terms of the 2019 Plan and the 2019 Scheme.

Types of Awards. The 2019 Plan and the 2019 Scheme permit the awards of options, phantom options, restricted shares, restricted share units ("RSUs") and phantom RSUs under the 2019 Plan and the 2019 Scheme.

Plan Administration. The 2019 Plan and the 2019 Scheme shall be administrated by our Board of Directors or the management committee of the Company to be established by the Board of Directors unless otherwise resolved by the Board of Directors.

Eligibility. The plan administrators may decide that an award under the 2019 Plan and the 2019 Scheme be granted to any employee or director of the Company or its related entities, or that it be granted to any consultant, adviser or other person who provides services to the Company or its related entities, selected by the Plan Administrators.

Award Agreements. Each award under the 2019 Plan and the 2019 Scheme shall be evidenced and governed exclusively by an award agreement executed by the Company and the participants, including any amendments thereto. The terms of the award agreements will be determined by the plan administrators and consistent with the terms of the 2019 Plan and the 2019 Scheme.

Conditions of Award. The plan administrators shall determine the participants, types of awards, numbers of shares to be covered by awards, terms and conditions of each award, including, but not limited to, the types of awards, award vesting schedule, number of awards to be granted and the number of shares to be covered by the awards, exercise price of options (if applicable), restricted shares price (if applicable), any restrictions or limitations on the award and term of each award.

Transfer Restrictions. No right of interest of a participant in any award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or its related entities, or shall be subject to any lien, obligation, or liability of such participant to any other party other than the Company or its related entities. This restriction does not apply to the transmission of an award on the death of a participant to his or her personal representatives, nor does it apply to the assignment of an award, with the prior written consent of the plan administrators, subject to any terms and conditions the plan administrators impose.

Reduction or Clawback of Awards. Within the time period specified in the 2019 Plan and the 2019 Scheme, the plan administrators may decide that the number of shares subject to any award be reduced, that the participant must transfer to or to the order of the Company a number of shares equal or less than the number of shares issued or transferred to such participant pursuant to the award, or that the award be otherwise limited or paid back to the Company, if certain events occur. Such events include but are not limited to, that the participant has engaged in financial misstatement, that the participant breaches any non-competition covenant, and that the participant's behavior has resulted in material reputational damage to the Company or its related entities as determined by the plan administrators.

Amendment of the 2019 Plan and the 2019 Scheme. The plan administrators may in its sole discretion at any time amend the 2019 Plan and the 2019 Scheme in any way, including any performance condition or other terms of an award granted.

Termination of the 2019 Plan and the 2019 Scheme. The 2019 Plan and the 2019 Scheme will terminate on the tenth anniversary of our listing on Nasdaq or any earlier date as the plan administrators may determine. No additional awards may be granted after termination.

The following table summarizes, as of the date of this prospectus, the number of ordinary shares under outstanding options, restricted shares and RSUs that we granted to our directors and executive officers under the 2019 Plan which replaced the 2017 Plan and the 2018 Plan. We have not granted any awards under 2019 Scheme.

Name	Ordinary Shares Underlying Equity Awards Granted	Exercise Price (US$/Share)	Date of Grant	Date of Expiration
Executive Officers				
Sizhen Wang	—	—	—	—
Hai Yan, Ph.D./M.D.	—	—	—	—
Yuchen Jiao, Ph.D./M.D.	3,259,000	0.03	October 14, 2019	October 14, 2029
Evan Ce Xu	*	*	March 31, 2018	March 31, 2028
Kevin Ying Hong	2,536,000	0.03	June 15, 2018	June 15, 2028
Non-Executive Directors				
Weiwu He, Ph.D.	—	—	—	—
Xia Wu	—	—	—	—
Weidong Liu	—	—	—	—
Dian Kang	—	—	—	—
Webster Cavenee* **	*	*	July 1, 2018	July 1, 2028
All directors and executive officers as a group	9,489,030	0.03	Various dates from March 31, 2018 to October 14, 2019	Various dates from March 31, 2028 to October 14, 2029

Notes:

* Less than 1% of our total outstanding shares.

** Dr. Cavenee has accepted appointment as a director, which will be immediately effective upon the declaration of effectiveness of our registration statement on Form F-1 by the SEC, of which this prospectus is a part.

As of the date of this prospectus, our award holders other than our senior management as a group held awards to purchase 13,426,590 ordinary shares, with an exercise price of US$0.03 per share under the 2019 Plan.

For discussions of our accounting policies and estimates for awards granted pursuant to the 2019 Plan, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies, Judgments and Estimates—Share-based compensation.”

PRINCIPAL SHAREHOLDERS

The following table sets forth information concerning the beneficial ownership of our ordinary shares as of the date of this prospectus, assuming conversion of all of our outstanding series A-1 preferred shares, series A-2 preferred shares, series B preferred shares, series C preferred shares, series C-2 preferred shares and series D preferred shares into ordinary shares, on a one-to-one basis(1) by:

- each of our directors and executive officers; and
- each person known to us to beneficially own more than 5% of our ordinary shares.

The calculations in the table below are based on 354,980,600(1) ordinary shares on an as-converted basis outstanding as of the date of this prospectus and ordinary shares outstanding immediately after the completion of this offering, including (i) ordinary shares to be sold by us in this offering in the form of ADSs, and (ii) 354,980,600(1) ordinary shares converted from our outstanding ordinary shares and preferred shares, assuming that the underwriters do not exercise their option to purchase additional ADSs.

Note:

(1) In connection with the completion of this offering, all of our preferred shares will convert into ordinary shares. Other than our series D preferred shares, all outstanding preferred shares will convert to ordinary shares on a one-to-one basis. Our series D preferred shares will be converted to ordinary shares on the basis of a formula that is based on the price of this offering. Unless otherwise indicated, all share number gives effect to the assumed conversion of our preferred shares into ordinary shares on a one-to-one basis, including with respect to our series D preferred shares. See “Series D Conversion” for further discussion.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant, or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Ordinary Shares Beneficially Owned Prior to this Offering		Ordinary Shares Beneficially Owned After this Offering		
	Number	%**	Number	Percentage of total ordinary shares on an as-converted basis	Percentage of aggregate voting power***
Directors and Executive Officers:†					
Executive Officers					
Sizhen Wang(1)	106,898,800	30.1%			
Hai Yan, Ph.D./M.D.(2)	33,332,000	9.4%			
Yuchen Jiao, Ph.D./M.D.(3)	3,846,500	1.1%			
Evan Ce Xu	*	*			
Kevin Ying Hong(4)	7,516,000	2.1%			
Non-Executive Directors					
Weiwu He, Ph.D.(5)	25,949,300	7.3%			
Xia Wu	—	—			
Weidong Liu	—	—			
Dian Kang	—	—			
Webster Cavenee	—	—			
All directors and executive officers as a group	114,497,300	32.3%			
Principal Shareholders:					
FHP acting-in-concert group(6)	102,559,300	28.9%			
CICC entities(7)	57,824,500	16.0%			
Hai Yan, Ph.D.(2)	33,332,000	9.4%			
Tianjin Genetron Jun'an Business Management Partnership (Limited Partnership) 天津今创君安企业管理合伙企业（有限合伙）(8)	30,152,000	8.5%			
Weiwu He, Ph.D.(5)	25,949,300	7.3%			
Vivo Capital Fund IX, L.P.(9)	25,449,300	7.2%			
EASY BENEFIT INVESTMENT LIMITED and its affiliated entity(10)	23,401,500	6.6%			
Tianjin Tianshu Xingfu Corporation Management L.P. (Limited Partnership) 天津天枢幸福企业管理合伙企业（有限合伙）(11)	23,003,000	6.5%			

Notes:

* Less than 1% of our total outstanding shares on an as-converted basis.

** For each person and group included in this table, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of (i) 354,980,600, being the number of ordinary shares on an as-converted basis outstanding as of the date of this prospectus and (ii) the number of shares such person or group has the right to acquire upon exercise of option, warrant or other rights within 60 days after the date of this prospectus. As of the date of the prospectus, the above calculation does not reflect the potential dilution impact of shares issuance of 33,961,500 ordinary shares reserved under the 2019 Plan and 20,830,100 ordinary shares reserved under the 2019 Scheme.

*** For each person and group included in this column, percentage of voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of our ordinary shares as a single class.

† The address of our directors and executive officers, except for Mr. Weiwu He, Ms. Xia Wu, Weidong Liu and Webster Cavenee, is 1F/2F, Building No. 2, 8 Sheng Ming Yuan Road, Life Science Park, Zhong Guan Cun, Changpin District, Beijing, PRC. The address of Mr. Weiwu He is Unit 502, China Central Place Tower 3, Jianguo Road, Chaoyang District, Beijing, PRC. The address of Ms. Xia Wu is Unit 909, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing, PRC. The address of

Mr. Weidong Liu is Suite 1801, West Tower, Twin Towers B12 Jianguomenwai Ave Chaoyang District, Beijing, 100022. The address of Mr. Dian Kang is Room S, 26/F., One Midtown, 11 Hoi Shing Road, Tsuen Wan, Hong Kong. The address of Mr. Webster Cavenee is Ludwig Institute, 9500 Gilman Drive, La Jolla, CA 92093-0660 USA.

(1) Represents (i) 102,559,300 held by FHP acting-in-concert group, as set forth in note (6) below; and (ii) 544,510 ordinary shares and 3,794,990 series A-1 preferred shares held by Genetron Discovery Holdings Limited. Mr. Sizhen Wang owns approximately 50.8% equity interests in Genetron Discovery Holdings. The registered address of Genetron Discovery Holdings Limited is Harneys Corporate Services Limited, Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, VG 1110, British Virgin Islands. 10,814,480 ordinary shares held by FHP Holdings Limited, 6,296,478 ordinary shares held by Mr. Weiwu He, 5,313,500 ordinary shares held by Mr. Kevin Ying, 247,990 ordinary shares and 5,552,010 series A-1 preferred shares held by Genetron Alliance Holdings Limited, and 544,510 ordinary shares and 3,794,990 series A-1 preferred shares held by Genetron Discovery Holdings Limited have been pledged to secure a payment of consideration for purchasing certain shares of Genetron Health from a shareholder of Genetron Health.

(2) Represents 33,332,000 ordinary shares directly held by Mr. Hai Yan.

(3) Represents (i) 3,259,000 ordinary shares held by Eugene Health Limited, a British Virgin Islands company wholly owned by Mr. Yuchen Jiao; and (ii) 73,718 ordinary shares and 513,782 series A-1 preferred shares held by Genetron Discovery Holdings Limited. Mr. Yuchen Jiao owns approximately 13.5% equity interests in Genetron Discovery Holdings. The registered address of Eugene Health Limited is Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, VG 1110, British Virgin Islands. The registered address of Genetron Discovery Holdings Limited is Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, VG 1110, British Virgin Islands. 3,259,000 ordinary shares held by Eugene Health Limited, and 73,718 ordinary shares and 513,782 series A-1 preferred shares held by Genetron Discovery Holdings Limited have been pledged to secure a payment of consideration for purchasing certain shares of Genetron Health from a shareholder of Genetron Health.

(4) Represents (i)5,313,500 ordinary shares directly held by Mr. Kevin Ying Hong; and (ii) 94,172 ordinary shares and 2,108,328 series A-1 preferred shares held by Genetron Alliance Holdings Limited. Mr. Kevin Ying Hong owns approximately 38.0% equity interests in Genetron Alliance Holdings Limited. The registered address of Genetron Alliance Holdings Limited is Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, VG 1110, British Virgin Islands. 5,313,500 ordinary shares held by Mr. Kevin Ying Hong, and 94,172 ordinary shares and 2,108,328 series A-1 preferred shares held by Genetron Alliance Holdings Limited have been pledged to secure a payment of consideration for purchasing certain shares of Genetron Health from a shareholder of Genetron Health.

(5) Represents (i) 20,390,500 ordinary shares directly held by Mr. Weiwu He; and (ii) 91,671 ordinary shares and 2,052,329 series A-1 preferred shares held by Genetron Alliance Holdings Limited and (iii) 3,414,800 series D preferred shares held by ETP BioHealth II Fund, L.P. Mr. Weiwu He owns approximately 37.0% equity interests in Genetron Alliance Holdings Limited. The general partner of ETP BioHealth II Fund, L.P. is Emerging Technology Partners LLC, a limited liability company ultimately controlled by Mr. Weiwu He. The registered address of Genetron Alliance Holdings Limited is Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, VG 1110, British Virgin Islands. The registered address of ETP BioHealth II Fund, L.P. is Corporation Service Company, 251 Little Falls Drive, in the City of Wilmington, County of New Castle, 19808. 6,296,478 ordinary shares held by Mr. Weiwu He, and 91,671 ordinary shares and 2,052,329 series A-1 preferred shares held by Genetron Alliance Holdings Limited have been pledged to secure a payment of consideration for purchasing certain shares of Genetron Health from a shareholder of Genetron Health.

(6) Represents the shares held by FHP act-in-concert group, consisting of (i) 34,308,500 ordinary shares held by FHP Holdings Limited, a British Virgin Islands company wholly owned by Mr. Sizhen Wang; (ii) 33,332,000 ordinary shares held by Mr. Hai Yan; (iii) 20,390,500 ordinary shares directly held by Mr. Weiwu He; (iv) 5,313,500 ordinary shares directly held by Mr. Kevin Ying Hong; (v) 247,990 ordinary shares and 5,552,010 Series A-1 preference shares held by Genetron Alliance Holdings Limited; and (vi) 3,414,800 series D preferred shares held by ETP BioHealth II Fund, L.P. On November 19, 2019,

FHP Holdings Limited, Mr. Hai Yan, Mr. Weiwu He, Mr. Kevin Ying Hong, Genetron Alliance Holdings Limited and ETP BioHealth II Fund, L.P. entered into a concert party agreement, pursuant to which the parties agree to (i) always be acting in concert in respect of their respective direct or indirect voting rights at our shareholders' general meetings and our board meetings, (ii) recognize the controlling position of FHP Holdings Limited; and (iii) act in concert in accordance with FHP Holdings Limited's opinions in respect of the daily operations and management and the major decision-making of us. The registered address of FHP Holdings Limited is Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, VG 1110, British Virgin Islands. The registered address of Genetron Alliance Holdings Limited is Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, VG 1110, British Virgin Islands. The registered address of ETP BioHealth II Fund, L.P. is Corporation Service Company, 251 Little Falls Drive, in the City of Wilmington, County of New Castle, 19808. 10,814,480 ordinary shares held by FHP Holdings Limited, 6,296,478 ordinary shares held by Mr. Weiwu He, 5,313,500 ordinary shares held by Mr. Kevin Ying, and 247,990 ordinary shares and 5,552,010 series A-1 preferred shares held by Genetron Alliance Holdings Limited have been pledged to secure a payment of consideration for purchasing certain shares of Genetron Health from a shareholder of Genetron Health.

(7) Represents (i) 44,165,500 series C preferred shares held by Tianjin Kangyue Business Management Partnership (Limited Partnership) (天津康悦企业管理合伙企业(有限合伙)), or Tianjin Kangyue, a limited partnership incorporated in the People's Republic of China; (ii) 6,829,500 series D preferred shares held by CICC Healthcare Investment Fund, L.P., or CICC Healthcare, a partnership incorporated in Cayman Island; and (iii) 6,829,500 series D preferred shares, or corresponding number of ordinary shares subject to series D conversion mechanism we agreed to issue to CICC Healthcare subject to the fulfillment of certain conditions. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Events occurring after the reporting period." The general partner of Tianjin Kangyue is CICC Kangzhi (Ningbo) Equity Investment Management Co., Ltd., or CICC Kangzhi. CICC Kangzhi is controlled by CICC Capital Management Co., Ltd., which is a wholly owned subsidiary of China International Capital Corporation Limited. The general partner of CICC Healthcare is CICC Capital Healthcare Investment Management Limited, which is controlled by China International Capital Corporation Limited. China International Capital Corporation Limited is a listed company on The Stock Exchange of Hong Kong. The registered address of Tianjin Kangyue is Custody No. 0700, Deqin (Tianjin) Registrar Co., Ltd., 113 Building No. 2, Guo Tai Mansion, East Side of Yingbin Avenue, Tianjin Pilot Free Trade Zone, PRC. The registered address of CICC Healthcare is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

(8) Represents 12,232,500 series A-1 preferred shares, 3,606,000 series A-2 preferred shares, 2,536,000 series B preferred shares and 11,777,500 series C preferred shares held by Tianjin Genetron Jun'an Business Management Partnership (Limited Partnership) (天津今创君安企业管理合伙企业(有限合伙)), or Tianjin Genetron Jun'an, a limited partnership incorporated in the People's Republic of China. The general partner of Tianjin Genetron Jun'an is Zhuhai Jinchang Junying Management Consulting Co., Ltd. The limited partners of Tianjin Genetron Jun'an are Suzhou Fenxiang High-tech Healthcare Entrepreneurship Investment Co. (Limited Partnership) (or Suzhou Fenxiang), Guangxi Yueyin Dade Investment Management Partnership (Limited Partnership) (or Guangxi Yueyin Dade), Shenzhen Fenxiang Precision Medicine Investment Partnership (Limited Partnership) (or Shenzhen Fenxiang), Shanghai Yuanxing Yinshi Equity Investment Partnership (Limited Partnership) (or Shanghai Yuanxing) and Shenzhen Shenshang Xingye Entrepreneurship Investment Fund Partnership (Limited Partnership) (or Shenzhen Shenshang). In accordance with a supplemental limited partnership agreement entered among the general partner and the limited partners of Tianjin Genetron Jun'an, the investment or divestment decision for Tianjin Genetron Jun'an requires the unanimous approval of all limited partners of Tianjin Genetron Jun'an. The general partner of both Suzhou Fenxiang and Shenzhen Fenxiang is Shenzhen Fenxiang Chengzhang Investment Management Limited, whose designated executive representative is Wentao Bai. The general partner of Guangxi Yueyin Dade is Ningbo Meishan Baoshui Gangqu Yueyin Kangtai Equity Investment Partnership (Limited Partnership), whose designated executive representative is Yufen Zheng. The general partner of Shanghai Yuanxing is Ningbo Yuanxing Haozhi Equity Investment Management Partnership (Limited Partnership), whose designated executive representative is Fumin Zhuo. The general

partner of Shenzhen Shenshang is Shenzhen City Shenshang Fubo Xingye Fund Management Limited Company, whose designated executive representative is Muxiong Lin. The registered address of Tianjin Genetron Jun'an is Custody No. 0703, Deqin (Tianjin) Registrar Co., Ltd., 113 Building No. 2, Guo Tai Mansion, East Side of Yingbin Avenue, Tianjin Pilot Free Trade Zone, PRC.

(9) Represents 15,205,000 series C-2 preferred shares and 10,244,300 series D preferred shares held by Vivo Capital Fund IX, L.P., a limited partnership incorporated in the State of Delaware. The general partner of Vivo Capital Fund IX, L.P. is Vivo Capital IX, LLC. The voting members of Vivo Capital IX, LLC are Frank Kung, Albert Cha, Shan Fu, Edgar Engleman and Chen Yu, none of whom has individual voting or investment power with respect to these shares and each of whom disclaims beneficial ownership of such shares. The registered address of Vivo Capital Fund IX, L.P. is 1209 Orange Street, Wilmington, Delaware 19801.

(10) Represents 4,185,000 ordinary shares, 11,200,000 series A-1 preferred shares, 2,536,000 series B preferred shares and 2,944,500 series C preferred shares held by EASY BENEFIT INVESTMENT LIMITED, and 2,536,000 series B preferred shares held by EASY BEST INVESTMENT LIMITED. Both EASY BENEFIT INVESTMENT LIMITED and EASY BEST INVESTMENT LIMITED are British Virgin Islands companies wholly owned by Mr. KUNG Hung Ka. The registered address of EASY BENEFIT INVESTMENT LIMITED is OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands. 4,185,000 ordinary shares, 11,200,000 series A-1 preferred shares, 2,536,000 series B preferred shares, and 2,944,500 series C preferred shares held by EASY BENEFIT INVESTMENT LIMITED and 2,536,000 series B preferred shares held by EASY BEST INVESTMENT LIMITED have been pledged to an affiliate of one of our non-principal shareholders.

(11) Represents 23,003,000 series B preferred shares held by Tianjin Tianshu Xingfu Corporation Management L.P. (Limited Partnership) (天津天枢幸福企业管理合伙企业(有限合伙)), or Tianjin Tianshu Xingfu, a limited partnership incorporated in the People's Republic of China. The general partner of Tianjin Tianshu Xingfu is Shenzhen Haixia Assets Management Co., Ltd., which is controlled by Mr. Junjie Sun. The registered address of Tianjin Tianshu Xingfu is Custody No. 0709, Deqin (Tianjin) Registrar Co., Ltd., 113 Building No. 2, Guo Tai Mansion, East Side of Yingbin Avenue, Tianjin Pilot Free Trade Zone, PRC.

As of the date of this prospectus, 39.2% of our outstanding ordinary shares or outstanding preferred shares are held by record holders in the United States.

We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company. See "Description of Share Capital—History of Securities Issuances" for a description of issuances of our ordinary shares and preferred shares that have resulted in significant changes in ownership held by our major shareholders.

RELATED PARTY TRANSACTIONS

Contractual Arrangements

See "Corporate History and Structure—Contractual Arrangements with the VIE and its Shareholders."

Employment Agreements and Indemnification Agreements

See "Management—Employment Agreements and Indemnification Agreements."

Private Placements

See "Description of Share Capital—History of Securities Issuances."

Share Incentives

See "Management—Share Incentive Plan."

Other Related Party Transactions

Transaction with Mr. Sizhen Wang

In December 2016, we provided a loan of RMB3.0 million to Mr. Sizhen Wang, our Chief Executive Officer and Director. The loan is interest-free with an initial term of one year and permits extension. We settled all the outstanding balance of the related-party loan due from Mr. Sizhen Wang in October 2019.

In February 2018, we provided a loan of RMB35.0 million to Mr. Sizhen Wang. The loan is with an interest rate of 4.35% per annum and a term of six months, and permits prepayment. We settled all the outstanding balance of the related-party loan due from Mr. Sizhen Wang in June 2018.

In March 2018, we provided a loan of RMB2.6 million to Mr. Sizhen Wang. The loan is with an interest rate of 4.35% per annum and due December 2019, and permits prepayment. We settled all the outstanding balance of the related-party loan due from Mr. Sizhen Wang in October 2019.

In August 2018, we provided a loan of RMB6.0 million to Mr. Sizhen Wang. The loan is with an interest rate of 4.35% per annum and a term of six months, and permits prepayment. We settled all the outstanding balance of the related-party loan due from Mr. Sizhen Wang in December 2018.

In January 2019, we provided a loan of RMB5.0 million to Mr. Sizhen Wang. The loan is with an interest rate of 4.35% per annum and a term of six months, and permits prepayment. We settled all the outstanding balance of the related-party loan due from Mr. Sizhen Wang in October 2019.

Transaction with Edigene (Beijing) Inc.

We provide gene sequencing services to Edigene (Beijing) Inc., or Edigene, which is an affiliate of Mr. Sizhen Wang. The amounts for the provision of the service were nil and RMB0.1 million (US$13,570.8) in 2017 and 2018, respectively, and as of December 31, 2017 and December 31, 2018, the amount due from Edigene were nil and RMB0.1 million (US$9,933.3), respectively.

Transaction with Mr. Weiwu He

In October 2017, we received a loan of RMB6.0 million from Mr. Weiwu He, our Chairman of the Board. The loan is with an interest rate of 8% per annum and a term of 31 days, and permit prepayment. We settled all the outstanding balance of the related-party loan due to Mr. Weiwu He in November 2017.

Transaction with Vcanbio Gene Technology Corp., Ltd.

We provide gene sequencing services to Vcanbio Gene Technology Corp., Ltd., or Vcanbio, an affiliate of Tianjin Tianyuantong Equity Investment Partnership (Limited Partnership), one of our shareholders. The amount for the provision of the service was RMB0.2 million and RMB1.2 million (US$0.2 million) in 2017 and 2018, respectively, and as of December 31, 2017 and December 31, 2018, the amount due from Vcanbio were RMB0.06 million and RMB0.4 million (US$50,226.0), respectively.

Transaction with Juventas Cell Therapy Ltd.

In August 2019, we received a loan of RMB35.0 million from Juventas Cell Therapy Ltd., which is guaranteed by Mr. Sizhen Wang. The loan is with an interest rate of 12% per annum and repayable on August 31, 2019. As of date of this prospectus, we have repaid RMB10.0 million to Juventas Cell Therapy Ltd., and the outstanding balance of RMB25.0 million repayable have been extended to November 30, 2019, which could be repaid by us anytime without early repayment charges. Certain directors of Juventas Cell Therapy Ltd. are also our directors.

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands exempted company and our affairs are governed by our memorandum and articles of association, as amended and restated from time to time, and Companies Law (2018 Revision) of the Cayman Islands, which we refer to as the "Companies Law" below, and the common law of the Cayman Islands.

As of the date hereof, our authorized share capital consists of US$50,000 divided into 2,500,000,000 shares with a par value of US$0.00002, of which: (i) 2,272,734,900 are designated as ordinary shares of a nominal or par value of US$0.00002 each, (ii) 227,265,100 preferred shares of US$0.00002 par value each which are further designated as 47,600,000 series A-1 preferred shares of a nominal or par value of US$0.00002 each, 19,760,000 series A-2 preferred shares of a nominal or par value of US$0.00002 each, 43,363,500 series B preferred shares of a nominal or par value of US$0.00002 each, 60,359,500 series C preferred shares of a nominal or par value of US$0.00002 each, 15,205,000 series C-2 preferred shares of a nominal or par value of US$0.00002 each, and 40,977,100 series D preferred shares of a nominal or par value of US$0.00002 each. As of the date of this prospectus, there are 141,478,000 ordinary shares, 44,404,500 series A-1 preferred shares, 17,544,000 series A-2 preferred shares, 41,842,000 series B preferred shares, 60,359,500 series C preferred shares, 15,205,000 series C-2 preferred shares and, 34,147,600 series D preferred shares issued and outstanding. All of our issued and outstanding shares are fully paid, except for RMB300 million in equivalent US dollars to be paid by Tianjin Kangyue, approximately RMB48.6 million in equivalent US dollars to be paid by Tianjin Yuanjufu, approximately US$1,205.7 to be paid by three institutional shareholders, and approximately aggregate US$25 million to be paid by Alexandria Venture Investments, LLC, GIANT PLAN LIMITED, and ETP BioHealth II Fund, L.P. in connection with our series D round of financing, which we expect to receive prior to the completion of this offering. Immediately prior to the completion of this offering, all of our issued and outstanding preferred shares will be redesignated or converted into ordinary shares on a one-for-one basis and our authorized share capital immediately prior to the completion of this offering will be US$50,000 divided into 2,500,000,000 ordinary shares with a par value of US$0.00002 each.

We plan to adopt an amended and restated memorandum and articles of association, which will become effective and replace the current third amended and restated memorandum and articles of association in its entirety immediately prior to completion of this offering. Our authorized share capital immediately prior to completion of the offering will be US$50,000 divided into 2,500,000,000 ordinary shares of a par value of US$0.00002 each. We will issue ordinary shares represented by ADSs in this offering. All awards, regardless of grant dates, will entitle holders to an equivalent number of ordinary shares once the vesting and exercising conditions are met.

The following are summaries of material provisions of our post-offering amended and restated memorandum and articles of association and the Companies Law insofar as they relate to the material terms of our ordinary shares that we expect will become effective upon the closing of this offering.

Ordinary Shares

General. Immediately prior to the completion of this offering, our authorized share capital is US$50,000 divided into 2,500,000,000 ordinary shares, with a par value of US$0.00002 each. Holders of ordinary shares will have the same rights except for voting and conversion rights. All of our issued and outstanding ordinary shares are fully paid and non-assessable. Certificates representing the ordinary shares are issued in registered form. We may not issue share to bearer. Our shareholders who are nonresidents of the Cayman Islands may freely hold and transfer their ordinary shares.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors subject to our post-IPO memorandum and articles of association and the Companies Law. In addition, our shareholders may, subject to the provisions of our articles of association, by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Our post-IPO memorandum and articles of association provide that dividends may be declared and paid out of our profits,

realized or unrealized, or from any reserve set aside from profits which our board of directors determine is no longer needed. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Law. No dividend may be declared and paid unless our directors determine that, immediately after the payment, we will be able to pay our debts as they become due in the ordinary course of business and we have funds lawfully available for such purpose.

Voting Rights. In respect of all matters subject to a shareholders' vote, each ordinary share is entitled to one vote for each ordinary share registered in his or her name on our register of members. Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of such meeting or any one shareholder.

A quorum required for a meeting of shareholders consists of two or more shareholders holding not less than one-half of the votes attaching to the issued and outstanding shares entitled to vote at general meetings present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative. As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our post-IPO memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we will specify the meeting as such in the notices calling it, and the annual general meeting will be held at such time and place as may be determined by our board of directors. We, however, will hold an annual shareholders' meeting during each fiscal year, as required by the Listing Rules of the Nasdaq Global Market. Each general meeting, other than an annual general meeting, shall be an extraordinary general meeting. Shareholders' annual general meetings and any other general meetings of our shareholders may be called by a majority of our Board of Directors or our chairman or upon a requisition of shareholders holding at the date of deposit of the requisition not less than one-third of the votes attaching to the issued and outstanding shares entitled to vote at general meetings, in which case the directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our post-IPO memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders. Advance notice of at least seven (7) days is required for the convening of our annual general meeting and other general meetings in accordance with our post-IPO memorandum and articles of association.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting, while a special resolution also requires the affirmative vote of no less than two-thirds of the votes attaching to the ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting. A special resolution will be required for important matters such as a change of name or making changes to our post-IPO memorandum and articles of association.

Transfer of Ordinary Shares. Subject to the restrictions in our post-IPO memorandum and articles of association as set out below, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;

- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four;
- the shares are free from any lien in favor of the Company; and
- a fee of such maximum sum as the Nasdaq may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer they shall, within three months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, after compliance with any notice required of the Nasdaq, be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine, *provided*, *however*, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as our board may determine.

Liquidation. On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders in proportion to the par value of the shares held by them. Any distribution of assets or capital to a holder of ordinary share will be the same in any liquidation event.

Calls on Ordinary Shares and Forfeiture of Ordinary Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their ordinary shares in a notice served to such shareholders at least 14 clear days prior to the specified time of payment. The ordinary shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Ordinary Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors or by an ordinary resolution of our shareholders. Our company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by our board of directors or by ordinary resolution of our shareholders, or are otherwise authorized by our post-IPO memorandum and articles of association. Under the Companies Law, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if the company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Law no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding, or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. If at any time our share capital is divided into different classes or series of shares, the rights attached to any class or series of shares (unless otherwise provided by the terms of issue of the shares of that class or series), whether or not our company is being wound- up, may be varied with the consent in writing of a majority the holders of the issued shares of that class or series or with the sanction of a special resolution at a separate meeting of the holders of the shares of the class or series. The rights conferred upon the holders of the shares of any class issued shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with such existing class of shares.

Inspection of Books and Records. Holders of our ordinary shares have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will provide our shareholders with annual audited financial statements. See "Where You Can Find Additional Information."

Issuance of Additional Shares. Our post-IPO memorandum and articles of association authorizes our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our post-IPO memorandum and articles of association also authorizes our board of directors to establish from time to time one or more series of preferred shares and to determine, with respect to any series of preferred shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preferred shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Anti-Takeover Provisions. Some provisions of our post-IPO memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders.

Exempted Company. We are an exempted company with limited liability under the Companies Law. The Companies Law distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may issue shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 30 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder's shares of the company.

Register of Members

Under the Companies Law, we must keep a register of members and there should be entered therein:

- the names and addresses of our members, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;

- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under the Companies Law, the register of members of our company is prima facie evidence of the matters set out therein (that is, the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members is deemed as a matter of the Companies Law to have legal title to the shares as set against its name in the register of members. Upon completion of this offering, we will perform the procedure necessary to immediately update the register of members to record and give effect to the issuance of shares by us to the Depositary (or its nominee) as the depositary. Once our register of members has been updated, the shareholders recorded in the register of members will be deemed to have legal title to the shares set against their name.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a member of our company, the person or member aggrieved (or any member of our company or our company itself) may apply to the Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Differences in Corporate Law

The Companies Law is derived, to a large extent, from the older Companies Acts of England, but does not follow many recent English law statutory enactments. In addition, the Companies Law differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in the State of Delaware.

Mergers and Similar Arrangements. The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a declaration as to the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose a company is a "parent" of a subsidiary if it holds issued shares that together represent at least ninety percent (90%) of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a shareholder of a Cayman constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation, provide the dissenting shareholder complies strictly with the procedures set out in the Companies Law. The exercise of dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Law also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, *provided* that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law.

The Companies Law also contains a statutory power of compulsory acquisition which may facilitate the “squeeze out” of a dissenting minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90.0% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, or if a tender offer is made and accepted, a dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders’ Suits. In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company, and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge actions where:

- a company acts or proposes to act illegally or ultra vires;
- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a “fraud on the minority.”

Indemnification of Directors and Executive Officers and Limitation of Liability. Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our post-IPO memorandum and articles of association provide that that we shall indemnify our officers and directors against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such directors or officer, other than by reason of such person's dishonesty, willful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, we have entered into indemnification agreements with our directors and executive officers that provide such persons with additional indemnification beyond that provided in our post-IPO memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he owes the following duties to the company—a duty to act bona fide in the best interests of the company, a duty not to make a profit based on his position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party, and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Action by Written Consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. The

Companies Law and our post-IPO memorandum and articles of association provide that our shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Law provide shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-IPO memorandum and articles of association allow our shareholders holding in aggregate not less than ten percent (10%) of all votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings to requisition an extraordinary general meeting of our shareholders, in which case our board is obliged to convene an extraordinary general meeting and to put the resolutions so requisitioned to a vote at such meeting. Other than this right to requisition a shareholders' meeting, our post-IPO memorandum and articles of association do not provide our shareholders with any other right to put proposals before annual general meetings or extraordinary general meetings not called by such shareholders. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands but our post-IPO memorandum and articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our post-IPO memorandum and articles of association, directors not appointed by the Founders, Vivo or Tianjin Kangyue may be removed with or without cause, by an ordinary resolution of our shareholders. A director shall hold office until the expiration of his or her term or his or her successor shall have been elected and qualified, or until his or her office is otherwise vacated. In addition, a director's office shall be vacated if the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) is found to be or becomes of unsound mind or dies; (iii) resigns his office by notice in writing to the company; (iv) without special leave of absence from our board of directors, is absent from three consecutive meetings of the board and the board resolves that his office be vacated; (v) is prohibited by law from being a director; or (vi) is removed from office pursuant to any other provisions of our post-IPO memorandum and articles of association.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting share within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages

any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, the directors of the Company are required to comply with fiduciary duties which they owe to the Company under Cayman Islands laws, including the duty to ensure that, in their opinion, any such transactions must be entered into bona fide in the best interests of the company, and are entered into for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our post-IPO memorandum and articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class with the written consent of the holders of a majority of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under the Companies Law and our post-IPO memorandum and articles of association, our memorandum and articles of association may only be amended by a special resolution of our shareholders.

Rights of Nonresident or Foreign Shareholders. There are no limitations imposed by our post-IPO memorandum and articles of association on the rights of nonresident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our post-IPO memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

History of Securities Issuances

Investments in Equity Interests of Genetron Health

The following is a summary of investments in equity interests of Genetron Health.

In July 2015, Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership), Beijing Chongde Hongxin Venture Capital Center (Limited Partnership) and certain other investors made investments in an aggregate amount of RMB70 million in Genetron Health's equity interests.

In August 2015, Yueyin (Tianjin) Asset Management Center (Limited Partnership) made investments in an aggregate amount of RMB15 million in Genetron Health's equity interests.

In September 2015, Gongqingcheng Fenxiang Houde Guoqian Venture Capital Management Partnership (Limited Partnership) and Yueyin (Tianjin) Asset Management Center (Limited Partnership) made investments in an aggregate amount of RMB50 million in Genetron Health's equity interests.

In September 2016, Zhongyuan Xiehe Cell Genetic Engineering Co., Ltd. made investments in an aggregate amount of RMB100 million in Genetron Health's equity interests.

In November 2016, Tianjin Tianyuantong Equity Investment Partnership (Limited Partnership) and certain other investors made investments in an aggregate amount of RMB74 million in Genetron Health's equity interests.

In October 2017, CICC Kangrui I (Ningbo) Equity Investment Limited Partners (Limited Partnership) and another investor made investments in an aggregate amount of RMB350 million in Genetron Health's equity interests.

In December 2017, Shenzhen Shenshang Xingye Venture Capital Fund Partnership (Limited Partnership) and certain other investors made investments in an aggregate amount of RMB60 million in Genetron Health's equity interests.

Issuances of Shares by Genetron Holdings Limited

The following is a summary of securities issuances by Genetron Holdings Limited in the past three years.

Ordinary Shares

We issued three ordinary share on April 9, 2018, of which two ordinary shares were repurchased by the Company on July 2, 2019 and one ordinary shares was subdivided into five ordinary shares upon a 1:5 share split on July 2, 2019.

On July 2, 2019, We issued a total of 149,749,995 ordinary shares to FHP Holdings Limited, Hai Yan, Weiwu He, Genetron Voyage Holdings Limited, Genetron United Holdings Limited, Kevin Ying Hong, Eugene Health Limited, IN Healthcare Limited, EASY BENEFIT INVESTMENT LIMITED, Tianjin Yuanjufu Business Management Partnership (Limited Partnership), Genetron Alliance Holdings Limited and Genetron Discovery Holdings Limited for an aggregate consideration of US$5.7 million.

On November 18, 2019, we repurchased 8,272,000 ordinary shares.

Preferred Shares

On July 2, 2019. We issued a total of 47,600,000 series A-1 shares to IN Healthcare Limited, EASY BENEFIT INVESTMENT LIMITED, Parkland Medtech Limited, Tianjin Genetron Jun'an Business Management Partnership (Limited partnership), Tianjin Genetron Juncheng Business Management Partnership (Limited Partnership), Genetron Alliance Holdings Limited and Genetron Discovery Holdings Limited for an aggregate consideration of US$2.2 million.

On July 2, 2019. We issued a total of 19,760,000 series A-2 shares to IN Healthcare Limited, EASY BENEFIT INVESTMENT LIMITED, SUPERPOWER INVESTMENTS LTD. and Tianjin Genetron Jun'an Business Management Partnership (Limited Partnership) for an aggregate consideration of US$395.2.

On July 2, 2019. We issued a total of 43,363,500 series B shares to IN Healthcare Limited, EASY BENEFIT INVESTMENT LIMITED, Tianjin Yuanjufu Business Management Partnership (Limited Partnership), CrowdBees Holdings Limited, J&K BIOTECH INVESTMENT CO. LTD., EASY BEST INVESTMENT LIMITED, Tianjin Genetron Jun'an Business Management Partnership (Limited Partnership), Tianjin Genetron Juncheng Business Management Partnership (Limited Partnership) and Tianjin Tianshu Xingfu Corporation Management L.P. (Limited Partnership) for an aggregate consideration of US$1.4 million.

On July 2, 2019. We issued a total of 60,359,500 redeemable series C shares to EASY BENEFIT INVESTMENT LIMITED, Tianjin Kangyue Business Management Partnership (Limited Partnership), Tianjin Genetron Jun'an Business Management Partnership (Limited Partnership) and Tianjin Genetron Juncheng Business Management Partnership (Limited Partnership) for an aggregate consideration of US$43.6 million.

On November 19, 2019, we issued 15,205,000 series C-2 preferred shares to Vivo Capital Fund IX, L.P. for a consideration of US$15.0 million.

On November 19, 2019, we issued a total of 34,147,600 series D preferred shares to CICC Healthcare Investment Fund, L.P., Vivo Capital Fund IX, L.P., Alexandria Venture Investments, LLC, ETP BioHealth II Fund, L.P. and GIANT PLAN LIMITED for an aggregate consideration of US$50.0 million.

On November 18, 2019, we repurchased 3,195,500 series A-1 preferred shares, 2,216,000 series A-2 preferred shares and 1,521,500 series B preferred shares.

Award Grants

We have granted awards to purchase our ordinary shares to certain of our executive officers and employees. Upon completion of this offering, an award to purchase our ordinary shares granted under the 2019 Plan and 2019 Scheme prior to this offering will entitle the holder to purchase an equivalent number of ordinary shares.

As of the date of this prospectus, the aggregate number of our ordinary shares underlying our outstanding awards under the 2019 Plan is 22,915,620. We have not granted any awards under 2019 Scheme. See "Management—Share Incentive Plan."

Shareholders Agreement

We entered into an shareholders agreement on November 19, 2019 with our shareholders, which consist of holders of our ordinary shares, series A-1 preferred shares, series A-2 preferred shares, series B preferred shares, series C preferred shares, series C-2 preferred shares, and series D preferred shares.

The shareholders agreement provides for certain special rights, including information and inspection rights, right of participation, right of first refusal, co-sale right, drag-along right, redemption, liquidation and protective provisions. Except for CICC Healthcare's right to purchase additional shares, board representation right, and registration rights, all preferred shareholders' rights will automatically terminate upon this offering.

CICC Healthcare's Right to Purchase Additional Shares

Subject to the fulfillment of certain conditions, we agreed to issue additional 6,829,500 series D preferred shares, or corresponding number of ordinary shares subject to series D conversion mechanism, to CICC Healthcare, or in case that the automatic cancellation occurs after ninety (90) days from November 19, 2019, to Emerging Technology Partners LLC or its affiliated funds, for a consideration of US$10.0 million. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Events occurring after the reporting period."

Board Representation

So long as Vivo Capital Fund IX, L.P. holds no less than 5% of our ordinary shares on a fully-diluted and an as-converted basis, it shall be entitled to appoint and remove one director. So long as Tianjin Kangyue Business Management Partnership (Limited Partnership) holds no less than 5% of our ordinary shares on a fully-diluted and an as-converted basis, it shall be entitled to appoint and remove one director. As long as one of Mr. Sizhen Wang, Dr. Hai Yan and Dr. Weiwu He directly or indirectly hold any of our shares, they collectively shall be entitled to appoint and remove three directors.

Each of SUPERPOWER INVESTMENTS LTD., Alexandria Venture Investments, LLC, VIVO CAPITAL FUND IX, L.P. and GIANT PLAN LIMITED shall be entitled to appoint and remove one observer so long as they each continue to hold no less than 1% of our ordinary shares on a fully-diluted and an as-converted basis.

Registration Rights

Pursuant to the Shareholders Agreement dated November 19, 2019, we have granted certain registration rights to our shareholders. Such registration rights would terminate upon the six years after the completion of this offering.

Demand registration. At any time after the earlier of (i) March 31, 2021, or (ii) one hundred eighty (180) days after an initial public offering, holders of at least 10% of the registrable securities then outstanding have the right to demand that we file a registration statement covering the proposed registration. If the underwriter(s) advise(s) us in writing that marketing factors require a limitation of the number of securities to be underwritten, then we shall advise all holders of registrable securities which would otherwise be registered and underwritten. The number of shares of registrable securities to be included in such underwriting and registration shall not be reduced by more than twenty percent (20%). We have the right to defer filing of a registration statement for a period of not more than 90 days after the receipt of the request of the initiating holders under certain conditions, but we cannot exercise the deferral right more than once in any 12-month period.

Piggyback registration rights. If we propose to file a registration statement under the Securities Act for purposes of effecting a public offering of our securities, we will afford each holder of registrable securities an opportunity to include in such registration statement all or any part of the registrable securities then held by such holder. If the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation of the number of shares to be underwritten, then the managing underwriter(s) may exclude shares from the registration and the underwriting, and the number of shares that may be included in the registration and the underwriting shall be allocated, first to us, and second, to each of the holders requesting inclusion of their registrable securities in such registration statement on a pro-rata basis based on the total number of registrable securities then held by each such holder. The underwriting as described above shall be restricted so that the number of registrable securities included in any such registration is not reduced below 25% of the aggregate number of shares of registrable securities for which inclusion has been requested.

Form F-3 registration rights. After its initial public offering, we shall use our best efforts to qualify for registration on Form S-3 or Form F-3 or any comparable or successor form promptly and to maintain such qualification thereafter. If we are qualified to use Form S-3 or Form F-3, any holder or holders shall have a right to request in writing that we effect a registration on either Form S-3 or Form F-3 and any related qualification or compliance with respect to all or a part of the registrable securities owned by such holder or holders

Expenses of registration. We will pay all expenses relating to registration other than the underwriting discounts and commissions relating to the registrable Securities sold by the holders.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Shares

The Bank of New York Mellon, as depositary, will register and deliver American Depositary Shares, also referred to as ADSs. Each ADS will represent ordinary shares (or a right to receive ordinary shares) deposited with The Hongkong and Shanghai Banking Corporation Limited, as custodian for the depositary in Hong Kong. Each ADS will also represent any other securities, cash or other property that may be held by the depositary. The deposited shares together with any other securities, cash or other property held by the depositary are referred to as the deposited securities. The depositary's office at which the ADSs will be administered and its principal executive office is located at 240 Greenwich Street, New York, New York 10286.

You may hold ADSs either (A) directly (i) by having an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having uncertificated ADSs registered in your name, or (B) indirectly by holding a security entitlement in ADSs through your broker or other financial institution that is a direct or indirect participant in The Depository Trust Company, also called DTC. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

Registered holders of uncertificated ADSs will receive statements from the depositary confirming their holdings.

As an ADS holder, we will not treat you as one of our shareholders and you will not have shareholder rights. Cayman Islands law governs shareholder rights. The depositary will be the holder of the shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depositary, ADS holders and all other persons indirectly or beneficially holding ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADSs.

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of ADR. Directions on how to obtain copies of those documents, see "Where You Can Find Additional Information."

Dividends and Other Distributions

How will you receive dividends and other distributions on the shares?

The depositary has agreed to pay or distribute to ADS holders the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, upon payment or deduction of its fees and expenses. You will receive these distributions in proportion to the number of shares your ADSs represent.

Cash. The depositary will convert any cash dividend or other cash distribution we pay on the shares into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible or if any government approval is needed and cannot be obtained, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

Before making a distribution, any withholding taxes, or other governmental charges that must be paid will be deducted. See "Taxation." The depositary will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. *If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, you may lose some of the value of the distribution.*

Shares. The depositary may distribute additional ADSs representing any shares we distribute as a dividend or free distribution. The depositary will only distribute whole ADSs. It will sell shares which would require it to deliver a fraction of an ADS (or ADSs representing those shares) and distribute the net proceeds in the same way as it does with cash. If the depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new shares. The depositary may sell a portion of the distributed shares (or ADSs representing those shares) sufficient to pay its fees and expenses in connection with that distribution.

Rights to purchase additional shares. If we offer holders of our securities any rights to subscribe for additional shares or any other rights, the depositary may (i) exercise those rights on behalf of ADS holders, (ii) distribute those rights to ADS holders or (iii) sell those rights and distribute the net proceeds to ADS holders, in each case after deduction or upon payment of its fees and expenses. To the extent the depositary does not do any of those things, it will allow the rights to lapse. *In that case, you will receive no value for them.* The depositary will exercise or distribute rights only if we ask it to and provide satisfactory assurances to the depositary that it is legal to do so. If the depositary will exercise rights, it will purchase the securities to which the rights relate and distribute those securities or, in the case of shares, new ADSs representing the new shares, to subscribing ADS holders, but only if ADS holders have paid the exercise price to the depositary. U.S. securities laws may restrict the ability of the depositary to distribute rights or ADSs or other securities issued on exercise of rights to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.

Other Distributions. The depositary will send to ADS holders anything else we distribute on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, the depositary has a choice. It may decide to sell what we distributed and distribute the net proceeds, in the same way as it does with cash. Or, it may decide to hold what we distributed, in which case ADSs will also represent the newly distributed property. However, the depositary is not required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from us that it is legal to make that distribution. The depositary may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution. U.S. securities laws may restrict the ability of the depositary to distribute securities to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. *This means that you may not receive the distributions we make on our shares or any value for them if it is illegal or impractical for us to make them available to you*.

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The depositary will deliver ADSs if you or your broker deposits shares or evidence of rights to receive shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will register the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons that made the deposit.

How can ADS holders withdraw the deposited securities?

You may surrender your ADSs to the depositary for the purpose of withdrawal. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will deliver the shares and any other deposited securities underlying the ADSs to the ADS holder or a person the ADS holder designates at the office of the custodian. Or, at your request, risk and expense, the depositary will deliver the deposited securities at its office, if feasible. However, the depositary is not required to accept surrender of ADSs to the extent it would require delivery of a fraction of a deposited share or other security. The depositary may charge you a fee and its expenses for instructing the custodian regarding delivery of deposited securities.

How do ADS holders interchange between certificated ADSs and uncertificated ADSs?

You may surrender your ADR to the depositary for the purpose of exchanging your ADR for uncertificated ADSs. The depositary will cancel that ADR and will send to the ADS holder a statement confirming that the ADS holder is the registered holder of uncertificated ADSs. Upon receipt by the depositary of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to the ADS holder an ADR evidencing those ADSs.

Voting Rights

How do you vote?

ADS holders may instruct the depositary how to vote the number of deposited shares their ADSs represent. If we request the depositary to solicit your voting instructions (and we are not required to do so), the depositary will notify you of a shareholders' meeting and send or make voting materials available to you. Those materials will describe the matters to be voted on and explain how ADS holders may instruct the depositary how to vote. For instructions to be valid, they must reach the depositary by a date set by the depositary. The depositary will try, as far as practical, subject to the laws of the Cayman Islands and the provisions of our articles of association or similar documents, to vote or to have its agents vote the shares or other deposited securities as instructed by ADS holders. If we do not request the depositary to solicit your voting instructions, you can still send voting instructions, and, in that case, the depositary may try to vote as you instruct, but it is not required to do so.

Except by instructing the depositary as described above, you won't be able to exercise voting rights unless you surrender your ADSs and withdraw the shares. However, you may not know about the meeting enough in advance to withdraw the shares. In any event, the depositary will not exercise any discretion in voting deposited securities and it will only vote or attempt to vote as instructed.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. *This means that you may not be able to exercise voting rights and there may be nothing you can do if your shares are not voted as you requested.*

In order to give you a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to Deposited Securities, if we request the Depositary to act, we agree to give the depositary notice of any such meeting and details concerning the matters to be voted upon at least [30] days in advance of the meeting date.

Fees and Expenses

***Persons depositing or withdrawing shares or ADS holders must pay*:**	***For*:**
• $5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	• Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property • Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
• $.05 (or less) per ADS	• Any cash distribution to ADS holders
• A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs	• Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depositary to ADS holders
• $.05 (or less) per ADS per calendar year	• Depositary services

***Persons depositing or withdrawing shares or ADS holders must pay*:**	***For*:**
• Registration or transfer fees	• Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
• Expenses of the depositary	• Cable (including SWIFT) and facsimile transmissions (when expressly provided in the deposit agreement) • Converting foreign currency to U.S. dollars
• Taxes and other governmental charges the depositary or the custodian has to pay on any ADSs or shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes	• As necessary
• Any charges incurred by the depositary or its agents for servicing the deposited securities	• As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depositary or share revenue from the fees collected from ADS holders. In performing its duties under the deposit agreement, the depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depositary and that may earn or share fees, spreads or commissions.

The depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligations under the deposit agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until those taxes or other

charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any proceeds, or send to ADS holders any property, remaining after it has paid the taxes.

Tender and Exchange Offers; Redemption, Replacement or Cancellation of Deposited Securities

The depositary will not tender deposited securities in any voluntary tender or exchange offer unless instructed to do so by an ADS holder surrendering ADSs and subject to any conditions or procedures the depositary may establish.

If deposited securities are redeemed for cash in a transaction that is mandatory for the depositary as a holder of deposited securities, the depositary will call for surrender of a corresponding number of ADSs and distribute the net redemption money to the holders of called ADSs upon surrender of those ADSs.

If there is any change in the deposited securities such as a sub-division, combination or other reclassification, or any merger, consolidation, recapitalization or reorganization affecting the issuer of deposited securities in which the depositary receives new securities in exchange for or in lieu of the old deposited securities, the depositary will hold those replacement securities as deposited securities under the deposit agreement. However, if the depositary decides it would not be lawful and practical to hold the replacement securities because those securities could not be distributed to ADS holders or for any other reason, the depositary may instead sell the replacement securities and distribute the net proceeds upon surrender of the ADSs.

If there is a replacement of the deposited securities and the depositary will continue to hold the replacement securities, the depositary may distribute new ADSs representing the new deposited securities or ask you to surrender your outstanding ADRs in exchange for new ADRs identifying the new deposited securities.

If there are no deposited securities underlying ADSs, including if the deposited securities are cancelled, or if the deposited securities underlying ADSs have become apparently worthless, the depositary may call for surrender of those ADSs or cancel those ADSs upon notice to the ADS holders.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADRs without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. *At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended.*

How may the deposit agreement be terminated?

The depositary will initiate termination of the deposit agreement if we instruct it to do so. The depositary may initiate termination of the deposit agreement if

- 60 days have passed since the depositary told us it wants to resign but a successor depositary has not been appointed and accepted its appointment;
- we delist the ADSs from an exchange in the United States on which they were listed and do not list the ADSs on another exchange in the United States or make arrangements for trading of ADSs on the U.S. over-the-counter market;

- we delist our shares from an exchange outside the United States on which they were listed and do not list the shares on another exchange outside the United States;
- the depositary has reason to believe the ADSs have become, or will become, ineligible for registration on Form F-6 under the Securities Act of 1933;
- we appear to be insolvent or enter insolvency proceedings;
- all or substantially all the value of the deposited securities has been distributed either in cash or in the form of securities;
- there are no deposited securities underlying the ADSs or the underlying deposited securities have become apparently worthless; or
- there has been a replacement of deposited securities.

If the deposit agreement will terminate, the depositary will notify ADS holders at least 90 days before the termination date. At any time after the termination date, the depositary may sell the deposited securities. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement, unsegregated and without liability for interest, for the pro rata benefit of the ADS holders that have not surrendered their ADSs. Normally, the depositary will sell as soon as practicable after the termination date.

After the termination date and before the depositary sells, ADS holders can still surrender their ADSs and receive delivery of deposited securities, except that the depositary may refuse to accept a surrender for the purpose of withdrawing deposited securities or reverse previously accepted surrenders of that kind that have not settled if it would interfere with the selling process. The depositary may refuse to accept a surrender for the purpose of withdrawing sale proceeds until all the deposited securities have been sold. The depositary will continue to collect distributions on deposited securities, but, after the termination date, the depositary is not required to register any transfer of ADSs or distribute any dividends or other distributions on deposited securities to the ADSs holder (until they surrender their ADSs) or give any notices or perform any other duties under the deposit agreement except as described in this paragraph.

Limitations on Obligations and Liability

Limits on our Obligations and the Obligations of the Depositary; Limits on Liability to Holders of ADSs

The deposit agreement expressly limits our obligations and the obligations of the depositary. It also limits our liability and the liability of the depositary. We and the depositary:

- are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith, and the depositary will not be a fiduciary or have any fiduciary duty to holders of ADSs;
- are not liable if we are or it is prevented or delayed by law or by events or circumstances beyond our or its ability to preent or counteract with reasonable care or effort from performing our or its obligations under the deposit agreement;
- are not liable if we or it exercises discretion permitted under the deposit agreement;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of the terms of the deposit agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement on your behalf or on behalf of any other person;

- may rely upon any documents we believe or it believes in good faith to be genuine and to have been signed or presented by the proper person;
- are not liable for the acts or omissions of any securities depository, clearing agency or settlement system; and
- the depositary has no duty to make any determination or provide any information as to our tax status, or any liability for any tax consequences that may be incurred by ADS holders as a result of owning or holding ADSs or be liable for the inability or failure of an ADS holder to obtain the benefit of a foreign tax credit, reduced rate of withholding or refund of amounts withheld in respect of tax or any other tax benefit.

In the deposit agreement, we and the depositary agree to indemnify each other under certain circumstances.

Requirements for Depositary Actions

Before the depositary will deliver or register a transfer of ADSs, make a distribution on ADSs, or permit withdrawal of shares, the depositary may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any shares or other deposited securities;
- satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The depositary may refuse to deliver ADSs or register transfers of ADSs when the transfer books of the depositary or our transfer books are closed or at any time if the depositary or we think it advisable to do so.

Your Right to Receive the Shares Underlying your ADSs

ADS holders have the right to cancel their ADSs and withdraw the underlying shares at any time except:

- when temporary delays arise because: (i) the depositary has closed its transfer books or we have closed our transfer books; (ii) the transfer of shares is blocked to permit voting at a shareholders' meeting; or (iii) we are paying a dividend on our shares;
- when you owe money to pay fees, taxes and similar charges; or
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the Direct Registration System, also referred to as DRS, and Profile Modification System, also referred to as Profile, will apply to the ADSs. DRS is a system administered by DTC that facilitates interchange between registered holding of uncertificated ADSs and holding of security entitlements in ADSs through DTC and a DTC participant. Profile is a feature of DRS that allows a DTC participant, claiming to act on behalf of a registered holder of uncertificated ADSs, to direct the depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depositary of prior authorization from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the deposit agreement understand that the depositary will not determine whether the DTC participant that is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery as described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the depositary's reliance on and compliance with instructions received by the depositary through the DRS/Profile system and in accordance with the deposit agreement will not constitute negligence or bad faith on the part of the depositary.

Shareholder communications; inspection of register of holders of ADSs

The depositary will make available for your inspection at its office all communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. The depositary will send you copies of those communications or otherwise make those communications available to you if we ask it to. You have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to our business or the ADSs.

Jury Trial Waiver

The deposit agreement provides that, to the extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws. If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable case law. You will not, by agreeing to the terms of the deposit agreement, be deemed to have waived our or the depositary's compliance with U.S. federal securities laws or the rules and regulations promulgated thereunder.

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, we will have ADSs outstanding, representing ordinary shares, or approximately % of our outstanding ordinary shares, assuming the underwriters do not exercise their option to purchase additional ADSs. All of the ADSs sold in this offering will be freely transferable by persons other than our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of our ADSs in the public market could adversely affect prevailing market prices of our ADSs. Prior to this offering, there has been no public market for our ordinary shares or the ADSs, and while our ADSs have been approved for listing on the [Nasdaq], we cannot assure you that a regular trading market will develop in the ADSs. We do not expect that a trading market will develop for our ordinary shares not represented by the ADSs.

Lockup Agreements

We, [our directors and executive officers, our existing shareholders and certain of our award holders] have agreed, subject to some exceptions, not to transfer or dispose of, directly or indirectly, any of our ordinary shares, in the form of ADSs or otherwise, or any securities convertible into or exchangeable or exercisable for our ordinary shares, in the form of ADSs or otherwise, for a period of [180] days after the date of this prospectus. After the expiration of the [180]-day period, the ordinary shares or ADSs held by our directors, executive officers and our existing shareholders may be sold subject to the restrictions under Rule 144 under the Securities Act or by means of registered public offerings.

Rule 144

All of our ordinary shares outstanding prior to this offering are "restricted shares" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirements. Under Rule 144 as currently in effect, a person who has beneficially owned our restricted shares for at least six months is generally entitled to sell the restricted securities without registration under the Securities Act beginning 90 days after the date of this prospectus, subject to certain additional restrictions.

Our affiliates may sell within any three-month period a number of restricted shares that does not exceed the greater of the following:

- 1% of the then outstanding ordinary shares of the same class, in the form of ADSs or otherwise, which will equal approximately ordinary shares immediately after this offering, assuming the underwriters do not exercise their option to purchase additional ADSs; or
- the average weekly trading volume of our ordinary shares in the form of ADSs or otherwise on the [Nasdaq] during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Affiliates who sell restricted securities under Rule 144 may not solicit orders or arrange for the solicitation of orders, and they are also subject to notice requirements and the availability of current public information about us.

Persons who are not our affiliates are only subject to one of these additional restrictions, the requirement of the availability of current public information about us, and this additional restriction does not apply if they have beneficially owned our restricted shares for more than one year.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants or advisors who purchases our ordinary shares from us in connection with a compensatory stock or option plan or

other written agreement relating to compensation is eligible to resell such ordinary shares 90 days after we became a reporting company under the Exchange Act in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144.

TAXATION

The following discussion of Cayman Islands, PRC and United States federal income tax consequences of an investment in the ADSs or ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this prospectus, all of which are subject to change. This discussion does not deal with all possible tax consequences relating to an investment in the ADSs or ordinary shares, such as the tax consequences under state, local and other tax laws. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Walkers (Hong Kong), our Cayman Islands counsel. To the extent that the discussion relates to matters of PRC tax law, it represents the opinion of Shihui Partners, our PRC legal counsel.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation, and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us or holders of our ADSs or ordinary shares levied by the government of the Cayman Islands, except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the ADSs or ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the ADSs or ordinary shares, nor will gains derived from the disposal of the ADSs or ordinary shares be subject to Cayman Islands income or corporation tax.

People's Republic of China Taxation

Under the PRC EIT Law, which became effective on January 1, 2008 and amended on December 29, 2018, an enterprise established outside the PRC with "de facto management bodies" within the PRC is considered a "resident enterprise" for PRC enterprise income tax purposes and is generally subject to a uniform 25% enterprise income tax rate on its worldwide income. Under the implementation rules to the PRC EIT Law, a "de facto management body" is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and properties of an enterprise.

In addition, the SAT Circular 82 issued by the SAT in April 2009 specifies that certain offshore incorporated enterprises controlled by PRC enterprises or PRC enterprise groups will be classified as PRC resident enterprises if the following are located or resident in the PRC: (a) senior management personnel and departments that are responsible for daily production, operation and management; (b) financial and personnel decision-making bodies; (c) key properties, accounting books, company seal, minutes of board meetings and shareholders' meetings; and (d) half or more of the senior management or directors having voting rights. Further to SAT Circular 82, the SAT issued the SAT Bulletin 45, which took effect in September 2011, to provide more guidance on the implementation of SAT Circular 82. SAT Bulletin 45 provides for procedures and administration details of determination on resident status and administration on post-determination matters. Our company is a company incorporated outside the PRC. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside the PRC. As such, we do not believe that our company meets all of the conditions above or is a PRC resident enterprise for PRC tax purposes. For the same reasons, we believe our other entities outside China are not PRC resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." There can be no assurance that the PRC government will ultimately take a view that is consistent with us. If the PRC tax authorities determine that our Cayman Islands holding company is a PRC resident enterprise for PRC enterprise income tax purposes, a number of

unfavorable PRC tax consequences could follow. For example, a 10% withholding tax would be imposed on dividends we pay to our non-PRC enterprise shareholders (including our ADS holders). In addition, nonresident enterprise shareholders (including our ADS holders) may be subject to PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within the PRC. Furthermore, if we are deemed a PRC resident enterprise, dividends paid to our non-PRC individual shareholders (including our ADS holders) and any gain realized on the transfer of ADSs or ordinary shares by such shareholders may be subject to PRC tax at a rate of 20% (which, in the case of dividends, may be withheld at source by us). These rates may be reduced by an applicable tax treaty, but it is unclear whether in practice non-PRC shareholders of our company would be able to obtain the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. See "Risk Factors—Risks Related to Doing Business in China—If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders."

Material U.S. Federal Income Tax Considerations

The following are material U.S. federal income tax consequences to the U.S. Holders described below of owning and disposing of ADSs or ordinary shares, but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to acquire ADSs. This discussion applies only to a U.S. Holder that acquires ADSs in this offering and that holds the ADSs or ordinary shares as capital assets for U.S. federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including alternative minimum tax and Medicare contribution tax consequences, and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- persons holding ADSs or ordinary shares as part of a straddle, conversion transaction, integrated transaction or similar transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities classified as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- persons that own or are deemed to own 10% or more of our stock by vote or value; or
- persons holding ADSs or ordinary shares in connection with a trade or business conducted outside the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes owns ADSs or ordinary shares, the U.S. federal income tax treatment of its partners will generally depend on the status of its partners and the activities of the partnership. Partnerships owning ADSs or ordinary shares and partners in those partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of owning and disposing of ADSs or ordinary shares.

This discussion is based on the Internal Revenue Code of 1986, as amended, or the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, and the income tax treaty between the United States and the PRC, or the Treaty, all as of the date hereof, any of which is subject to change, possibly with retroactive effect. This discussion assumes that each obligation under the deposit agreement and any related agreement will be performed in accordance with its terms.

For purposes of this discussion, a "U.S. Holder" is a person that is for U.S. federal income tax purposes a beneficial owner of ADSs or ordinary shares and:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

In general, a U.S. Holder who owns ADSs will be treated as the owner of the underlying ordinary shares represented by those ADSs for U.S. federal income tax purposes. Accordingly, no gain or loss will be recognized if a U.S. Holder exchanges ADSs for the underlying ordinary shares represented by those ADSs.

U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of ADSs or ordinary shares in their particular circumstances.

Except as described in "*—Passive Foreign Investment Company Rules*" below, this discussion assumes that we are not, and will not become, a passive foreign investment company, or PFIC.

Taxation of Distributions

Distributions paid on the ADSs or ordinary shares, other than certain pro rata distributions of ADSs or ordinary shares, will be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as "dividends" for U.S. federal income tax purposes. Dividends will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Subject to applicable limitations, dividends paid on our ADSs to certain non-corporate U.S. investors are taxable at the favorable rates applicable to long-term capital gains for so long as our ADSs are listed on the Nasdaq Global Market or if in future we are eligible for benefits under the Treaty. The favorable rate does not apply if the non-U.S. corporation is a PFIC for the year the dividend is paid or the preceding year. Non-corporate U.S. Holders should consult their tax advisers to determine whether the favorable rate will apply to dividends they receive and whether they are subject to any special rules that limit their ability to be taxed at this favorable rate.

Dividends will be included in a U.S. Holder's income generally on the date of the U.S. Holder's, or in the case of ADSs, the Depositary's, receipt. The amount of any dividend income paid in currency other than U.S. dollars will be the U.S. dollar amount calculated by reference to the spot rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars on that date. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the amount received. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

Dividends will be treated as foreign-source income for foreign tax credit purposes. As described in "—People's Republic of China Taxation," dividends paid by the Company may be subject to PRC withholding tax. For U.S. federal income tax purposes, the amount of the dividend income will include amounts withheld in respect of any PRC withholding tax. Subject to applicable limitations, which vary depending upon the U.S. Holder's circumstances, PRC taxes withheld from dividend payments (at a rate not exceeding the applicable rate provided in the Treaty in the case of a U.S. Holder that is eligible for the benefits of the Treaty) generally will be creditable against the U.S. Holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex and U.S. Holders should consult their tax advisers regarding the creditability of foreign tax credits in their particular circumstances. In lieu of claiming a credit, a U.S. Holder may elect to deduct such PRC taxes in

computing its taxable income, subject to applicable limitations. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the taxable year.

Sale or Other Disposition of ADSs or ordinary shares

For U.S. federal income tax purposes, gain or loss realized on the sale or other taxable disposition of ADSs or ordinary shares will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the ADSs or ordinary shares for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder's tax basis in the ADSs or ordinary shares disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars.

As described in "—People's Republic of China Taxation" above, gains on the sale of ADSs or ordinary shares may be subject to PRC taxes if we are treated as a PRC resident enterprise for PRC tax purposes. A U.S. Holder will be entitled to use foreign tax credits to offset only the portion of its U.S. federal income tax liability that is attributable to foreign-source income. Because under the Code capital gains of U.S. persons are generally treated as U.S.-source income, this limitation may preclude a U.S. Holder from claiming a credit for all or a portion of any PRC taxes imposed on any such gains. However, U.S. Holders that are eligible for the benefits of the Treaty may be able to elect to treat the gain as PRC-source income for foreign tax credit purposes and therefore claim foreign tax credits in respect of PRC taxes on disposition gains. U.S. Holders should consult their tax advisers regarding their eligibility for the benefits of the Treaty and the creditability of any PRC tax on disposition gains in their particular circumstances.

Passive Foreign Investment Company Rules

In general, a non-U.S. corporation is a PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average value of its assets (generally determined on a quarterly basis) consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents, royalties and certain gains. Cash is a passive asset for these purposes.

Based on the expected composition of our income and assets and the value of our assets, including goodwill, which is based on the expected price of the ADSs in this offering, we do not expect to be a PFIC for our current taxable year. However, our PFIC status for any taxable year is an annual determination that can be made only after the end of that year and will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in part, by reference to the market price of the ADSs, which could be volatile). Moreover, it is not entirely clear how the contractual arrangements between us and our VIE will be treated for purposes of the PFIC rules, and we may be or become a PFIC if our VIE is not treated as owned by us for these purposes. Furthermore, we will hold a substantial amount of cash following this offering. Accordingly, there can be no assurance that we will not be a PFIC for our current or any future taxable year.

If we were a PFIC for any taxable year and any entity in which we own or are treated as owning equity interests (including our VIE and its subsidiaries) were also a PFIC (any such entity, a "Lower-tier PFIC"), a U.S. Holder would be deemed to own a proportionate amount (by value) of the shares of each Lower-tier PFIC and would be subject to U.S. federal income tax according to the rules described in the subsequent paragraph on (i) certain distributions by a Lower-tier PFIC and (ii) dispositions of shares of Lower-tier PFICs, in each case as if the U.S. Holder held such shares directly, even though the U.S. Holder will not receive the proceeds of those distributions or dispositions.

In general, if we were a PFIC for any taxable year during which a U.S. Holder holds ADSs or ordinary shares, gain recognized by such U.S. Holder on a sale or other disposition (including certain pledges) of its ADSs

or ordinary shares would be allocated ratably over that U.S. Holder's holding period. The amounts allocated to the taxable year of the sale or disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the resulting tax liability for each such year. Furthermore, to the extent that distributions received by a U.S. Holder in any year on its ADSs or ordinary shares exceed 125% of the average of the annual distributions on the ADSs or ordinary shares received during the preceding three taxable years or the U.S. Holder's holding period for the ADSs or ordinary shares, whichever is shorter, such distributions would be subject to taxation in the same manner. If we were a PFIC for any taxable year during which a U.S. Holder owned ADSs or ordinary shares, we would generally continue to be treated as a PFIC with respect to the U.S. Holder for all succeeding years during which the U.S. Holder owned ADSs or ordinary shares, even if we ceased to meet the threshold requirements for PFIC status, unless the U.S. Holder made a timely "deemed sale" election, in which case any gain on the deemed sale would be taxed under the PFIC rules described above.

Alternatively, if we were a PFIC and if the ADSs were "regularly traded" on a "qualified exchange," as defined in applicable Treasury regulations, a U.S. Holder could make a mark-to-market election that would result in tax treatment different from the general tax treatment for PFICs described in the preceding paragraph. The ADSs would be treated as "regularly traded" for any calendar year in which more than a *de minimis* quantity of the ADSs were traded on a qualified exchange on at least 15 days during each calendar quarter. Nasdaq Global Market, where our ADSs are expected to be listed, is a qualified exchange for this purpose. U.S. Holders will not be able to make a mark-to-market election with respect to Lower-tier PFICs, if any. Accordingly, if we were a PFIC for any taxable year, a U.S. Holder that made the mark-to-market election would continue to be subject to the general PFIC rules with respect to such U.S. Holder's indirect interest in any Lower-tier PFICs.

If a U.S. Holder make the mark-to-market election, the U.S. Holder generally will recognize as ordinary income any excess of the fair market value of the ADSs at the end of each taxable year in which we were a PFIC over their adjusted tax basis, and would recognize an ordinary loss in respect of any excess of the adjusted tax basis of the ADSs over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder made the election, the U.S. Holder's tax basis in the ADSs would be adjusted to reflect the income or loss amounts recognized. Any gain recognized on the sale or other disposition of ADSs in a year when the Company is a PFIC would be treated as ordinary income and any loss would be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election, with any excess treated as capital loss). If a U.S. Holder made the mark-to-market election, distributions paid on ADSs would be treated as discussed under "—Taxation of Distributions" above, but subject to the discussion in the immediately preceding paragraph.

If we were a PFIC (or with respect to a particular U.S. Holder were treated as a PFIC) for a taxable year in which we paid a dividend or for the prior taxable year, the favorable tax rate described above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

We do not intend to provide the information that would otherwise enable U.S. Holders to make a "qualified electing fund election," which would have resulted in alternate treatment if we were a PFIC for any taxable year.

If we were a PFIC for any taxable year during which a U.S. Holder owned any ADSs or ordinary shares, the U.S. Holder would generally be required to file annual reports with the Internal Revenue Service.

U.S. Holders should consult their tax advisers regarding the determination of whether we are a PFIC for any taxable year and the potential application of the PFIC rules to their ownership of ADSs or ordinary shares.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds from the sale or exchange of our ADSs or ordinary shares, that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to

information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding, generally on Internal Revenue Service Form W-9. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

Certain U.S. Holders who are individuals (or certain specified entities) may be required to report information relating to their ownership of ADSs or ordinary shares, or non-U.S. accounts through which ADSs or ordinary shares are held. U.S. Holders should consult their tax advisers regarding their reporting obligations with respect to the ADSs or ordinary shares.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated , we have agreed to sell to the underwriters named below, for whom Credit Suisse Securities (USA) LLC and China International Capital Corporation Hong Kong Securities Limited are acting as representatives, the following respective numbers of ADSs:

Underwriters	Number of ADSs
Credit Suisse Securities (USA) LLC	
China International Capital Corporation Hong Kong Securities Limited	
Total	

The underwriting agreement provides that the underwriters are obligated to purchase all the ADSs in the offering if any are purchased, other than those ADSs covered by the over-allotment option described below. [The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.]

Certain of the underwriters are expected to make offers and sales both inside and outside the United States through their respective selling agents. Any offers or sales in the United States will be conducted by broker/dealers registered with the SEC. China International Capital Corporation Hong Kong Securities Limited is not a broker/dealer registered with the SEC and, to the extent that its conduct may be deemed to involve participation in offers or sales of ADSs in the United States, those offers or sales will be made through one or more SEC-registered broker/dealers in compliance with applicable laws and regulations.

We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to additional ADSs from us at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of ADSs.

The underwriters propose to offer ADSs initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a selling concession of US$ per ADS. The underwriters and selling group members may allow a discount of US$ per ADS on sales to other broker/dealers. After the initial public offering, the representatives may change the public offering price and concession and discount to broker/dealers.

The following table summarizes the compensation and estimated expenses we will pay:

	Per ADS		Total	
	Without Over-allotment	With Over-allotment	Without Over-allotment	With Over-allotment
Public offering price	$	$	$	$
Underwriting discounts and commissions paid by us	$	$	$	$
Expenses payable by us	$	$	$	$

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act relating to, any ADSs, our ordinary shares or securities convertible into or exchangeable or exercisable for any ADSs or our ordinary shares, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse Securities (USA) LLC and China International Capital Corporation Hong Kong Securities Limited for a period of [180] days after the date of this prospectus, except issuances pursuant to the exercise of employee stock options outstanding on the date hereof.

[Our officers, directors, existing shareholders and certain of our award holders] have agreed that they will not offer, sell, contract to sell, [pledge] or otherwise dispose of, directly or indirectly, any ADSs, our ordinary shares or securities convertible into or exchangeable or exercisable for any ADSs or our ordinary shares, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of ADSs or our ordinary shares, whether any of these transactions are to be settled by delivery of ADSs or our ordinary shares or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Credit Suisse Securities (USA) LLC and China International Capital Corporation Hong Kong Securities Limited for a period of [180] days after the date of this prospectus.

[The underwriters have reserved for sale at the initial public offering price up to ADSs for employees, directors and other persons associated with us who have expressed an interest in purchasing common stock in the offering. [If purchased by these persons, these ADSs will be subject to a 180-day lock-up restriction.] The number of ADSs available for sale to the general public in the offering will be reduced to the extent these persons purchase the reserved ADSs. Any reserved ADSs not so purchased will be offered by the underwriters to the general public on the same terms as the other ADSs.]

We have applied to list the ADSs on the Nasdaq Global Market.

Prior to this offering, there has been no public market for the ADSs. The initial public offering price was determined by negotiations among us and the representatives and will not necessarily reflect the market price of the ADSs following this offering. The principal factors that were considered in determining the initial public offering price included:

- the information presented in this prospectus and otherwise available to the underwriters;
- the history of, and prospects for, the industry in which we will compete;
- the ability of our management;
- the prospects for our future earnings;
- the present state of our development, results of operations and our current financial condition;
- the general condition of the securities markets at the time of this offering; and
- the recent market prices of, and the demand for, publicly traded common stock of generally comparable companies.

We cannot assure you that the initial public offering price will correspond to the price at which the ADSs will trade in the public market subsequent to this offering or that an active trading market for the ADSs will develop and continue after this offering.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of ADSs in excess of the number of ADSs the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of ADSs over-allotted by the underwriters is not greater than the number of ADSs that they may purchase in the over-allotment option. In a naked short position, the number of ADSs involved is greater than the number of ADSs in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option and/or purchasing ADSs in the open market.

- Syndicate covering transactions involve purchases of ADSs in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of ADSs to close out the short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared to the price at which they may purchase ADSs through the over-allotment option. If the underwriters sell more ADSs than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in the offering.
- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when ADSs originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of ADSs or preventing or retarding a decline in the market price of ADSs. As a result the price of ADSs may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the Nasdaq Global Market or otherwise and, if commenced, may be discontinued at any time.

A prospectus in electronic format may be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The representatives may agree to allocate a number of ADSs to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations.

Other Relationships

The underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

Selling Restrictions

No action may be taken in any jurisdiction other than the United States that would permit a public offering of the ADSs or the possession, circulation or distribution of this prospectus in any jurisdiction where action for that purpose is required. Accordingly, the ADSs may not be offered or sold, directly or indirectly, and neither the prospectus nor any other offering material or advertisements in connection with the ADSs may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

Australia

This document has not been lodged with the Australian Securities & Investments Commission and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

(a) you confirm and warrant that you are either:

(i) “sophisticated investor” under section 708(8)(a) or (b) of the Corporations Act 2001 (Cth) of Australia, or the Corporations Act;

(ii) "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

(iii) person associated with the company under section 708(12) of the Corporations Act; or

(iv) "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act;

and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act, any offer made to you under this document is void and incapable of acceptance;

(b) you warrant and agree that you will not offer any of the ADSs issued to you pursuant to this document for resale in Australia within 12 months of those ADSs being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

Bermuda

ADSs may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

British Virgin Islands

The ADSs are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Company. The ADSs may be offered to companies incorporated under the British Virgin Islands Business Companies Act, 2004, or BVI Companies, but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands**.**

Canada

The ADSs may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the ADSs must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Cayman Islands

This prospectus does not constitute an invitation or offer to the public in the Cayman Islands of the ADSs, whether by way of sale or subscription. The underwriters have not offered or sold, and will not offer or sell, directly or indirectly, any ADSs in the Cayman Islands.

Dubai International Finance Center

This document relates to an Exempt Offer, as defined in the Offered Securities Rules module of the DFSA Rulebook, or the OSR, in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to Persons, as defined in the OSR, of a type specified in those rules. It must not be delivered to, or relied on by, any other Person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The ADSs to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the ADSs offered should conduct their own due diligence on the ADSs. If you do not understand the contents of this document you should consult an authorized financial adviser.

European Economic Area

In relation to each Member State of the European Economic Area (each a "Member State"), no ADSs have been offered or will be offered pursuant to this offering to the public in that Member State prior to the publication of a prospectus in relation to the ADSs which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that offers of ADSs may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of securities shall require us to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any ADSs in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any ADSs to be offered so as to enable an investor to decide to purchase or subscribe for any ADSs, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The ADSs may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the ADSs may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is

directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder.

Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus may be distributed only to, and is directed only at, investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds; provident funds; insurance companies; banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange Ltd., underwriters, each purchasing for their own account; venture capital funds; entities with equity in excess of NIS 50 million and "qualified individuals," each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors. Qualified investors shall be required to submit written confirmation that they fall within the scope of the Addendum.

Japan

The ADSs have not been and will not be registered under the Financial Instruments and Exchange Law of Japan, and ADSs will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to any exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Korea

The ADSs may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Korea Securities and Exchange Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The ADSs have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the ADSs may not be resold to Korean residents unless the purchaser of the ADSs complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the ADSs.

Kuwait

Unless all necessary approvals from the Kuwait Ministry of Commerce and Industry required by Law No. 31/1990 "Regulating the Negotiation of Securities and Establishment of Investment Funds," its Executive Regulations and the various Ministerial Orders issued pursuant thereto or in connection therewith, have been given in relation to the marketing and sale of the ADSs, these may not be marketed, offered for sale, nor sold in the State of Kuwait. Neither this prospectus (including any related document), nor any of the information contained therein is intended to lead to the conclusion of any contract of whatsoever nature within Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the securities has been or will be registered with the Securities Commission of Malaysia, or Commission, for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this prospectus and

any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the securities may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services License; (iii) a person who acquires the securities as principal, if the offer is on terms that the securities may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the securities is made by a holder of a Capital Markets Services License who carries on the business of dealing in securities. The distribution in Malaysia of this prospectus is subject to Malaysian laws. This prospectus does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

People's Republic of China

This prospectus has not been and will not be circulated or distributed in the PRC, and ADSs may not be offered or sold, and will not be offered or sold to any person for re-offering or resale, directly or indirectly, to any resident of the PRC except pursuant to applicable laws and regulations of the PRC.

Qatar

In the State of Qatar, the offer contained herein is made on an exclusive basis to the specifically intended recipient thereof, upon that person's request and initiative, for personal use only and shall in no way be construed as a general offer for the sale of securities to the public or an attempt to do business as a bank, an investment company or otherwise in the State of Qatar. This prospectus and the underlying securities have not been approved or licensed by the Qatar Central Bank or the Qatar Financial Centre Regulatory Authority or any other regulator in the State of Qatar. The information contained in this prospectus shall only be shared with any third parties in Qatar on a need to know basis for the purpose of evaluating the contained offer. Any distribution of this prospectus by the recipient to third parties in Qatar beyond the terms hereof is not permitted and shall be at the liability of such recipient.

Saudi Arabia

This prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this prospectus. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this prospectus you should consult an authorized financial adviser.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our ADSs may not be circulated or distributed, nor may our ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or SFA, (ii) to a relevant person or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where our ADSs are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor; shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ADSs under Section 275 of the SFA, except: (1) to an institutional investor (for corporations under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

Switzerland

The ADSs will not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to our company or the ADSs have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of the ADSs will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of the ADSs has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the "CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the ADSs.

Taiwan

The ADSs have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the ADSs in Taiwan.

United Arab Emirates

This prospectus is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates, or the UAE. The ADSs have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities Market or with any other UAE exchange.

The offering, the ADSs and interests therein have not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities in the UAE, and do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise.

In relation to its use in the UAE, this prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the ADSs may not be offered or sold directly or indirectly to the public in the UAE.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”) received by it in connection with the issue or sale of the ADSs in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the ADSs in, from or otherwise involving the United Kingdom.

EXPENSES RELATING TO THIS OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discounts and commissions, that we expect to incur in connection with this offering. With the exception of the SEC registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee and the Nasdaq listing fee, all amounts are estimates.

SEC Registration Fee	US$
Nasdaq Listing Fee	US$
FINRA Filing Fee	US$
Printing and Engraving Expenses	US$
Legal Fees and Expenses	US$
Accounting Fees and Expenses	US$
Miscellaneous	US$
Total	US$

LEGAL MATTERS

We are being represented by Davis Polk & Wardwell LLP with respect to certain legal matters of U.S. federal securities and New York state law. Certain legal matters with respect to U.S. federal and New York State law in connection with this offering will be passed upon for the underwriters by Clifford Chance US LLP. The validity of the ordinary shares represented by the ADSs offered in this offering and other certain legal matters as to Cayman Islands law will be passed upon for us by Walkers (Hong Kong). Legal matters as to PRC law will be passed upon for us by Shihui Partners and for the underwriters by Fangda Partners. Davis Polk & Wardwell LLP may rely upon Walkers (Hong Kong) with respect to matters governed by Cayman Islands law and Shihui Partners with respect to matters governed by PRC law. Clifford Chance US LLP may rely upon Fangda Partners with respect to matters governed by PRC law.

EXPERTS

The financial statements as of December 31, 2017 and December 31, 2018 and for each of the two years in the period ended December 31, 2018 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The offices of PricewaterhouseCoopers Zhong Tian LLP is located at 6/F., DBS Bank Tower, 1318 Lu Jia Zui Ring Road, Pudong New Area, Shanghai, People's Republic of China.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the U.S. Securities and Exchange Commission a registration statement (including amendments and exhibits to the registration statement) on Form F-1 under the Securities Act. This prospectus, which is part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit.

Upon completion of this offering, we will become subject to the informational requirements of the Exchange Act. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an Internet site at that contains reports, proxy and information statements and other information we have filed electronically with the SEC.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Genetron Holdings Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Genetron Holdings Limited and its subsidiaries (the "Company") as of December 31, 2018 and 2017, and the related consolidated statements of loss, comprehensive loss, changes in shareholders' deficit and cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Beijing, the People's Republic of China
September 3, 2019

We have served as the Company's auditor since 2018.

GENETRON HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF LOSS

	Notes	Year ended December 31, 2017 RMB'000	2018 RMB'000	2018 US$'000 Note 2.4(d)
Revenue	6	101,033	225,176	31,503
Cost of revenue		(74,211)	(132,450)	(18,530)
Gross profit		26,822	92,726	12,973
Selling expenses		(94,569)	(182,474)	(25,529)
Administrative expenses		(45,486)	(88,233)	(12,344)
Research and development expenses		(45,777)	(71,411)	(9,991)
Net impairment losses on financial assets		(483)	(658)	(92)
Other income - net	9	6,953	17,074	2,388
Operating loss		(152,540)	(232,976)	(32,595)
Finance income	10	676	1,615	226
Finance costs	10	(10,669)	—	—
Finance (costs)/income - net	10	(9,993)	1,615	226
Fair value loss of financial instruments with preferred rights	27	(258,106)	(233,632)	(32,686)
Loss before income tax		(420,639)	(464,993)	(65,055)
Income tax expense	11	—	—	—
Loss for the year		(420,639)	(464,993)	(65,055)
Loss attributable to:				
Owners of the Company		(420,639)	(464,993)	(65,055)
Loss per share		**RMB**	**RMB**	**US$**
- Basic and diluted	12	(4.64)	(4.09)	(0.57)

The accompanying notes are an integral part of these consolidated financial statements.

GENETRON HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Notes	Year ended December 31, 2017 RMB'000	2018 RMB'000	2018 US$'000 Note 2.4(d)
Loss for the year		(420,639)	(464,993)	(65,055)
Other comprehensive income/(loss)				
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations		(242)	141	20
Items that will not be reclassified to profit or loss				
Changes in fair value of financial instruments with preferred rights due to own credit risk	27	2,378	(9,061)	(1,268)
Other comprehensive income/(loss) for the year, net of tax		2,136	(8,920)	(1,248)
Total comprehensive loss for the year		(418,503)	(473,913)	(66,303)
Total comprehensive loss attributable to:				
Owners of the Company		(418,503)	(473,913)	(66,303)

The accompanying notes are an integral part of these consolidated financial statements.

GENETRON HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEETS

	Notes	As at January 1, 2017	As at December 31, 2017	As at December 31, 2018	As at December 31, 2018
		RMB'000	RMB'000	RMB'000	US$'000 Note 2.4(d)
ASSETS					
Non-current assets					
Property, plant and equipment	13	58,538	65,303	82,551	11,549
Intangible assets	14	3,031	3,882	3,395	475
Prepayments for purchase of non-current assets		12,499	4,903	7,805	1,092
Total non-current assets		74,068	74,088	93,751	13,116
Current assets					
Inventories	16	3,544	12,769	21,615	3,024
Contract assets	6	3,512	2,809	2,341	328
Other current assets	17	14,234	25,800	37,489	5,245
Trade receivables	18	4,651	11,476	38,252	5,352
Other receivables and prepayments	19	8,944	16,544	23,562	3,295
Amounts due from related parties	30(c)	5,885	3,030	6,704	938
Financial assets at fair value through profit or loss	20	73,660	252,915	38,597	5,400
Cash and cash equivalents	21	18,360	42,030	62,126	8,692
Total current assets		132,790	367,373	230,686	32,274
Total assets		206,858	441,461	324,437	45,390
LIABILITIES					
Non-current liabilities					
Financial instruments with preferred rights	27	412,291	1,018,019	1,320,712	184,774
Total non-current liabilities		412,291	1,018,019	1,320,712	184,774
Current liabilities					
Trade payables		7,078	8,849	11,897	1,664
Contract liabilities	6	1,146	3,399	8,867	1,241
Other payables and accruals	26	14,685	33,380	47,007	6,577
Amounts due to related parties		1,659	—	—	—
Total current liabilities		24,568	45,628	67,771	9,482
Total liabilities		436,859	1,063,647	1,388,483	194,256
Net (liabilities)/assets		(230,001)	(622,186)	(1,064,046)	(148,866)
SHAREHOLDERS' (DEFICIT)/EQUITY					
(Deficit)/equity attributable to owners of the Company					
Share capital	22	—	—	—	—
Share premium		—	—	—	—
Treasury shares	23	(14,221)	(10,772)	(8,363)	(1,170)
Capital reserve	24(a)	35,376	37,550	37,550	5,253
Other reserves	24	31,155	53,986	74,710	10,452
Accumulated losses		(282,311)	(702,950)	(1,167,943)	(163,401)
Total shareholders' (deficit)/equity		(230,001)	(622,186)	(1,064,046)	(148,866)

The accompanying notes are an integral part of these consolidated financial statements.

GENETRON HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT

	Notes	Share capital (Note 22) RMB'000	Treasury shares (Note 23) RMB'000	Capital reserve (Note 24(a)) RMB'000	Share-based compensation reserve (Note 24(b)) RMB'000	Other reserve (Note 24(c)) RMB'000	Other comprehensive losses (Note 24(d)) RMB'000	Accumulated losses RMB'000	Total shareholders' deficit RMB'000
Balance at January 1, 2017		—	(14,221)	35,376	19,778	14,606	(3,229)	(282,311)	(230,001)
Comprehensive income/(loss)									
Loss for the year		—	—	—	—	—	—	(420,639)	(420,639)
Exchange differences		—	—	—	—	—	(242)	—	(242)
Changes in fair value of financial instruments with preferred rights due to own credit risk	27	—	—	—	—	—	2,378	—	2,378
		—	—	—	—	—	2,136	(420,639)	(418,503)
Transactions with owners									
Issue of restricted shares	25(c)	—	(2,174)	2,174	—	—	—	—	—
Vesting of restricted shares		—	5,623	—	(17,535)	17,535	—	—	5,623
Share-based compensations	25(d)	—	—	—	20,695	—	—	—	20,695
		—	3,449	2,174	3,160	17,535	—	—	26,318
Balance at December 31, 2017		—	(10,772)	37,550	22,938	32,141	(1,093)	(702,950)	(622,186)

GENETRON HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT (Continued)

	Notes	Share capital (Note 22) RMB'000	Treasury shares (Note 23) RMB'000	Capital reserve (Note 24(a)) RMB'000	Share-based compensation reserve (Note 24(b)) RMB'000	Other reserve (Note 24(c)) RMB'000	Other comprehensive losses (Note 24(d)) RMB'000	Accumulated losses RMB'000	Total shareholders' deficit RMB'000
Balance at January 1, 2018		—	(10,772)	37,550	22,938	32,141	(1,093)	(702,950)	(622,186)
Comprehensive income/(loss)									
Loss for the year		—	—	—	—	—	—	(464,993)	(464,993)
Exchange differences		—	—	—	—	—	141	—	141
Changes in fair value of financial instruments with preferred rights due to own credit risk	27	—	—	—	—	—	(9,061)	—	(9,061)
		—	—	—	—	—	(8,920)	(464,993)	(473,913)
Transactions with owners									
Vesting of restricted shares		—	2,409	—	(7,513)	7,513	—	—	2,409
Share-based compensations	25(d)	—	—	—	29,644	—	—	—	29,644
		—	2,409	—	22,131	7,513	—	—	32,053
Balance at December 31, 2018		—	(8,363)	37,550	45,069	39,654	(10,013)	(1,167,943)	(1,064,046)

The accompanying notes are an integral part of these consolidated financial statements.

GENETRON HOLDINGS LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended December 31, 2017 RMB'000	2018 RMB'000	2018 US$'000 Note 2.4(d)
Cash flows from operating activities				
Cash used in operations	28(a)	(129,920)	(201,016)	(28,123)
Net cash used in operating activities		(129,920)	(201,016)	(28,123)
Cash flows from investing activities				
Purchase of property, plant and equipment		(19,167)	(43,910)	(6,143)
Payments for intangible assets		(2,167)	(3,515)	(492)
Purchase of wealth management products		(890,020)	(895,140)	(125,234)
Redemption of wealth management products		711,560	1,109,675	155,249
Investment income from wealth management products		1,801	6,929	969
Loans to a related party	30(b)(ii)	—	(43,550)	(6,093)
Repayments of loans to a related party	30(b)(ii)	—	41,000	5,736
Net cash (used in)/generated from investing activities		(197,993)	171,489	23,992
Cash flows from financing activities				
Proceeds from issuance of restricted shares	25(c)	2,174	—	—
Proceeds from issuance of financial instruments with preferred rights	28(b)	350,000	60,000	8,394
Issuance costs of financial instruments with preferred rights		—	(10,600)	(1,483)
Proceeds from bank borrowings	28(b)	15,000	—	—
Repayments of bank borrowings	28(b)	(15,000)	—	—
Proceeds from loans from a related party	28(b)	6,000	—	—
Repayments of loans from a related party	28(b)	(6,000)	—	—
Interest paid		(669)	—	—
Net cash generated from financing activities		351,505	49,400	6,911
Net increase in cash and cash equivalents		23,592	19,873	2,780
Cash and cash equivalents at beginning of year		18,360	42,030	5,880
Exchange differences		78	223	32
Cash and cash equivalents at end of year	21	42,030	62,126	8,692

The accompanying notes are an integral part of these consolidated financial statements.

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

1. General information, reorganization and basis of presentation

1.1 General information

Genetron Holdings Limited (the "Company") was incorporated in the Cayman Islands on April 9, 2018 as an exempted company with limited liability under the Companies Law (2018 Revision) of the Cayman Islands. The address of the Company's registered office is at the office of Vistra (Cayman) Limited, P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205 Cayman Islands.

The Company, its subsidiaries, its controlled structured entity ("variable interest entity" or "VIE") and its subsidiaries ("subsidiaries of VIE") are collectively referred to as the "Group". The Group is principally engaged in precision oncology testing and development services (the "Listing Business") in the People's Republic of China ("PRC" or "China").

1.2 Reorganization

Prior to the incorporation of the Company and the completion of the reorganization as described below, the Listing Business was carried out by Genetron Health (Beijing) Co., Ltd. ("Genetron Health") and its subsidiaries (collectively the "Operating Companies").

Genetron Health was incorporated in the PRC on May 7, 2015 with Mr. Weiwu He, Mr. Sizhen Wang and Mr. Hai Yan considered as founding individuals (collectively the "Founders").

Genetron Health completed a few rounds of financing from investors through issuing certain shares with preferred rights ("Preferred Shares"), details of which are disclosed in Note 27.

Incorporation of overseas companies and wholly foreign-owned enterprise

For the purpose of preparation for the listing of the shares of the Company, the Group underwent a group reorganization (the "Reorganization") to establish the Company as the ultimate holding company. The Reorganization mainly involves the following:

(i) On April 9, 2018, the Company was incorporated in the Cayman Islands with an authorized share capital of US$50,000 divided into 500,000,000 ordinary shares with a par value of US$0.0001 each.

(ii) On June 6, 2018, Genetron Health (Hong Kong) Company Limited ("Genetron HK") was incorporated in Hong Kong ("HK") as a direct wholly-owned subsidiary of the Company.

(iii) On March 8, 2019, Genetron (Tianjin) Co., Ltd. ("Genetron TJ") was established in the PRC as a wholly foreign-owned enterprise with Genetron HK being its sole equity holder.

(iv) On July 2, 2019, the Company conducted a 1:5 share sub-division to amend its authorized share capital to 2,500,000,000 ordinary shares with a par value of US$0.00002 each in accordance with the resolution of the shareholders of the Company.

(v) Pursuant to a series of contractual arrangements in July 2019 (collectively referred to as the "Contractual Arrangements") between Genetron TJ, Genetron Health and its respective equity holders, Genetron TJ is able to effectively control and receive substantially all the economic benefits of the business and operations of Genetron Health and its subsidiaries. Accordingly Genetron Health and its subsidiaries are treated as VIE and subsidiaries of VIE respectively which became controlled entities of the Company.

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

1. General information, reorganization and basis of presentation (Continued)

1.2 Reorganization (Continued)

Incorporation of overseas companies and wholly foreign-owned enterprise (Continued)

Upon completion of the Reorganization, each of the equity holders of Genetron Health became the shareholders of the Company with substantially the same rights and shareholding percentages in Genetron Health before and after the Reorganization, and the Company became the holding company of the companies now comprising the Group. The historical fundings (excluding those from Preferred Shares) provided to Genetron Health for the Listing Business is presented as a contribution to the Group which is recorded in "Capital reserve" in the consolidated balance sheets.

Upon the completion of the Reorganization in July 2019, the Group has direct or indirect interests in the following subsidiaries, VIE and subsidiaries of VIE:

Company name	Place and date of incorporation	Registered capital	Effective equity interest held	Principal activities
Directly held:				
Genetron HK	Hong Kong, June 6, 2018	HKD10,000	100%	Investment holding
Indirectly held:				
Genetron TJ	Tianjin, PRC March 8, 2019	RMB500,000,000	100%	Investment holding
VIE:				
Genetron Health	Beijing, PRC May 7, 2015	RMB70,958,900	100%	Gene-related detection services
Subsidiaries of VIE:				
Shanghai Genetron Bio-Technology Co., Ltd.	Shanghai, PRC July 8, 2015	RMB20,000,000	100%	Investment holding
Hangzhou Genetron Bio-Technology Co., Ltd.	Hangzhou, PRC October 8, 2015	RMB10,000,000	100%	Investment holding
Chongqing Genetron Bio-Technology Co., Ltd.	Chongqing, PRC March 1, 2016	RMB20,000,000	100%	Investment holding and IVD products sales
Beijing Genetron Biotechnology Co., Ltd.	Beijing, PRC March 11, 2016	RMB20,000,000	100%	Investment holding
Nanjing Genetron Bio-Technology Co., Ltd.	Nanjing, PRC January 26, 2018	RMB40,000,000	100%	Investment holding
Hangzhou Genetron Medical Laboratory Co., Ltd.	Hangzhou, PRC April 24, 2014	RMB10,000,000	100%	Gene-related detection services
Beijing Genetron Medical Laboratory Co., Ltd.	Beijing, PRC November 5, 2015	RMB8,510,000	100%	Gene-related detection services
Shanghai Genetron Medical Laboratory Co., Ltd.	Shanghai, PRC December 14, 2015	RMB30,000,000	100%	Gene-related detection services

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

1. General information, reorganization and basis of presentation (Continued)

1.2 Reorganization (Continued)

Incorporation of overseas companies and wholly foreign-owned enterprise (Continued)

Company name	Place and date of incorporation	Registered capital	Effective equity interest held	Principal activities
Chongqing Genetron Medical Laboratory Co., Ltd.	Chongqing, PRC August 11, 2016	RMB20,000,000	100%	Gene-related detection services
Nanjing Genetron Medical Laboratory Co., Ltd.	Nanjing, PRC February 9, 2018	RMB40,000,000	100%	Gene-related detection services
Genetron Health Technologies, Inc.	Delaware, United Stated of America April 28, 2015	US$10,000,000	100%	Research services
Zhuhai Genetron Junhe Investment Management Co. (Limited Partnership) (“Junhe”) (Note)	Zhuhai, PRC September 13, 2017	RMB5,000,000	100%	Employee share scheme management

Note:

Junhe was established for the purpose of holding shares for the Group’s share incentive plan (“Share Incentive Plan”). The Company consolidated Junhe as the Group has power to govern the relevant activities of Junhe and can derive benefits from the contributions of the eligible employees who are awarded with the shares under the Share Incentive Plan.

Except for Genetron HK and Genetron TJ which are controlled by the Company through direct or indirect equity ownerships, other subsidiaries are controlled by the Company mainly through Contractual Arrangements. The details of the Contractual Arrangements are disclosed in Note 2.3.1(a).

1.3 Basis of presentation

Immediately prior to and after the Reorganization, the Listing Business was operated by Genetron Health and its subsidiaries. Pursuant to the Reorganization, the Listing Business was transferred to and held by the Company through the Operating Companies. The Company has not been involved in any other business prior to the Reorganization and does not meet the definition of a business. The Reorganization is merely a reorganization of the Listing Business with no change in management of such business. Accordingly, the Group resulting from the Reorganization is regarded as a recapitalization of the Listing Business under the Operating Companies for the purpose of this financial information. The financial information of the Group has been prepared on a consolidated basis as if the Reorganization had occurred since January 1, 2017 and is presented using the carrying values of the assets, liabilities and operating results of the Listing Business under the Operating Companies for the years ended December 31, 2017 and 2018.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation

These financial statements are the first consolidated financial statements prepared by the Group in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and financial instruments with preferred rights.

No financial statements of the Group or the Company have previously been prepared under any other accounting standards for the years ended December 31, 2017 and 2018.

The financial statements for the years ended December 31, 2017 and 2018 were authorized for issue by the directors on September 3, 2019.

As at December 31, 2018, the Group had net liabilities of RMB1,064,046,000, accumulated losses of RMB1,167,943,000 and net current assets of RMB162,915,000. For the year ended December 31, 2018, the Group had net operating loss of RMB232,976,000 and net operating cash outflow of RMB201,016,000. The principal sources of funding have historically been continuous cash contributions from equity holders and preferred shareholders amounting to approximately RMB38 million and RMB716 million respectively up to December 31, 2018. Management expects additional similar financing will be obtained within around one to two months from the date of issuance of these financial statements. Taking this into consideration, the directors believe that the Group will have sufficient available financial resources generated by anticipated financing activities and normal operating revenues to meet its obligations falling due and working capital requirements in the next twelve months from the date of issuance of these financial statements. Accordingly, the directors of the Company consider that it is appropriate to prepare the consolidated financial information on a going concern basis.

2.2 New standards, amendments to standards and interpretations not yet adopted

		Effective for annual periods beginning on or after
IFRS 16	Leases	January 1, 2019
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement	January 1, 2019
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures	January 1, 2019
Amendments to IFRS 9	Prepayment Features with Negative Compensation	January 1, 2019
IFRIC 23	Uncertainty over Income Tax Treatments	January 1, 2019
Amendments to IFRS 3	Definition of a Business	January 1, 2020
Amendments to IAS 1 and IAS 8	Definition of Material	January 1, 2020
IFRS 17	Insurance Contracts	January 1, 2021
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

IFRS 16 "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

2. Summary of significant accounting policies (Continued)

2.2 New standards, amendments to standards and interpretations not yet adopted (Continued)

will be accounted for on balance sheets for lessees. The standard replaces IAS 17 “Leases” and related interpretations.

The Group is a lessee of certain offices and equipment, which are currently accounted for as operating leases under IAS 17 based on the accounting policy set out in Note 2.27. Under IFRS 16, lessees are required to recognize a lease liability reflecting future lease payments and a right-of-use asset for all lease contracts in the balance sheets with exemption for leases of low-value assets or short term leases. Lessees will also have to present interest expense on the lease liabilities and depreciation on the right-of-use asset in profit or loss. In comparison with operating leases under IAS 17, this will change not only the allocation of expense but also the total amount of expenses recognized for each period of the lease term. The combination of a straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liabilities will result in a higher total charge to profit or loss in the initial years of the lease, and decreasing expenses during the latter part of the lease term.

As at December 31, 2018, total non-cancellable operating lease commitments of the Group amounted to RMB27,324,000 as disclosed in Note 29(b). The lease expense for the year ended December 31, 2018 was RMB12,616,000.

The Group will apply the standard from its mandatory adoption date of January 1, 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. All right-of-use assets will be measured at the amount of the lease liabilities on adoption (adjusted for any prepaid or accrued lease expenses).

The Group expects to recognize lease liabilities of approximately RMB41 million and right-of-use assets of approximately RMB43 million at January 1, 2019 after adjustments for prepaid and accrued lease payments as of December 31, 2018, and as a result prepayment for rental expenses in other receivables and prepayments as well as rental payable in other payables and accruals of the Group would decrease as at January 1, 2019. The change in net liabilities and the increase in net loss of the Group will be insignificant in 2019. Operating cash flows will increase and financing cash flows will decrease as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

There are no other new standards, amendments to existing standards or interpretations that are not yet effective and would be expected to have a material impact to the Group.

2.3 Subsidiaries

2.3.1 Consolidation

A subsidiary is an entity (including VIE, as stated in Note 1.2 above) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group’s accounting policies.

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

2. Summary of significant accounting policies (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) Subsidiaries controlled through Contractual Arrangements

As described in Note 1.2, a wholly-owned subsidiary of the Company, Genetron TJ has entered into the Contractual Arrangements, including the Shareholder Voting Rights Entrustment Agreement, Spousal Consent Letter, Equity Interest Pledge Agreement, Exclusive Business Cooperation Agreement and Exclusive Option Agreement with Genetron Health and its equity holders.

(i) Agreements that provide the Company with effective control over Genetron Health

Shareholder Voting Rights Entrustment Agreement

Pursuant to this agreement among Genetron TJ, Genetron Health and the shareholders of Genetron Health, these shareholders irrevocably authorize Genetron TJ or any person(s) designated by Genetron TJ to act as his or her attorney-in-fact to exercise all of his or her rights as a shareholder of Genetron Health, including, but not limited to, the right to call and attend shareholders' meetings, execute and deliver any and all written resolutions and meeting minutes as a shareholder, vote by itself or by proxy on any matters discussed on shareholders' meetings, sell, transfer, pledge or dispose of any or all of the shares, nominate, appoint or remove the directors, supervisors and senior management, and other shareholders rights conferred by the articles of association of Genetron Health and the relevant laws and regulations.

Spousal Consent Letter

The spouse of each of Mr. Sizhen Wang and certain other individuals has signed a spousal consent letter. Under the spousal consent letter, the spouse unconditionally and irrevocably waives any rights or entitlements whatsoever to such shares that may be granted to her pursuant to applicable laws and undertakes not to make any assertion of rights to such shares. The spouse agrees and undertakes that she will take all necessary actions to ensure the proper performance of the Contractual Arrangements, and will be bound by the Contractual Arrangements in case she obtains any equity of Genetron Health due to any reason.

Equity Interest Pledge Agreement

Pursuant to this agreement among Genetron TJ and the shareholders of Genetron Health, the shareholders of Genetron Health have pledged 100% equity interest in Genetron Health in favor of Genetron TJ to guarantee the performance by Genetron Health and its shareholders of their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and any other agreements to be executed among Genetron TJ, Genetron Health and the shareholders from time to time. If Genetron Health or its shareholders breach their contractual obligations under these agreements, Genetron TJ, as pledgee, will have the right to dispose of the pledged shares entirely or partially. The shareholders of Genetron Health also agreed, without Genetron TJ's prior written consent, not to transfer the pledged shares, establish or permit the existence of any security interest or other encumbrance on the pledged shares, or dispose of the pledged shares by any other means, except by the performance of the Exclusive Option Agreement.

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

2. Summary of significant accounting policies (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) Subsidiaries controlled through Contractual Arrangements (Continued)

(ii) Agreements that allow the Company to receive economic benefits from Genetron Health

Exclusive Business Cooperation Agreement

Pursuant to this agreement between Genetron TJ and Genetron Health, Genetron TJ or its designated entities affiliated has the exclusive right to provide Genetron Health with technical support, business support and consulting services in return for fees equal to 100% of the consolidated net profits of Genetron Health. Without Genetron TJ's prior written consent, Genetron Health shall not, directly and indirectly, obtain the same or similar services as provided under this agreement from any third party, or enter into any similar agreement with any third party. Genetron TJ has the right to determine the service fee charged to Genetron Health under this agreement by considering, among other things, the complexity of the services, the time spent by employees of Genetron TJ to provide the services, contents and commercial value of the service provided, as well as the benchmark price of similar services in the market. Genetron TJ will have the exclusive ownership of all intellectual property rights developed by performance of this agreement.

(iii) Agreements that provide the Company with the option to purchase the equity interests in Genetron Health

Exclusive Option Agreement

Pursuant to this agreement among Genetron TJ, Genetron Health and its shareholders, the shareholders of Genetron Health irrevocably granted Genetron TJ or any third party designated by Genetron TJ an exclusive option to purchase all or part of their equity interests in Genetron Health at the lowest price permitted by applicable PRC laws. Those shareholders further undertake that they will neither allow the encumbrance of any security interest in Genetron Health, except for the pledge created pursuant to the Equity Interest Pledge Agreement, nor transfer, mortgage or otherwise dispose of their legal or beneficial interests in Genetron Health without the prior written consent of Genetron TJ, and will cause the shareholders' meeting and/or the board of directors and/or the executive directors of Genetron Health not to approve such proposal.

In the opinion of the Company's management, the Contractual Arrangements enable Genetron TJ and the Group to:

- exercise effective control over Genetron Health;
- receive substantially all of the economic benefits of Genetron Health; and
- have an exclusive option to purchase all or part of the equity interest in and/or assets of Genetron Health when and to the extent permitted by laws.

The Group does not have any equity interests in Genetron Health. As a result of the Contractual Arrangements, the Group has rights to variable returns from its involvement in Genetron Health and has the ability to affect those returns through its power over Genetron Health, and is thereby considered to control Genetron Health. Consequently, the Company regards Genetron Health as an indirect subsidiary under IFRS. The Group has included the financial position and results of Genetron Health and its

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

2. Summary of significant accounting policies (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) Subsidiaries controlled through Contractual Arrangements (Continued)

(iii) Agreements that provide the Company with the option to purchase the equity interests in Genetron Health (Continued)

Exclusive Option Agreement (Continued)

subsidiaries in the consolidated financial statements during the years ended December 31, 2017 and 2018. There is currently no contractual arrangement that requires the Company to provide additional financial support to the VIE.

(b) Risks in relation to VIE and subsidiaries of VIE

Upon completion of the Reorganization, a significant part of the Group's business would be conducted through VIE and subsidiaries of VIE. The Company would become the primary beneficiary through the Contractual Arrangements. In the opinion of management, the Contractual Arrangements are in compliance with PRC laws and are legally enforceable. However, uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules could limit the Company's ability to enforce the Contractual Arrangements.

In March 2019, the National People's Congress of the PRC adopted the PRC Foreign Investment Law, which will become effective on January 1, 2020. Among other things, the PRC Foreign Investment Law defines the "foreign investment" as investment activities in China by foreign investors in a direct or indirect manner, including those circumstances explicitly listed above as establishing new projects or foreign invested enterprises or acquiring shares of enterprises in China, and other approaches of investment as stipulated by laws, administrative regulations or otherwise regulated by the State Council. The PRC Foreign Investment Law leaves uncertainty as to whether foreign investors' controlling PRC onshore variable interest entities via contractual arrangements will be recognized as "foreign investment" and thus be subject to the restrictions/prohibitions on foreign investments.

If the corporate structure of the Group or the Contractual Arrangements between Genetron TJ, VIE and subsidiaries of VIE and their respective shareholders were found to be in violation of the current or future PRC laws and regulations, the PRC government could:

- revoke the Group's business and operating licenses;
- require the Group to discontinue or restrict its operations;
- restrict the Group's right to collect revenues;
- require the Group to restructure the operations, re-apply for the necessary licenses or relocate its businesses, staff and assets;
- impose additional conditions or requirements with which the Group may not be able to comply; or
- take other regulatory or enforcement actions against the Group that could be harmful to the Group's business.

The Company's ability to conduct its business may be negatively affected if the PRC government carries out any of the aforementioned actions. As a result, the Company may not be able to consolidate its VIE

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

2. Summary of significant accounting policies (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(b) Risks in relation to VIE and subsidiaries of VIE (Continued)

and subsidiaries of VIE in its consolidated financial statements as it may lose the ability to exert effective control over them or it may lose the ability to receive economic benefits from them.

For the years ended December 31, 2017 and 2018, the financial statements of VIE and subsidiaries of VIE are substantially the same stated with the financial statements of the Group since the Company and most other entities within the Group did not conduct any business during the years.

(c) Business combination

The Group applies the acquisition method to account for business combinations except for business combinations under common control. For acquisition method, the consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

There is no business combination or non-controlling interest during the years ended December 31, 2017 and 2018.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Renminbi ("RMB"), which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

2. Summary of significant accounting policies (Continued)

2.4 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statements of loss within finance income/(costs). All other foreign exchange gains and losses are presented in the statements of loss within other income – net.

(c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income/(loss) are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognized in other comprehensive income/(loss).

(d) Convenience translation

Translations of the consolidated balance sheets, the consolidated statements of loss, of comprehensive loss and of cash flows from RMB into United States dollars (“US$”) as of and for the year ended December 31, 2018 are solely for the convenience of the readers and calculated at the rate of US$1.00=RMB7.1477, representing the exchange rate as of September 30, 2019 set forth in the H.10 statistical release of the U.S. Federal Reserve Board. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate, or at any other rate, on September 30, 2019.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

2. Summary of significant accounting policies (Continued)

2.5 Property, plant and equipment (Continued)

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Instruments and equipment	3-5 years
Office equipment and furniture	3-5 years
Transporting equipment	4 years
Leasehold improvements	shorter of lease period or 3-5 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other income – net in the statements of loss.

2.6 Intangible assets

(a) Software

Acquired software licenses are capitalized on the basis of the costs incurred to acquire and bring the specific software into usage. These costs are amortized using the straight-line method over their estimated useful lives of about 5 years. Costs associated with maintaining software programs are recognized as expense as incurred.

(b) Patented technologies

Separately acquired patent technologies are shown at historical cost. Patent technologies acquired in a business combination are recognized at fair value at the acquisition date. They have finite useful lives based on the terms of patents and are subsequently carried at cost less accumulated amortization and impairment losses.

(c) Other intangible assets

Other intangible assets were recognized upon a historical acquisition of a subsidiary. It is amortized using the straight-line method over the estimated useful life of the intangible assets of 4 years.

(d) Research and development

The Group incurs costs and efforts on research and development activities. Research expenditures are charged to the profit or loss as an expense in the period the expenditure is incurred. Development costs are recognized as assets if they can be directly attributable to a newly developed service or product and all the following can be demonstrated:

- the technical feasibility to complete the development project so that it will be available for use or sale;

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

2. Summary of significant accounting policies (Continued)

2.6 Intangible assets (Continued)

(d) Research and development (Continued)

- the intention to complete the development project to use or sell the service or product;
- the ability to use or sell the service or product;
- the manner in which the development project will generate probable future economic benefits for the Group;
- the availability of adequate technical, financial and other resources to complete the development project and use or sell the service or product; and
- the expenditure attributable to the asset during its development can be reliably measured.

The development cost of an internally generated intangible asset is the sum of the expenditure incurred from the date the asset meets the recognition criteria above to the date when it is available for use. The development costs capitalized in connection with the intangible asset include costs of materials and services used or consumed, employee costs incurred in the creation of the asset and an appropriate portion of relevant overheads.

Capitalized development costs are amortized using the straight-line method over the life of the related service or product. Amortization shall begin when the asset is available for use.

Development expenditures not satisfying the above criteria are recognized in the profit or loss as incurred.

2.7 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. No goodwill or intangible assets with an indefinite useful life were recognized during the years ended December 31, 2017 and 2018.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.8 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortized cost.

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2. Summary of significant accounting policies (Continued)

2.8 Financial assets (Continued)

(a) Classification (Continued)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income-net. Impairment losses are presented as separate line item in the statements of loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other

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2. Summary of significant accounting policies (Continued)

2.8 Financial assets (Continued)

(c) Measurement (Continued)

(i) Debt instruments (Continued)

income-net. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as separate line item in the statements of loss.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented within other income – net in the period in which it arises.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other income-net in the statements of loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

There is no equity investment during the years ended December 31, 2017 and 2018.

(d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets with no significant financing component, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

2.9 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realizable value. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). Costs of purchased inventories are determined after deducting rebates and discounts. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.10 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or

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2. Summary of significant accounting policies (Continued)

2.10 Trade and other receivables (Continued)

in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1(b) for a description of the Group's impairment policies.

2.11 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheets.

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method. Trade payables are unsecured with usual payment terms of 30 days.

2.14 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheets when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

2. Summary of significant accounting policies (Continued)

2.15 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.16 Financial instruments with preferred rights

Financial instruments with preferred rights issued by the Group are convertible into ordinary shares upon the closing of a qualified initial public offering (“IPO”) or at the option of the holders and redeemable upon occurrence of certain future events as detailed in Note 27.

The Group designates the financial instruments with preferred rights as financial liabilities at fair value through profit or loss. They are initially recognized at fair value. Any directly attributable transaction costs are expensed in the consolidated statements of loss.

Subsequent to initial recognition, the amount of change in the fair value of the financial instruments with preferred rights that is attributable to changes in the credit risk of that liability shall be presented in OCI with the remaining changes in fair value recognized in profit or loss.

As at December 31, 2017 and 2018, management believes that there are no triggering events resulting in redemption in 12 months from each end of the reporting period and so the financial instruments with preferred rights are classified as non-current liabilities unless the Group has an obligation to settle the liabilities within 12 months after the end of the reporting period.

2.17 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the taxable income of current period based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
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2. Summary of significant accounting policies (Continued)

2.17 Current and deferred income tax (Continued)

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.18 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheets.

(b) Pension obligations

The Group incorporated in the PRC contributes based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan organized by relevant government authorities in the PRC on a monthly basis. The government authorities undertake to assume the retirement benefit obligations payable to all existing and further retired employees under these plans and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separate from those of the Group.

(c) Housing funds and medical insurance

The PRC employees of the Group are entitled to participate in various government-supervised housing funds and medical insurance. The Group contributes on a monthly basis to these funds based on certain percentage of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of

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NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
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2. Summary of significant accounting policies (Continued)

2.18 Employee benefits (Continued)

(c) Housing funds and medical insurance (Continued)

these funds is limited to the contribution payable in each period and recognized as employee benefit expense when they are due.

2.19 Share-based payment

Share-based compensation benefits (including restricted ordinary shares and share options) are provided to employees and consultants via a Share Incentive Plan. Information relating to the plan is set out in Note 25.

The fair value of restricted shares and options granted under the plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the restricted shares and options granted:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the expected IPO date and the number of restricted shares and options that are expected to vest based on the service and non-market performance vesting conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. The Group applies prospective treatment in respect of accounting for modifications of equity-settled awards that reduce the vesting period, if any.

2.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenues are recognized when, or as, the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws applicable, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

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2. Summary of significant accounting policies (Continued)

2.20 Revenue recognition (Continued)

The progress towards complete satisfaction of performance obligation, depending on the nature of the goods and services to be transferred, is measured based on one of the following methods that best depicts the Group's performance in satisfying the performance obligation:

- direct measurements of the value of individual services transferred by the Group to the customer; or
- the Group's efforts or inputs to the satisfaction of the performance obligation.

When determining the transaction price to be allocated to different performance obligations, the Group first determines the fees that the Group entitles in the contract period. The Group includes in the transaction price some or all of an amount of variable considerations only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

If contracts involve the sale of multiple goods, goods followed by related services, or multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

The Group has two main revenue streams which are precision oncology testing and development services for the years ended December 31, 2017 and 2018.

(a) Precision oncology testing

The precision oncology testing refers to diagnosis and monitoring as well as early screening performed in the form of laboratory developed tests ("LDT") services and in-vitro diagnostic ("IVD") products. The service period of each precision oncology testing is generally around 1 to 2 weeks. Customers of the Group include individuals and enterprises, distributors and hospitals. Revenue is recognized when the performance obligations are satisfied.

Precision oncology testing is designed for each individual. The Group recognizes revenue over time when it has an enforceable right to payment for performance completed to date. The progress of precision oncology recognized over time is measured based on the Group's input to the satisfaction of related performance obligation.

Revenue from precision oncology testing is recognized at a point in time when the Group does not have enforceable right to payment for performance completed to date. For those arrangements, the Group recognizes revenue when the report is delivered.

Revenue from sales of IVD products is recognized when control of IVD products is transferred upon that hospitals and institutional customers have received and accepted the products.

(b) Development services

Revenue from development services refers to the research services and sequencing services. Research services are recognized over time when it has an enforceable right to payment for performance completed to date. The progress of research services is measured based on the Group's outputs to the satisfaction of related performance obligation of research services. Sequencing services are recognized at a point in time

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NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
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2. Summary of significant accounting policies (Continued)

2.20 Revenue recognition (Continued)

(b) Development services (Continued)

when the Group does not have enforceable right to payment for performance completed to date. For those arrangements, the Group recognizes revenue when the report is delivered.

(c) Principal agent consideration

The Group performs the underlying precision oncology testing and development services. When another party is involved in providing the service to an end customer, the Group will determine whether the other party is the principal or the agent to the end customer. The Group reports the revenue on a gross or net basis depending on whether the other party is acting as a principal or an agent to the end customer in a transaction. This determination is based on an evaluation of various factors including but not limited to whether the other party (i) is the primary obligor in the arrangement; (ii) has latitude in establishing the selling price; and (iii) has inventory risk before the specified good or service is transferred to a customer or after transfer of control to the customer. When the other party is acting as a principal to the end customer, the Group considers the other party as its customer and records the net amount from the other party as revenue. When the other party is acting as an agent, the Group considers the end customer as its customer and records the gross amount from the end customer as revenue.

(d) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeding one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(e) Contract assets and liabilities

When either party to a contract has performed, the Group presents the contracts in balance sheets as a contract asset or a contract liability, depending on the relationship between the Group’s performance and customers’ payment.

A contract asset is the Group’s right to consideration in exchange for goods or services which the Group has transferred to customers. Contract asset is subject to the impairment of expected credit losses model under IFRS 9.

Incremental costs incurred to obtain a contract, if recoverable, are capitalized and presented as contract assets and subsequently amortized when the related revenue is recognized. For those costs with amortization periods of less than 1 year, they are expensed as incurred.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the receivable is recorded (whichever is earlier). A contract liability is the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

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NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
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2. Summary of significant accounting policies (Continued)

2.21 Cost of revenue

Cost of revenue is principally related to costs of services. Costs of services primarily consist of costs of raw materials consumed during the process of revenue-generating services, salaries and benefits for production personnel (including related share-based compensations), rental and depreciation expenses as well as maintenance of equipment, and other related costs of operations.

2.22 Selling expenses

Selling expenses primarily include promotion and marketing expenses as well as employee benefits related to sales personnel including share-based compensations.

2.23 Administrative expenses

Administrative expenses primarily include payroll and related expenses for employees involved in general corporate functions including finance, legal and human resources, rental and depreciation expenses related to facilities and equipment used by these functions, professional service expenses and other general corporate related expenses.

2.24 Research and development expenses

As stated in Note 2.6(d), all expenditure related to research and development is recorded in expenses when it could not meet the criteria of capitalization.

2.25 Interest income

Interest income is recognized using the effective interest method.

2.26 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Where the grants relates to an expense item, it is recognized as income on a systematic basis over the period that the costs, which it is intended to compensate, are expensed. Where the grants relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset on straight-line basis or deducted from the carrying amount of the asset and released to the profit or loss by way of a reduced depreciation charge.

2.27 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

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NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
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2. Summary of significant accounting policies (Continued)

2.28 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM has been identified as the Chief Executive Officer ("CEO") of the Company who makes strategic decisions, monitors daily operation of the Group, allocates resources and assesses performance of the operating segments.

2.29 Loss per share

To calculate loss per share, the Company assumes the capital structure upon the Reorganization in July 2019 had been in effect since January 1, 2017 as stated in Note 1.3.

(i) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and exchange risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Interest rate risk

The Group's interest rate risk primarily arises from short-term wealth management products investments measured at fair value through profit or loss (Note 20) and cash and cash equivalents (Note 21). Those carried at variable rates expose the Group to cash flow interest rate risk whereas those at fixed rates expose the Group to fair value interest rate risk.

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NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
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3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Exchange risk

The Group is exposed to exchange risk arising from foreign currency exposures, primarily with respect to US$. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the functional currency of the Group entity. The Group does not have significant exchange risk as foreign operations are insignificant.

(b) Credit risk

Credit risk primarily arises from cash and cash equivalents, trade and other receivables, amount due from related parties and contract assets. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheets.

The credit risk of cash and cash equivalents is limited because the counterparties are mainly state-owned or reputable commercial institutions located in the PRC.

For trade and other receivables, amounts due from related parties and contract assets, management makes periodic as well as individual assessments on the recoverability based on historical settlement records and past experience and adjusts for forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group applies the simplified approach for the Group’s trade receivables and contract assets without significant financial component by using a lifetime expected loss provision. Management has assessed that during the years ended December 31, 2017 and 2018, on the basis of lifetime expected credit loss approach, the expected credit losses for trade receivables and contract assets for research services due less than 2 months, between 2 months to 1 year, between 1 to 2 years, between 2 to 3 years and after 3 years are close to 1%, 1%, 10%, 20% and 100% respectively. As to the trade receivables and contract assets for other services which are not identified to have significant recoverable risk, the Group does not recognize any loss allowance for the years ended December 31, 2017 and 2018.

In view of the history of cooperation with debtors and the sound collection history of other receivables and amounts due from related parties, management believes that the credit risk inherent in these outstanding receivables is not significant. There are no significant increases in credit risk of the receivables comparing with initial recognition and so the 12-month expected credit loss approach is adopted.

Loss allowance provision for trade and other receivables and contract assets was disclosed in Note 18, Note 19 and Note 6 respectively.

(c) Liquidity risk

The Group aims to maintain sufficient cash to meet obligations falling due as well as operating and capital requirements.

The table below analyzes the Group’s financial liabilities into relevant maturity groupings based on the remaining period at each year-end date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows except for financial instruments with preferred rights,

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NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
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3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

which are presented on a fair value basis. The maturity dates are determined by the terms of the IPO condition in financing agreements presented in Note 27(c) as management considers the other redemption terms are not probable to occur.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at December 31, 2017					
Financial instruments with preferred rights	—	—	662,148	355,871	1,018,019
Trade payables	8,849	—	—	—	8,849
Other payables	16,324	—	—	—	16,324
Total	25,173	—	662,148	355,871	1,043,192
As at December 31, 2018					
Financial instruments with preferred rights	—	—	1,320,712	—	1,320,712
Trade payables	11,897	—	—	—	11,897
Other payables	22,752	—	—	—	22,752
Total	34,649	—	1,320,712	—	1,355,361

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. The Group may adjust the amount of dividends paid to shareholders, provide returns for shareholders, issue new shares or sell assets to repay borrowings.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted capital comprises all components of equity as shown in the consolidated balance sheets and Preferred Shares on an as-if-converted basis. As at December 31, 2017 and 2018, the Group has no debt outstanding.

3.3 Fair value estimation

The table below analyzes the Group's financial instruments carried at fair value as at December 31, 2017 and 2018 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

(ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

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3. Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at December 31, 2017				
Assets				
Financial assets at fair value through profit or loss	—	—	252,915	252,915
Liabilities				
Financial instruments with preferred rights	—	—	1,018,019	1,018,019
As at December 31, 2018				
Assets				
Financial assets at fair value through profit or loss	—	—	38,597	38,597
Liabilities				
Financial instruments with preferred rights	—	—	1,320,712	1,320,712

There were no transfers between levels 1, 2 and 3 during the years.

Financial instruments in Level 3

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

Level 3 instruments of the Group's assets and liabilities include wealth management products measured at fair value through profit or loss and financial instruments with preferred rights.

The changes in level 3 instruments of financial instruments with preferred rights for the years ended December 31, 2017 and 2018 are presented in Note 27.

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3. Financial risk management (Continued)

3.3 Fair value estimation (Continued)

The following table presents the changes in level 3 instruments of wealth management products for the years ended December 31, 2017 and 2018.

	Year ended December 31,	
	2017	2018
	RMB'000	RMB'000
Opening balance	73,660	252,915
Additions	890,020	895,140
Settlements	(713,361)	(1,116,604)
Investment income credited to profit or loss (Note 9)	2,596	7,146
Closing balance	252,915	38,597

The valuation of Level 3 instruments of wealth management products and financial instruments with preferred rights is set out in Note 20 and Note 27.

The carrying amounts of the Group's other financial assets and liabilities, including cash and cash equivalents, trade and other receivables, amounts due from related parties, trade and other payables and amounts due to related parties, approximate their fair values.

4. Critical accounting estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(a) Fair value of Preferred Shares

The fair value of Preferred Shares that are not traded in an active market is determined using valuation techniques. The Group has used the discounted cash flow method to determine the equity value of Genetron Health and adopted equity allocation model to determine the fair value of the Preferred Shares. Key assumptions such as discount rate, risk-free interest rate and discount for lack of marketability ("DLOM") are disclosed in Note 27.

The estimated fair value carrying amounts of Preferred Shares as at December 31, 2017 and 2018 would have been RMB77,898,000 lower/RMB89,133,000 higher and RMB106,456,000 lower/RMB122,025,000 higher, respectively, should the discount rate used in discounted cash flow analysis be higher/lower by 100 basis points from management's estimates.

(b) Recognition of share-based compensation expenses

As mentioned in Note 25, an equity-settled share-based compensation plan was granted to employees and consultants. Restricted shares held by Founders and the 2,173,600 shares subscribed by one of the

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4. Critical accounting estimates and judgments (Continued)

(b) Recognition of share-based compensation expenses (Continued)

Founders were also regarded as share-based compensation arrangements. The Group has used Binomial model to determine the total fair value of the awarded options and shares, which is to be expensed over the vesting period. Significant estimate on assumptions, such as the fair value of underlying shares, risk-free interest rate, expected volatility, vesting period and dividend yield, is required to be made by the management.

(c) Impairment of receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance and makes impairment loss based on assessments of the recoverability of the trade receivables and contract assets, including the current creditworthiness, the past collection history of each debtor and forward looking information. A considerable amount of judgment is required to estimate the expected loss rates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade receivables and contract assets and loss allowances in the year in which such estimate is changed.

(d) Current and deferred income taxes

(i) Deferred income tax

The Group recognizes deferred tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred tax assets mainly involves management’s judgments and estimations about the timing and the amount of taxable profits of the companies which have tax losses.

(ii) Uncertain tax positions

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In determining the amount of current and deferred income tax, the Group takes into account the impact of uncertain tax positions and whether preferential tax rates, additional taxes, interest or penalties may be due and whether future taxable profits will be available to enable deferred tax assets resulting from deductible temporary differences and tax losses to be recognized. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(e) Consolidation of VIE

The Group exercises control over the VIE and has the right to recognize and receive substantially all the economic benefits through the Contractual Arrangements. The Group considers that it controls the VIE notwithstanding the fact that it does not hold direct equity interests in the VIE, as it has power over the

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4. Critical accounting estimates and judgments (Continued)

(e) Consolidation of VIE (Continued)

VIE and receives substantially all the economic benefits from the business activities of the VIE through the Contractual Arrangements. Accordingly, all these VIE are accounted for as controlled structured entities and their financial statements have also been consolidated by the Company.

5. Segment information

During the years ended December 31, 2017 and 2018, the Group is principally engaged in the Listing Business mentioned in Note 1.1. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM regards that there is only one segment which is used to make strategic decisions.

The major operating entities of the Group are domiciled in the PRC. Accordingly, substantially all of the Group's results were derived from the PRC during the years ended December 31, 2017 and 2018. As at December 31, 2017 and 2018, substantially all of the Group's assets were located in the PRC.

6. Revenue

	Year ended December 31,	
	2017	2018
	RMB'000	RMB'000
Revenue from precision oncology testing		
- provision of LDT services	68,949	168,579
- sale of IVD products	—	4,714
Revenue from development services	32,084	51,883
	101,033	225,176
Timing of revenue recognition		
- over time	65,339	149,906
- at a point in time	35,694	75,270
	101,033	225,176

The Group has recognized the following assets and liabilities related to contracts with customers:

	As at December 31,	
	2017	2018
	RMB'000	RMB'000
Contract assets	2,809	2,365
Less: provision for impairment	—	(24)
	2,809	2,341
Contract liabilities	3,399	8,867
Revenue recognized that was included in the contract liability balance at the beginning of the year	1,146	2,687

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6. Revenue (Continued)

Note:

Contract assets arise from provision of services ahead of the agreed payment schedules for fixed-price contracts. The contract assets were aged within one year with insignificant credit risk.

Contract liabilities mainly arise from the advance payments made by customers while the underlying services are yet to be provided. Most of these remaining obligations under such agreement are expected to be fulfilled within one year based on the estimation from management.

7. Expenses by nature

	Year ended December 31,	
	2017	2018
	RMB'000	RMB'000
Cost of inventories and consumables used (Note 16)	54,924	110,970
Employee benefit expenses (Note 8)	108,708	176,507
Depreciation on property, plant and equipment (Note 13)	19,596	26,752
Amortization on intangible assets (Note 14)	1,016	1,106
Provision for impairment of trade and other receivables and contract assets	483	658
Promotion expenses	38,223	92,811
Rental, utilities and office expenses	16,384	17,670

8. Employee benefit expenses

	Year ended December 31,	
	2017	2018
	RMB'000	RMB'000
Wages, salaries and bonuses	66,513	111,794
Welfare expenses	4,520	7,500
Housing funds	4,625	7,996
Contributions to pension plans (Note)	12,355	19,573
Share-based compensation expenses (Note 25(d))	20,695	29,644
	108,708	176,507

Note:

The employees of the Group in the PRC are members of a state-managed pension scheme operated by the PRC Government. The Group is required to contribute a specified percentage of payroll costs as determined by local government authority to the pension obligations to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contribution under the scheme.

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8. Employee benefit expenses (Continued)

Employee benefit expenses were charged in the following categories in the consolidated statements of loss:

	Year ended December 31,	
	2017	2018
	RMB'000	RMB'000
Cost of revenue	12,721	21,737
Selling expenses	47,740	75,303
Administrative expenses	26,294	48,529
Research and development expenses	21,953	30,938
	108,708	176,507

9. Other income - net

	Year ended December 31,	
	2017	2018
	RMB'000	RMB'000
Investment income from wealth management products	2,596	7,146
Government grants (Note)	4,836	10,695
Loss on disposal of intangible assets	(469)	—
Others	(10)	(767)
	6,953	17,074

Note:

Government grants are subsidies received for compensating the Group's research and development expenses incurred for certain projects.

10. Finance (costs)/income - net

	Year ended December 31,	
	2017	2018
	RMB'000	RMB'000
Finance income		
Interests from bank deposits	513	798
Interests from loans to a related party	—	749
Net exchange gains	163	68
	676	1,615
Finance costs		
Issuance costs of financial instruments with preferred rights	(10,000)	—
Interest expenses	(669)	—
	(10,669)	—
Finance (costs)/income - net	(9,993)	1,615

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11. Income tax expense

Income tax expense is recognized based on the income tax rates in the following main tax jurisdictions where the Group operates for the years ended December 31, 2017 and 2018.

(a) Cayman Islands

The Company is incorporated in the Cayman Islands as an exempted company with limited liabilities under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(b) Hong Kong

Hong Kong profits tax rate is 16.5% up to April 1, 2018 when the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits on the first HK$ 2 million and 16.5% for any assessable profits in excess. No Hong Kong profit tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the years ended December 31, 2017 and 2018.

(c) PRC

Provision for PRC corporate income tax is calculated based on the statutory income tax rate of 25% on the assessable income of respective PRC Group entities during the years ended December 31, 2017 and 2018 in accordance with relevant PRC enterprise income tax rules and regulations ("EIT Law") except for certain Group entities in PRC with preferential tax rates as detailed below.

No provision for PRC corporate income tax has been made for the years ended December 31, 2017 and 2018 as the Group has no such assessable profit for the years.

The reconciliation between the Group's actual tax charge and the amount that is calculated based on the statutory income tax rate of 25% in the PRC is as follows:

	Year ended December 31,	
	2017	2018
	RMB'000	RMB'000
Loss before income tax	(420,639)	(464,993)
Tax credits calculated at statutory tax rate of 25%	(105,160)	(116,248)
Effects of preferential tax rates (Note (i))	40,644	44,728
Expenses not deductible for income tax purpose (Note (ii))	42,298	44,926
Super deduction of research and development expenses	(1,234)	(4,279)
Tax losses and deductible temporary differences for which no deferred income tax assets were recognized	23,452	30,873
Income tax expense	—	—

Note:

(i) Certain Group entities in PRC have been eligible as High/New Technology Enterprises ("HNTEs") since 2017 with preferential tax rate of 15% as set out in PRC EIT Law.

(ii) These mainly include fair value loss of financial instruments with preferred rights and share-based compensation expenses which are treated as permanent differences under PRC EIT Law.

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NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
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11. Income tax expense (Continued)

(c) PRC (Continued)

The Group did not recognize deferred income tax assets amounting to approximately RMB 39 million and RMB 70 million as at December 31, 2017 and 2018 respectively in respect of tax losses and deductible temporary differences that can be carried forward against future taxable income.

Pursuant to the notice on extension for expiries of unused tax losses of HNTEs and Small and Medium-sized Technological Enterprises (Caishui [2018] No. 76)) issued in July 2018, which retrospectively effects from January 1, 2018. The accumulated tax losses which did not expire from 2018 will have expiries extending from 5 years to 10 years from then on. The unrecognized tax losses of approximately RMB 247 million and RMB 441 million as at December 31, 2017 and 2018 respectively will mainly expire between 2019 and 2022 and between 2020 and 2028 respectively as a result.

As of December 31, 2017 and 2018 the Group did not have any significant unrecognized uncertain tax positions.

12. Loss per share

Basic and diluted losses per share reflecting the effect of the issuance of ordinary shares by the Company are presented as follows.

To calculate loss per share, the capital structure in July 2019 when the Reorganization completed is pushed back assuming it had been in effect since January 1, 2017 as stated in Note 1.3. Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding, excluding treasury shares which are detailed in Note 23. Restricted ordinary shares have been considered in the calculation when they vested on monthly basis.

	Year ended December 31,	
	2017	2018
Loss attributable to owners of the Company (RMB'000)	(420,639)	(464,993)
Weighted average number of ordinary shares outstanding (in thousands)	90,594	113,757
Basic loss per share	(4.64)	(4.09)

Share options, restricted shares and Preferred Shares are considered as potential dilutive shares throughout the reporting period. However, due to the Group's negative financial results for the years ended December 31, 2017 and 2018, the potential dilutive shares have anti-dilutive effect on loss per share if they are converted to ordinary shares. Thus diluted loss per share is equivalent to the basic loss per share.

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13. Property, plant and equipment

	Instruments and equipment RMB'000	Office equipment and furniture RMB'000	Leasehold improvements RMB'000	Total RMB'000
As at January 1, 2017				
Cost	60,952	1,970	10,903	73,825
Accumulated depreciation	(12,826)	(233)	(2,228)	(15,287)
Net book value	48,126	1,737	8,675	58,538
Year ended December 31, 2017				
Opening net book value	48,126	1,737	8,675	58,538
Additions	20,435	652	5,343	26,430
Depreciation	(15,872)	(389)	(3,335)	(19,596)
Exchange differences	(69)	—	—	(69)
Closing net book value	52,620	2,000	10,683	65,303
As at December 31, 2017				
Cost	81,297	2,622	16,246	100,165
Accumulated depreciation	(28,677)	(622)	(5,563)	(34,862)
Net book value	52,620	2,000	10,683	65,303

	Instruments and equipment RMB'000	Office equipment and furniture RMB'000	Transporting equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
Year ended December 31, 2018					
Opening net book value	52,620	2,000	—	10,683	65,303
Additions	40,610	345	445	2,625	44,025
Depreciation	(21,010)	(521)	(53)	(5,168)	(26,752)
Exchange differences	(25)	—	—	—	(25)
Closing net book value	72,195	1,824	392	8,140	82,551
As at December 31, 2018					
Cost	121,895	2,967	445	18,871	144,178
Accumulated depreciation	(49,700)	(1,143)	(53)	(10,731)	(61,627)
Net book value	72,195	1,824	392	8,140	82,551

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14. Intangible assets

	Software RMB'000	Patented technology RMB'000	Others RMB'000	Total RMB'000
As at January 1, 2017				
Cost	1,741	19,930	2,030	23,701
Accumulated amortization and impairment	(232)	(19,930)	(508)	(20,670)
Net book value	1,509	—	1,522	3,031
Year ended December 31, 2017				
Opening net book value	1,509	—	1,522	3,031
Additions	2,424	—	—	2,424
Amortization	(509)	—	(507)	(1,016)
Disposals	(469)	—	—	(469)
Exchange differences	(88)	—	—	(88)
Closing net book value	2,867	—	1,015	3,882
As at December 31, 2017				
Cost	3,563	230	2,030	5,823
Accumulated amortization and impairment	(696)	(230)	(1,015)	(1,941)
Net book value	2,867	—	1,015	3,882
Year ended December 31, 2018				
Opening net book value	2,867	—	1,015	3,882
Additions	608	—	—	608
Amortization	(599)	—	(507)	(1,106)
Exchange differences	11	—	—	11
Closing net book value	2,887	—	508	3,395
As at December 31, 2018				
Cost	4,200	230	2,030	6,460
Accumulated amortization and impairment	(1,313)	(230)	(1,522)	(3,065)
Net book value	2,887	—	508	3,395

15. Financial instruments by category

Financial assets	Financial assets at FVPL RMB'000	Financial assets at amortized cost RMB'000	Total RMB'000
As at December 31, 2017			
Trade receivables	—	11,476	11,476
Other receivables	—	2,019	2,019
Amounts due from related parties	—	3,030	3,030
Financial assets at fair value through profit or loss	252,915	—	252,915
Cash and cash equivalents	—	42,030	42,030
	252,915	58,555	311,470

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15. Financial instruments by category (Continued)

Financial assets	Financial assets at FVPL RMB'000	Financial assets at amortized cost RMB'000	Total RMB'000
As at December 31, 2018			
Trade receivables	—	38,252	38,252
Other receivables	—	4,536	4,536
Amounts due from related parties	—	6,704	6,704
Financial assets at fair value through profit or loss	38,597	—	38,597
Cash and cash equivalents	—	62,126	62,126
	38,597	111,618	150,215

Financial liabilities	Financial liabilities at FVPL RMB'000	Financial liabilities at amortized cost RMB'000	Total RMB'000
As at December 31, 2017			
Financial instruments with preferred rights	1,018,019	—	1,018,019
Trade payables	—	8,849	8,849
Other payables	—	16,324	16,324
	1,018,019	25,173	1,043,192
As at December 31, 2018			
Financial instruments with preferred rights	1,320,712	—	1,320,712
Trade payables	—	11,897	11,897
Other payables	—	22,752	22,752
	1,320,712	34,649	1,355,361

16. Inventories

	As at December 31, 2017 RMB'000	2018 RMB'000
Raw materials	10,196	13,791
Work-in-progress	421	474
Finished goods	2,152	7,350
	12,769	21,615

Inventories recognized as expenses and included in cost of revenue during the years ended December 31, 2017 and 2018 amounted to RMB54,924,000 and RMB110,970,000 respectively.

17. Other current assets

Other current assets include deductible value-added tax ("VAT") balances which can offset against future VAT payables.

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18. Trade receivables

	As at December 31,	
	2017	2018
	RMB'000	RMB'000
Trade receivables	11,675	39,085
Less: provision for impairment	(199)	(833)
	11,476	38,252

Trade receivables are generally due for settlement within 30 days. As at December 31, 2017 and 2018 majority of the trade receivables are aged within one year. The amounts of trade receivables that were past due but not impaired were insignificant to the Group. The expected credit losses of trade receivables and the Group's exposure to credit risk are disclosed in Note 3.1 (b).

19. Other receivables and prepayments

	As at December 31,	
	2017	2018
	RMB'000	RMB'000
Deposits	2,019	4,536
Prepayment for goods and service	11,432	15,047
Prepayment for rental expenses	1,639	2,021
Others	1,931	2,435
	17,021	24,039
Less: provision for impairment	(477)	(477)
	16,544	23,562

20. Financial assets at fair value through profit or loss

	As at December 31,	
	2017	2018
	RMB'000	RMB'000
Wealth management products	252,915	38,597

Wealth management products held by the Group with various maturities bear floating interest rates at ranges of 4.30%-4.99% and 3.86%-4.50% per annum as at December 31, 2017 and 2018 respectively. The underlying investments were mostly debt instruments with low to moderate risk levels.

The fair values of wealth management products are based on discounted cash flows using their expected returns. Changes in fair values of these financial assets are recorded in other income – net in the consolidated statements of loss.

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21. Cash and cash equivalents

	As at December 31,	
	2017	2018
	RMB'000	RMB'000
Cash at bank		
-RMB deposits	39,743	60,142
-US$ deposits	2,283	1,984
Cash on hand	4	—
	42,030	62,126

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Cash at banks denominated in RMB are deposited with banks in the PRC. The conversion of these RMB-denominated balances into foreign currencies and the remittance of funds out of China are subject to the rules and regulations of foreign exchange control promulgated by the Government of the PRC.

22. Share capital

As stated in Note 1.2, the authorized share capital of the Company upon the completion of Reorganization in July 2019 were 2,500,000,000 ordinary shares with a par value of US$0.00002 each.

Upon the completion of the Reorganization, each share of Genetron Health was converted to five shares of the Company. Pursuant to the shareholders resolution in July 2019,

(a) 149,750,000 ordinary shares of the Company (equivalent to 32,325,800 shares of Genetron Health (Note 24(a)) less 2,375,800 treasury shares of Genetron Health held by Beijing Genetron Junmeng Investment Management Co. (Limited Partnership) ("Junmeng") (Note 23)) were issued,

(b) 171,083,000 Preferred Shares of the Company (equivalent to 34,216,600 Preferred Shares of Genetron Health (Note 27)) were issued, and

(c) 33,961,500 ordinary shares of the Company (equivalent to 2,375,800 and 4,416,500 shares of Genetron Health held by Junmeng and Junhe respectively (Note 25(a)) were reserved for the Share Incentive Plan.

The Reorganization was completed in July 2019 and the above capital structure is deemed to have existed since January 1, 2017 (Note 1.3).

23. Treasury shares

2,375,800 treasury shares of Genetron Health (equivalent to 11,879,000 shares of the Company) are held by Junmeng for the purpose of issuing shares under the Share Incentive Plan.

A total of 93,506,000 ordinary shares of the Company held by the individual Founders were put in escrow with service conditions and vested on monthly basis or by one tranche which are detailed in Note 25(b) and Note 25(c) respectively. As at December 31, 2017 and 2018, 41,982,000 and 29,938,000 ordinary shares of the Company were still in escrow and considered as treasury shares, respectively.

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24. Reserves

(a) Capital reserve

Capital reserve mainly includes the historical capital amounted to RMB30,000,000 (equivalent to 30,000,000 ordinary shares at RMB1.00 each) contributed in cash by the equity holders of Genetron Health.

On November 2, 2016, a third party invested RMB3,000,000 to subscribe for 152,200 ordinary shares of Genetron Health.

On August 28, 2017, a Founder invested RMB2,173,600 to Genetron Health in cash to subscribe for 2,173,600 ordinary shares of Genetron Health, details of which are set out in Note 25(c).

(b) Share-based compensation reserve

The share-based compensation reserve represents the fair value of the actual or estimated number of unvested restricted shares and unexercised options granted to employees recognized in accordance with the accounting policy adopted for equity-settled share-based payments in Note 2.19 to the financial statements.

(c) Other reserve

Other reserve represents the reserve transferred from share-based compensation reserve upon vesting of restricted shares and exercise of share options.

(d) Other comprehensive losses

Other comprehensive losses comprise the exchange translation reserve which represents the foreign exchange differences arising from the translation of the financial statements of foreign operations in accordance with the accounting policy set out in Note 2.4(c) to the financial statements, and changes in the fair value of the financial instruments with preferred rights which are attributable to changes in the credit risk of that liability set out in Note 2.16.

(e) Statutory reserves

In accordance with the PRC regulations and the articles of association of the PRC companies now comprising the Group, before annual profit distribution companies registered in the PRC are required to set aside 10% of its net profit for the year after offsetting any prior year losses as determined under relevant PRC accounting standards to the statutory surplus reserve fund. When the balance of such reserve reaches 50% of the company's registered capital, any further appropriation is optional. No profit appropriation to the reserve fund was made for those Group entities for the years ended December 31, 2017 and 2018 as they were in accumulated loss positions.

25. Share-based payment

(a) Share Incentive Plan

Genetron Health has two employee share incentive plans for its key employees, key management and consultants, which were approved by its board of directors and became effective in January 2017 and June 2018, respectively. The purpose is to provide incentives and rewards to eligible participants for their

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25. Share-based payment (Continued)

(a) Share Incentive Plan (Continued)

contribution or potential contribution to the Group and to recruit and retain high caliber persons who are valuable to the Group. The incentive shares include 2,375,800 shares of Genetron Health held by Junmeng which are considered as treasury shares and 4,416,500 shares of Genetron Health reserved in Junhe which are authorized but not issued.

Pursuant to the plans, a grantee has the right to subscribe for the ordinary shares at a price determined by management. The options granted can only vest if the performance conditions (including certain annual performance rating and sales or development performance indicator, which have been defined on grant date) and service conditions are met. The service condition of the options granted to employees and key management is usually four years since the grant date and 25% of the granted options are progressively vested on each anniversary of the grant date. The service condition for consultants is one to three years. The grantees are entitled to subscribe for underlying shares only if an IPO is achieved, provided that the service condition is also met. As of each grant date during the years ended December 31, 2017 and 2018, management believed achievement of the IPO was probable. Grantees who leave the Group before the exercisable date will lose their entitlement to the vested options. Options granted typically expire in ten years from the grant date as stated in grant agreements.

Participation in the plans is at the discretion of the board of directors of Genetron Health and no individual has contractual right to participate in the plans or receive any guaranteed benefits.

Set out below are summaries of employee share options granted under the plans:

	Year ended December 31,			
	2017		2018	
	Average exercise price per share option RMB	Number of options (Note (i))	Average exercise price per share option RMB	Number of options (Note (i))
Outstanding at beginning of the year	—	—	1.00	1,624,456
Granted during the year	1.00	1,698,411	1.00	3,205,000
Forfeited during the year (Note (ii))	1.00	(73,955)	1.00	(250,523)
Outstanding at end of the year	1.00	1,624,456	1.00	4,578,933
Exercisable at end of the year (Note (iii))	—	—	—	—

Note:
(i) The underlying shares of the options are shares of Genetron Health and each share of Genetron Health was converted to five shares of the Company upon the Reorganization.
(ii) The shares are forfeited if the employment terminates or the performance condition is not met.
(iii) None of the options are exercisable as the options are only exercisable upon completion of IPO.

The weighted average remaining contractual life of options outstanding at the years ended December 31, 2017 and 2018 is 9.0 years and 9.0 years, respectively.

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25. Share-based payment (Continued)

(a) Share Incentive Plan (Continued)

Fair value of options granted

The Group used the discounted cash flow method to determine the underlying equity fair value of Genetron Health and adopted equity allocation model to determine the fair value of its underlying ordinary shares.

Based on the fair value of underlying ordinary shares, the Group used Binominal option-pricing model to determine the fair value of options as at each of the grant dates. Key assumptions for the options granted are set as below:

Grant date	January 1, 2017	June 15, 2018
Fair value of an option at grant date (RMB per share)	10.83	28.19
Exercise price (RMB per share) (Note)	1.00	1.00
Risk-free interest rate	2.51%	2.94%
Dividend yield	nil	nil
Expected volatility	55.08%	53.48%
Expected terms	10 years	10 years

Note:
Except for share options granted to certain consultants with an exercise price being closed to the fair value at grant date, the exercise price of all other options is RMB1.00 per share.

(b) Restriction of ordinary shares held by Founders

On May 7, 2015, an aggregate of 16,527,600 ordinary shares of Genetron Health at par value of RMB1.00 per share were issued to three directors, who are also Founders of Genetron Health. In accordance with Series A financing agreement on July 17, 2015, all the 16,527,600 ordinary shares held by the individual Founders were put in escrow since that date with a five-year service condition. Such restriction is deemed as a compensatory arrangement for services to be provided by the Founders and therefore accounted for as a share-based compensation arrangement.

The Group applied Binomial option-pricing model to determine the fair value of this share-based payment as RMB3.12 per share on the grant date. Key assumptions included risk-free interest rate of 1.70%, expected volatility of 50.00%, dividend yield of nil and expected terms of 5 years based on best estimates.

As modified since Series B financing in September 2016, one sixtieth of the award became vested on a monthly basis over five years provided that the Founders remain employment relationship with Genetron Health. Under the Series C financing in October 2017, the shares owned by one of the Founders were no longer subject to the five-year service condition and his then 2,540,650 restricted shares were vested immediately on the modification date. Accordingly, the unrecognized grant date fair value of those shares were accelerated and recognized as share-based compensation expenses on the modified date.

If the Founders terminate service, the Group has to repurchase the shares put in escrow at RMB1.00 per share, which is considered a leaver provision and recorded in other payables and accruals to be released proportionally as the restricted shares are progressively released from escrow.

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
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25. Share-based payment (Continued)

(b) Restriction of ordinary shares held by Founders (Continued)

The movement of the restricted shares for the years ended December 31, 2017 and 2018 are summarized as below:

	Number of restricted shares (in thousands) (Note)
Outstanding at January 1, 2017	11,845
Vested and released	(5,623)
Outstanding at December 31, 2017	6,222
Vested and released	(2,409)
Outstanding at December 31, 2018	3,813

Note:

These are shares of Genetron Health and each share of Genetron Health has been converted to five shares of the Company upon the Reorganization.

(c) Share-based payment to a Founder

Pursuant to the Series A Preferred Shares agreement in 2015, a Founder was granted the right to subscribe for shares of Genetron Health amounted to 3% to 5% of its total shares outstanding at par value of RMB1.00 per share if the appraised value of Genetron Health reached RMB590 million before Series B Preferred Shares financing. The shares have a five-year service condition.

The market condition of target appraised value was met in 2016 and the Founder was allowed to subscribe for 2,173,600 shares (representing 5% of the total number of ordinary and preferred shares then outstanding) of Genetron Health at RMB1.00 per share. The shares were paid up in 2017 and the funds received represent a leaver provision being recorded in other payables and accruals as Genetron Health has to pay such amount to repurchase the shares if the service condition is not met.

The Group applied Binomial option-pricing model to determine the fair value of this share-based payment as RMB1.79 per share on the grant date. Key assumptions included probability of achieving the market condition, risk-free interest rate of 0.51%, expected volatility of 55.80%, dividend yield of nil and expected terms of 1.5 years based on best estimates.

(d) Share-based compensation expenses were charged in the following categories in the consolidated statements of loss:

	Year ended December 31,	
	2017	2018
	RMB'000	RMB'000
Cost of revenue	143	234
Selling expenses	989	1,186
Administrative expenses	12,145	22,259
Research and development expenses	7,418	5,965
	20,695	29,644

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26. Other payables and accruals

	As at December 31,	
	2017	2018
	RMB'000	RMB'000
Payroll and welfare payables	7,954	15,156
Issuance costs of financial instruments with preferred rights	10,600	—
Accrued professional service fee	—	8,485
Accrued taxes other than income tax	706	929
Leaver provisions related to restricted shares	8,396	5,987
Others	5,724	16,450
	33,380	47,007

27. Financial instruments with preferred rights

Since the date of incorporation of Genetron Health, it has completed a series of financing by issuing Preferred Shares with following details:

Date of subscription	Round	Number of Preferred Shares (Note) in thousands	Consideration paid RMB'000
July 17, 2015	Series A	7,840	70,000
August 6, 2015	Series A+	1,680	15,000
September 24, 2015	Series A++	3,952	50,000
September 18, 2016	Series B	5,072	100,000
November 2, 2016	Series B+	3,601	71,000
October 10, 2017	Series C	10,305	350,000
December 29, 2017	Series C+	1,767	60,000
		34,217	716,000

Note:

These are Preferred Shares of Genetron Health and each share of Genetron Health has been converted to five shares of the Company upon the Reorganization.

The key preferred rights of the above Preferred Shares are summarized as follows:

(a) Conversion Feature

(i) Optional conversion

Unless converted earlier pursuant to the automatic conversion terms below, each holder of Preferred Shares shall have the right, at such holder's sole discretion, to convert all or any portion of the Preferred Shares into ordinary shares at any time.

The conversion rate for Preferred Shares shall be determined by dividing the applicable deemed issue price by the conversion price then in effect at the date of the conversion. The initial conversion price will be the deemed issue price, which will be subject to adjustments to reflect stock dividends, stock splits and other events.

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27. Financial instruments with preferred rights (Continued)

(a) Conversion Feature (Continued)

(ii) Automatic conversion

Each Preferred Share shall automatically be converted into ordinary shares, at the then applicable preferred share conversion price upon the closing of a qualified IPO.

A qualified IPO is defined as an IPO in the United States, which has been registered under the United States Securities Act of 1933, as amended from time to time, including any successor statutes, with the implied market capitalization of the Company prior to such public offering no less than an agreed level, or in a similar public offering of the ordinary shares of the Company in Hong Kong or another jurisdiction, which results in the ordinary shares trading publicly on the New York Stock Exchange, the NASDAQ Global Market, the Stock Exchange of Hong Kong Limited or another recognized international securities exchange, which have been duly obtained the affirmative vote of all shareholders of the Company.

(b) Liquidation preferences

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of the Preferred Shares shall be entitled to receive, prior to any distribution to the holders of the ordinary shares or any other class or series of shares then outstanding, an amount per Preferred Share equal to (i) 100% of the deemed issue price, plus (ii) all accrued or declared but unpaid dividends thereon (collectively, the “Preference Amount”). After the full Preference Amount on all outstanding Preferred Shares has been paid, any remaining funds or assets of the Company legally available for distribution to shareholders shall be distributed on a pro rata, pari passu basis among the holders of the Preferred Shares (on an as-converted basis), together with the holders of the ordinary shares.

(c) Redemption rights

Upon the occurrence of any of the following events:

(i) the Company has not consummated a qualified IPO before December 31, 2021 as set out in Series A and Series B financing agreements and August 31, 2023 in Series C agreements;

(ii) Mr. Hai Yan and/or Mr. Sizhen Wang directly or indirectly participates in or owns any interest in business of molecular diagnosis outside the Group companies which is substantially competitive with the Group (other than as a holder of less than five percent of the outstanding capital stock of a company without decision rights) and has not stopped it within sixty days after the written notice issued by any holder of Series C Preferred Shares;

(iii) any material violation of law or act of dishonesty committed by any Group companies or any Founders;

(iv) Mr. Hai Yan and/or Mr. Sizhen Wang resigns from the Group companies or no longer holds any shares of the Company directly or indirectly; or

(v) any change in the laws and regulations or the reinterpretation or enforcement of such laws and regulations, that causes the control documents invalid, illegal or unenforceable where (a) the shareholders of the Company fail to revert to be the shareholders of the VIE or reach an agreement

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27. Financial instruments with preferred rights (Continued)

(c) Redemption rights (Continued)

with respect to any feasible alternative arrangements satisfactory to the then shareholders of the Company, and (b) there is material adverse effect on the VIE, within six months after such change, reinterpretation or abolition of any law or regulation;

subject to the applicable laws of the Cayman Islands and, if so requested by any holder of the Preferred Shares, the Company and/or any Founder shall redeem or repurchase all or part of the outstanding Preferred Shares in cash out of funds legally available therefor.

The price at which each Preferred Share shall be redeemed or repurchased is the sum of the deemed issue price for the Preferred Share, annual interests at 10% per annum and all declared but unpaid dividends up to the date of redemption.

The Group does not bifurcate any embedded derivatives from the host instruments and designates the entire instruments as financial liabilities at fair value through profit or loss with the changes in the fair value recorded in the consolidated statements of loss, expect for the changes in fair value due to own credit risk, which are recorded in other comprehensive income/(loss).

Movements of financial instruments with preferred rights during the years ended December 31, 2017 and 2018 are:

	RMB'000
Year ended December 31, 2017	
At January 1, 2017	412,291
Issuance of Series C Preferred Shares	350,000
Changes in fair value recognized in profit or loss	258,106
Changes in fair value due to own credit risk recognized in OCI	(2,378)
At December 31, 2017	1,018,019
Year ended December 31, 2018	
At January 1, 2018	1,018,019
Issuance of Series C+ Preferred Shares	60,000
Changes in fair value recognized in profit or loss	233,632
Changes in fair value due to own credit risk recognized in OCI	9,061
At December 31, 2018	1,320,712

The Group used the discounted cash flow method to determine the underlying share value of Genetron Health and adopted the equity allocation model to determine the fair value of the financial instruments with preferred rights as at each date of issuance and at the end of each reporting period.

Key valuation assumptions used to determine the fair value of the financial instruments with preferred rights are as follows:

	Year ended December 31,	
	2017	2018
Discount rate	20.0%	19.0%
Risk-free interest rate	1.4%-2.2%	2.2%-2.7%
DLOM	20%-25%	15%
Volatility	41.5%-53.6%	48.0%-52.9%

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
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27. Financial instruments with preferred rights (Continued)

(c) Redemption rights (Continued)

Discount rates were estimated by the weighted average costs of capital as of each valuation date.

Risk-free interest rates were estimated based on the yield of China government bonds as of each valuation date.

DLOM was estimated based on the option-pricing method. Under option-pricing method, the cost of put option, which can hedge price changes before the privately held shares are sold, was considered as a basis to determine the DLOM.

Volatility was estimated based on annualized standard deviation of daily stock price return of comparable companies for periods from respective valuation dates and with similar span as time to exit.

Probability weights under each of the redemption feature and liquidation preferences were based on the Group's best estimates.

In addition to the above assumptions, projections of future performance of the Group were also factored into the determination of the fair value of financial instruments with preferred rights on each valuation date.

28. Cash flow information

(a) Cash used in operations

	Year ended December 31,	
	2017 RMB'000	2018 RMB'000
Loss before income tax	(420,639)	(464,993)
Adjustments for:		
-Depreciation on property, plant and equipment	19,596	26,752
-Amortization on intangible assets	1,016	1,106
-Provision for impairment of trade and other receivables and contract assets	483	658
-Investment income from wealth management products	(2,596)	(7,146)
-Loss on disposal of intangible assets	469	—
-Finance costs/(income) - net	10,506	(68)
-Share-based compensation expenses	20,695	29,644
-Fair value changes of financial instruments with preferred rights	258,106	233,632
Changes in working capital		
-Inventories	(9,225)	(8,846)
-Contract assets	703	444
-Other current assets	(11,566)	(11,689)
-Trade receivables	(6,925)	(27,410)
-Other receivables and prepayments	(7,983)	(4,468)
-Amounts due from related parties	2,855	(3,674)
-Trade payables	1,847	2,938
-Contract liabilities	2,253	5,468
-Other payables and accruals	12,144	26,636
-Amounts due to related parties	(1,659)	—
Cash used in operations	(129,920)	(201,016)

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NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
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28. Cash flow information (Continued)

(b) Reconciliation of liabilities arising from financing activities

	Bank borrowings (Note (i)) RMB'000	Loans from a director (Note (ii)) RMB'000	Financial instruments with preferred rights RMB'000	Total RMB'000
At January 1, 2017	—	—	412,291	412,291
Cash received	15,000	6,000	350,000	371,000
Cash repaid	(15,000)	(6,000)	—	(21,000)
Non-cash movements	—	—	255,728	255,728
At December 31, 2017	—	—	1,018,019	1,018,019
Cash received	—	—	60,000	60,000
Non-cash movements	—	—	242,693	242,693
At December 31, 2018	—	—	1,320,712	1,320,712

Notes:
(i) Bank borrowings were secured by accounts receivable of the Group and bore interest at 5.75% per annum.
(ii) Loans from Mr. Weiwu He, the Chairman of Genetron Health, were unsecured, interest-bearing at 8.00% per annum and with a term of 31 days.

29. Commitments

(a) Capital commitments

	As at December 31,	
	2017 RMB'000	2018 RMB'000
Equipment and intangible assets		
-Contracted but not provided for	—	7,500

(b) Operating lease commitments

The Group leases certain office buildings under non-cancellable operating lease agreements. The future minimum lease payables under non-cancellable operating leases contracted but not provided for at each year-end date are as follows:

	As at December 31,	
	2017 RMB'000	2018 RMB'000
No later than 1 year	10,892	13,172
Later than 1 year but no later than 3 years	16,354	13,257
Later than 3 year but no later than 5 years	4,463	895
	31,709	27,324

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30. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control or exercise significant influence over the other party. Parties are also considered to be related if they are subject to common control. Members of key management of the Group and their close family members are also considered as related parties.

Names of related parties	Nature of relationship
Mr. Sizhen Wang	A director of the Group
Mr. Weiwu He	A director of the Group
Vcanbio Gene Technology Corp., Ltd.	A shareholder of Genetron Health
Edigene (Beijing) Inc.	A director of this entity is also a director of the Company

In addition to other related party transactions and balances disclosed elsewhere in this financial information, the following is a summary of significant transactions and balances with related parties during the years ended December 31, 2017 and 2018 and at each year-ends.

(a) Interests in subsidiaries of the Company are set out in Note 1.2.

(b) Significant transactions with related parties

(i) Provision of services

	Year ended December 31,	
	2017 RMB'000	2018 RMB'000
Vcanbio Gene Technology Corp., Ltd.	221	1,236
Edigene (Beijing) Inc.	—	97
	221	1,333

(ii) Loans to/from related parties

	Year ended December 31,	
	2017 RMB'000	2018 RMB'000
Loans to Mr. Sizhen Wang:		
- Loans advanced	—	43,550
- Loans repaid	—	(41,000)
- Interest charged	—	749

	Year ended December 31,	
	2017 RMB'000	2018 RMB'000
Loans from Mr. Weiwu He:		
- Loans advanced	6,000	—
- Loans repaid	(6,000)	—

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30. Related party transactions (Continued)

(c) Balances with related parties

(i) Trade receivables

	As at December 31,	
	2017 RMB'000	2018 RMB'000
Vcanbio Gene Technology Corp., Ltd.	55	359
Edigene (Beijing) Inc.	—	71
	55	430

(ii) Other receivables

	As at December 31,	
	2017 RMB'000	2018 RMB'000
Mr. Sizhen Wang (Note)	2,975	6,274

Note:

Balances are unsecured, interest-bearing at 0%-4.35% per annum and repayable within twelve months from the balance sheet date.

(d) Key management compensation

Key management includes directors, supervisors and senior management personnel. The compensations paid or payable to key management for employee services are shown below:

	Year ended December 31,	
	2017 RMB'000	2018 RMB'000
Salaries and other short-term employee benefits	3,078	5,250
Contributions to pension plans	23	50
Share-based compensation expenses	13,246	19,952
	16,347	25,252

31. Events occurring after the reporting period

(a) The Reorganization was completed in July 2019.

(b) In March 2019, the Group entered into a two-year lease agreement with an independent party for certain sequencing platforms totalling RMB 25 million. The interest rate is 7.1% per annum. The Group makes quarterly payments of principal and interest over the lease term. To secure the obligation of the Group under this agreement, Mr. Sizhen Wang has provided personal guarantee.

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31. Events occurring after the reporting period (Continued)

(c) On June 26, 2019, the Group entered into a facility agreement with a bank, pursuant to which the bank granted the Group a facility in an aggregate amount of RMB 5 million with an availability period of two years. As of the date of issuance of these financial statements, the total amount of outstanding loans under the facility agreement is RMB 5 million.

(d) On August 1, 2019, the Group obtained a loan amounted to RMB 35 million which was secured by Mr. Sizhen Wang, interest-bearing at 12% per annum and repayable on August 31, 2019. The loan has been extended to September 30, 2019. Certain directors of the lender are also directors of the Group.

32. Unaudited pro forma loss per share

Upon the closing of a qualified IPO of the Company, the Preferred Shares shall be automatically converted into ordinary shares.

Unaudited pro-forma basic and diluted loss per share were computed to give effect to the automatic conversion of the Series A, A+, A++, B, B+, C and C+ Preferred Shares using the "if converted" method as though the conversion had occurred as of the beginning of the year 2018.

	For the year ended December 31, 2018
Numerator (RMB'000):	
Net loss attributable to ordinary shareholders of the Company	(464,993)
Pro-forma effect of conversion of Preferred Shares	233,632
Pro-forma net loss attributable to ordinary shareholders of the Company - basic and diluted	(231,361)
Denominator (in thousands):	
Weighted average number of ordinary shares outstanding	113,757
Pro-forma effect of conversion of Preferred Shares	171,083
Denominator for pro-forma loss per share - basic and diluted	284,840
Pro-forma loss per share attributable to the Company's ordinary shareholders (RMB):	
- Basic and diluted	(0.81)

Note:

Share options and restricted shares are considered as potential dilutive shares throughout the reporting period. However, due to the Group's negative financial results, the potential dilutive shares have anti-dilutive effect on loss per share if they are converted to ordinary shares. Thus pro-forma diluted loss per share is equivalent to the pro-forma basic loss per share.

33. Restricted net assets and parent company only condensed financial information

The Company's ability to pay dividends is primarily dependent on the Company receiving distributions of funds from its subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the Company's subsidiaries and VIE incorporated in the PRC only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations.

GENETRON HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

33. Restricted net assets and parent company only condensed financial information (Continued)

In accordance with the PRC laws and regulations, statutory reserve funds shall be made and can only be used for specific purposes and are not distributable as cash dividends. As a result of these PRC laws and regulations that require annual appropriation of 10% of net after-tax profits to be set aside prior to payment of dividends as statutory surplus fund, unless such reserve fund reaches 50% of the entity's registered capital, VIE and PRC subsidiaries of VIE are restricted in their ability to transfer a portion of their net assets to the Company.

The Company performs a test on the restricted net assets of its consolidated subsidiaries, VIE and subsidiaries of VIE (the "restricted net assets") in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e) (3) "General Notes to Financial Statements" and concludes that the condensed financial information for the parent company is required to be presented as at and for the year ended December 31, 2018, while it was not applicable as at and for the year ended December 31, 2017 as the Company had not been incorporated as of December 31, 2017.

(a) Condensed balance sheet

	As at December 31, 2018	
	RMB'000	US$'000
ASSETS		
Non-current assets		
Interest in a subsidiary	9	1
Total non-current assets	9	1
Current assets		
Other receivables	—	—
Total current assets	—	—
Total assets	9	1
LIABILITIES		
Current liabilities		
Other payables	9	1
Total current liabilities	9	1
Total liabilities	9	1
Net assets	—	—
SHAREHOLDERS' EQUITY		
Share capital	—	—
Total shareholders' equity	—	—

Note: Balances stated as "–" above are values less than thousand.

(b) There have been no income/expense items or cash transactions since incorporation of the Company on April 9, 2018 and accordingly no statement of comprehensive income or statement of cash flows has been presented.

The Company did not have any significant capital, guarantees or other commitments as of December 31, 2018. VIE and subsidiaries of VIE did not pay any dividends to the Company for the year then ended.

GENETRON HOLDINGS LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF LOSS

	Notes	For the nine months ended September 30, 2018 RMB'000	2019 RMB'000	2019 US$'000 (Note 2.3)
Revenue	6	151,192	220,485	30,847
Cost of revenue		(90,095)	(121,315)	(16,973)
Gross profit		61,097	99,170	13,874
Selling expenses		(120,057)	(184,549)	(25,819)
Administrative expenses		(57,316)	(88,471)	(12,377)
Research and development expenses		(50,257)	(59,336)	(8,301)
Net impairment losses on financial assets		(323)	(736)	(103)
Other income - net		16,760	11,813	1,653
Operating loss		(150,096)	(222,109)	(31,073)
Finance income	8	923	438	61
Finance costs	8	—	(3,603)	(504)
Finance income/(costs) - net	8	923	(3,165)	(443)
Fair value loss of financial instruments with preferred rights	3.4	(191,439)	(315,962)	(44,205)
Loss before income tax		(340,612)	(541,236)	(75,721)
Income tax expense		—	—	—
Loss for the period		(340,612)	(541,236)	(75,721)
Loss attributable to:				
Owners of the Company		(340,612)	(541,236)	(75,721)
Loss per share		**RMB**	**RMB**	**US$**
-Basic and diluted	9	(3.03)	(4.35)	(0.61)

The accompanying notes are an integral part of this condensed consolidated interim financial information.

GENETRON HOLDINGS LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Notes	For the nine months ended September 30, 2018 RMB'000	2019 RMB'000	2019 US$'000 (Note 2.3)
Loss for the period		(340,612)	(541,236)	(75,721)
Other comprehensive income/(loss)				
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations		362	179	25
Items that will not be reclassified to profit or loss				
Changes in fair value of financial instruments with preferred rights due to own credit risk	3.4	(8,204)	(6,957)	(973)
Other comprehensive loss for the period, net of tax		(7,842)	(6,778)	(948)
Total comprehensive loss for the period		(348,454)	(548,014)	(76,669)
Total comprehensive loss attributable to:				
Owners of the Company		(348,454)	(548,014)	(76,669)

The accompanying notes are an integral part of this condensed consolidated interim financial information.

GENETRON HOLDINGS LIMITED

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	Notes	As at December 31, 2018 RMB'000	As at September 30, 2019 RMB'000	2019 US$'000 (Note 2.3)	2019 RMB'000 Pro forma (Note 21)	2019 US$'000 (Note 2.3)
ASSETS						
Non-current assets						
Property, plant and equipment	10	82,551	80,843	11,310	80,843	11,310
Right-of-use assets	11(a)	—	46,181	6,461	46,181	6,461
Intangible assets	12	3,395	3,687	516	3,687	516
Prepayments		7,805	10,846	1,517	10,846	1,517
Total non-current assets		93,751	141,557	19,804	141,557	19,804
Current assets						
Inventories		21,615	18,174	2,543	18,174	2,543
Contract assets		2,341	1,224	171	1,224	171
Other current assets		37,489	42,780	5,985	42,780	5,985
Trade receivables		38,252	57,985	8,112	57,985	8,112
Other receivables and prepayments		23,562	17,011	2,380	17,011	2,380
Amounts due from related parties	19(b)	6,704	9,403	1,316	9,403	1,316
Financial assets at fair value through profit or loss	13	38,597	—	—	—	—
Cash and cash equivalents		62,126	5,388	754	5,388	754
Total current assets		230,686	151,965	21,261	151,965	21,261
Total assets		324,437	293,522	41,065	293,522	41,065
LIABILITIES						
Non-current liabilities						
Financial instruments with preferred rights	3.4	1,320,712	1,643,631	229,952	—	—
Borrowings	14	—	7,324	1,025	7,324	1,025
Lease liabilities	11(b)	—	31,979	4,474	31,979	4,474
Total non-current liabilities		1,320,712	1,682,934	235,451	39,303	5,499
Current liabilities						
Trade payables		11,897	22,413	3,136	22,413	3,136
Contract liabilities		8,867	12,591	1,762	12,591	1,762
Other payables and accruals		47,007	84,065	11,760	84,065	11,760
Amounts due to a related party	19(b)	—	35,700	4,995	35,700	4,995
Borrowings	14	—	19,182	2,684	19,182	2,684
Lease liabilities	11(b)	—	15,397	2,154	15,397	2,154
Total current liabilities		67,771	189,348	26,491	189,348	26,491
Total liabilities		1,388,483	1,872,282	261,942	228,651	31,990
Net (liabilities)/assets		(1,064,046)	(1,578,760)	(220,877)	64,871	9,075
SHAREHOLDERS' (DEFICIT)/EQUITY						
(Deficit)/equity attributable to owners of the Company						
Share capital	15	—	—	—	23	3
Share premium		—	—	—	1,643,608	229,949
Treasury shares	16	(8,363)	(4,181)	(585)	(4,181)	(585)
Capital reserve		37,550	35,174	4,921	35,174	4,921
Other reserves		74,710	99,426	13,910	99,426	13,910
Accumulated losses		(1,167,943)	(1,709,179)	(239,123)	(1,709,179)	(239,123)
Total shareholders' (deficit)/equity		(1,064,046)	(1,578,760)	(220,877)	64,871	9,075

The accompanying notes are an integral part of this condensed consolidated interim financial information.

GENETRON HOLDINGS LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT

	Notes	Share capital (Note 15) RMB'000	Treasury shares (Note 16) RMB'000	Capital reserve RMB'000	Share-based compensation reserve RMB'000	Other reserves RMB'000	Other comprehensive losses RMB'000	Accumulated losses RMB'000	Total shareholders' deficit RMB'000
Balance at January 1, 2018		—	(10,772)	37,550	22,938	32,141	(1,093)	(702,950)	(622,186)
Comprehensive income/(loss)									
Loss for the period		—	—	—	—	—	—	(340,612)	(340,612)
Exchange differences		—	—	—	—	—	362	—	362
Changes in fair value of financial instruments with preferred rights due to own credit risk	3.4	—	—	—	—	—	(8,204)	—	(8,204)
		—	—	—	—	—	(7,842)	(340,612)	(348,454)
Transactions with owners									
Vesting of restricted shares		—	1,806	—	(5,635)	5,635	—	—	1,806
Share-based compensations	17(d)	—	—	—	20,018	—	—	—	20,018
		—	1,806	—	14,383	5,635	—	—	21,824
Balance at September 30, 2018		—	(8,966)	37,550	37,321	37,776	(8,935)	(1,043,562)	(948,816)

GENETRON HOLDINGS LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT (CONTINUED)

	Notes	Share capital (Note 15) RMB'000	Treasury shares (Note 16) RMB'000	Capital reserve RMB'000	Share-based compensation reserve RMB'000	Other reserves RMB'000	Other comprehensive losses RMB'000	Accumulated losses RMB'000	Total shareholders' deficit RMB'000
Balance at January 1, 2019		—	(8,363)	37,550	45,069	39,654	(10,013)	(1,167,943)	(1,064,046)
Comprehensive income/(loss)									
Loss for the period		—	—	—	—	—	—	(541,236)	(541,236)
Exchange differences		—	—	—	—	—	179	—	179
Changes in fair value of financial instruments with preferred rights due to own credit risk	3.4	—	—	—	—	—	(6,957)	—	(6,957)
		—	—	—	—	—	(6,778)	(541,236)	(548,014)
Transactions with owners									
Re-designation of treasury shares	16	—	2,376	(2,376)	—	—	—	—	—
Vesting of restricted shares		—	1,806	—	(5,635)	5,635	—	—	1,806
Share-based compensations	17(d)	—	—	—	31,494	—	—	—	31,494
		—	4,182	(2,376)	25,859	5,635	—	—	33,300
Balance at September 30, 2019		—	(4,181)	35,174	70,928	45,289	(16,791)	(1,709,179)	(1,578,760)

The accompanying notes are an integral part of this condensed consolidated interim financial information.

GENETRON HOLDINGS LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	For the nine months ended September 30, 2018 RMB'000	2019 RMB'000	2019 US$'000 (Note 2.3)
Cash flows from operating activities				
Cash used in operations		(165,246)	(129,181)	(18,073)
Net cash used in operating activities		(165,246)	(129,181)	(18,073)
Cash flows from investing activities				
Purchase of property, plant and equipment		(36,200)	(14,858)	(2,079)
Payments for intangible assets		(200)	(2,558)	(358)
Proceeds from disposals of property, plant and equipment		—	3,274	458
Purchase of wealth management products		(795,860)	(256,850)	(35,935)
Redemption of wealth management products		941,825	295,447	41,335
Investment income from wealth management products		6,053	715	100
Loans to a related party	19(a)(ii)	(43,550)	(5,000)	(700)
Repayments of loans to a related party	19(a)(ii)	35,000	2,250	315
Net cash generated from investing activities		107,068	22,420	3,136
Cash flows from financing activities				
Proceeds from issuance of financial instruments with preferred rights		60,000	—	—
Issuance cost of financial instruments with preferred rights		(10,600)	—	—
Proceeds from borrowings		—	32,955	4,611
Repayments of borrowings		—	(6,449)	(902)
Proceeds from loans from a related party	19(a)(ii)	—	35,000	4,897
Principal elements of lease payments		—	(8,564)	(1,198)
Interest paid		—	(2,903)	(407)
Net cash generated from financing activities		49,400	50,039	7,001
Net decrease in cash and cash equivalents		(8,778)	(56,722)	(7,936)
Cash and cash equivalents at beginning of period		42,030	62,126	8,692
Exchange differences		131	(16)	(2)
Cash and cash equivalents at end of period		33,383	5,388	754

The accompanying notes are an integral part of this condensed consolidated interim financial information.

GENETRON HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

1. General information, reorganization and basis of presentation

1.1 General information

Genetron Holdings Limited (the "Company") was incorporated in the Cayman Islands on April 9, 2018 as an exempted company with limited liability under the Companies Law (2018 Revision) of the Cayman Islands. The address of the Company's registered office is at the office of Vistra (Cayman) Limited, P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205 Cayman Islands.

The Company, its subsidiaries, its controlled structured entity ("variable interest entity" or "VIE") and its subsidiaries ("subsidiaries of VIE") are collectively referred to as the "Group". The Group is principally engaged in precision oncology testing and development services (the "Listing Business") in the People's Republic of China ("PRC" or "China").

This Interim Condensed Consolidated Financial Information ("Interim Financial Information") is presented in Renminbi ("RMB"), unless otherwise stated, and is approved for issue by the Board of Directors on November 21, 2019.

This Interim Financial Information has not been audited.

1.2 Reorganization

The reorganization of the Group (the "Reorganization") was completed in July 2019. The details of reorganization should be read in conjunction with the Group's annual financial statements for the years ended December 31, 2017 and 2018.

1.3 Basis of presentation

The Interim Financial Information has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" and should be read in conjunction with the annual financial statements for the years ended December 31, 2017 and 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB").

Immediately prior to and after the Reorganization, the Listing Business was operated by Genetron Health (Beijing) Co., Ltd. ("Genetron Health") and its subsidiaries (collectively the "Operating Companies"). Pursuant to the Reorganization, the Listing Business was transferred to and held by the Company through the Operating Companies. The Company has not been involved in any other business prior to the Reorganization and does not meet the definition of a business. The Reorganization is merely a reorganization of the Listing Business with no change in management of such business. Accordingly, the Group resulting from the Reorganization is regarded as a recapitalization of the Listing Business under the Operating Companies for the purpose of this financial information. The financial information of the Group has been prepared on a consolidated basis as if the Reorganization had occurred historically and is presented using the carrying values of the assets, liabilities and operating results of the Listing Business under the Operating Companies for the nine months ended September 30, 2018 and 2019.

As at September 30, 2019, the Group had net liabilities of RMB1,578,760,000, accumulated losses of RMB1,709,179,000 and net current liabilities of RMB37,383,000. For the nine months ended September 30, 2019, the Group had net operating loss of RMB222,109,000 and net operating cash outflow of RMB129,181,000. The principal sources of funding have historically been continuous cash

GENETRON HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

1. General information, reorganization and basis of presentation (Continued)

1.3 Basis of presentation (Continued)

contributions from equity holders and preferred shareholders amounting to approximately RMB 38 million and RMB 716 million respectively up to September 30, 2019. On November 19, 2019, the Group closed the Series D round of preferred shares financing (Note 20). Further since August 2019 the Group has obtained a short-term related party loan with RMB 25 million outstanding as of date of issuance of this financial information to maintain liquidity (Note 19(b)(iii)). Taking these into consideration the directors believe that the Group will have sufficient available financial resources generated by existing as well as anticipated financing activities and normal operating revenues to meet its obligations falling due and working capital requirements in the next twelve months from the date of issuance of this Interim Financial Information. Accordingly, the directors of the Company consider that it is appropriate to prepare the Interim Financial Information on a going concern basis.

2. Summary of significant accounting policies

2.1 Accounting policies

Except as described below, the accounting policies applied in this Interim Financial Information are consistent with those of the annual financial statements for the years ended December 31, 2017 and 2018, as described in those annual financial statements. There are no other new standards, amendments to existing standards or interpretations that are not yet effective and would be expected to have a material impact to the Group.

2.2 New and amended standards adopted by the Group

A number of new and amended standards became applicable for the current reporting period, and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting IFRS 16 “Leases”.

The impact of the adoption of the leasing standard and the new accounting policies that have been applied from January 1, 2019 are disclosed below. The other standards did not have any significant impact on the Group’s accounting policies and did not require retrospective adjustments.

The Group has adopted IFRS 16 retrospectively from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on January 1, 2019.

(a) Adjustments recognized on adoption of IFRS 16

On adoption of IFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of IAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of January 1, 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on January 1, 2019 was approximately 5%.

GENETRON HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

2. Summary of significant accounting policies (Continued)

2.2 New and amended standards adopted by the Group (Continued)

(a) Adjustments recognized on adoption of IFRS 16 (Continued)

	January 1, 2019 RMB'000
Operating lease commitments disclosed as at December 31, 2018	27,324
Less: short-term leases recognized on a straight-line basis as expense	(612)
	26,712
Less: Interest discount calculated using the lessee's incremental borrowing rate at the date of initial application	(1,964)
Add: Adjustments as a result of extension options	16,670
Lease liabilities recognized as at January 1, 2019 (Note 11(b))	41,418

Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet as at December 31, 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The change in accounting policy affected the following items in the balance sheet on January 1, 2019:

- Right-of-use assets – increase by RMB42,611,000
- Other receivables and prepayments – decrease by RMB1,193,000
- Lease liabilities – increase by RMB41,418,000

There was no impact on accumulated losses on January 1, 2019.

The net loss and loss per share of the Group increased by RMB 2,004,000 and RMB 0.02 per share respectively for the nine months ended September 30, 2019 as a result of the adoption of IFRS 16.

Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics,
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 "Determining whether an Arrangement contains a Lease".

GENETRON HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

2. Summary of significant accounting policies (Continued)

2.2 New and amended standards adopted by the Group (Continued)

(b) The Group's leasing activities and how these are accounted for

The Group leases various properties and office equipment. Rental contracts are typically made for fixed periods of approximately 2 to 5 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property and office equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From January 1, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture.

GENETRON HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

2. Summary of significant accounting policies (Continued)

2.2 New and amended standards adopted by the Group (Continued)

(b) The Group's leasing activities and how these are accounted for (Continued)

In the statement of cash flows, cash flows related to leases are classified as the followings:

- cash payments for the principal and interest elements of the lease liabilities are classified within financing activities;
- short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liabilities are classified within operating activities.

2.3 Convenience translation

Translations of the condensed consolidated balance sheets, the condensed consolidated statements of loss, comprehensive loss and cash flows from RMB into United States dollars ("US$") as of and for the nine months ended September 30, 2019 are solely for the convenience of the readers and calculated at the rate of US$1.00=RMB7.1477, representing the exchange rate as of September 30, 2019 set forth in the H.10 statistical release of the U.S. Federal Reserve Board. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate, or at any other rate, on September 30, 2019.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and exchange risk), credit risk and liquidity risk.

(a) Market risk

(i) Interest rate risk

The Group's interest rate risk primarily arises from short-term wealth management products investments measured at fair value through profit or loss (Note 13) and borrowings measured at amortized costs (Note 14). Those carried at variable rates expose the Group to cash flow interest rate risk whereas those at fixed rates expose the Group to fair value interest rate risk. Interest amounts continue to be insignificant during the reported periods.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the years ended December 31, 2017 and 2018.

There have been no significant changes in the risk management policies since the years end.

3.2 Liquidity risk

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period at year/period-end date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows except for financial instruments with preferred rights ("Preferred Shares"), which are presented on a fair value basis. The maturity dates are determined by the terms of the IPO condition in financing agreements as management considers the other redemption terms are not probable to occur.

GENETRON HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

3. Financial risk management (Continued)

3.2 Liquidity risk (Continued)

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
As at September 30, 2019					
Financial instruments with preferred rights	—	—	1,643,631	—	1,643,631
Borrowings	21,294	6,529	1,259	—	29,082
Lease liabilities	16,979	14,451	16,780	4,883	53,093
Trade payables	22,413	—	—	—	22,413
Other payables	54,869	—	—	—	54,869
Amounts due to a related party	36,008	—	—	—	36,008
Total	151,563	20,980	1,661,670	4,883	1,839,096
As at December 31, 2018					
Financial instruments with preferred rights	—	—	1,320,712	—	1,320,712
Trade payables	11,897	—	—	—	11,897
Other payables	22,752	—	—	—	22,752
Total	34,649	—	1,320,712	—	1,355,361

3.3 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. The Group may adjust the amount of dividends paid to shareholders, provide returns for shareholders, issue new shares or sell assets to repay borrowings.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted capital comprises all components of equity as shown in the consolidated balance sheets and Preferred Shares on an as-if-converted basis.

	As at	
	December 31, 2018	September 30, 2019
Debt-to-adjusted capital ratio	—	32.6%

GENETRON HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

3. Financial risk management (Continued)

3.4 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at September 30, 2019 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

(ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at September 30, 2019				
Liabilities				
Financial instruments with preferred rights	—	—	1,643,631	1,643,631
As at December 31, 2018				
Assets				
Financial assets at fair value through profit or loss	—	—	38,597	38,597
Liabilities				
Financial instruments with preferred rights	—	—	1,320,712	1,320,712

Financial instruments in Level 3

Level 3 instruments of the Group's assets and liabilities include wealth management products measured at fair value through profit or loss and financial instruments with preferred rights.

The following table present the changes in level 3 instruments for the nine months ended September 30, 2018 and 2019.

	For the nine months ended September 30,	
	2018 RMB'000	2019 RMB'000
Wealth management products		
Opening balance	252,915	38,597
Additions	795,860	256,850
Settlements	(947,878)	(296,162)
Investment income credited to profit or loss	6,404	715
Closing balance	107,301	—

GENETRON HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

3. Financial risk management (Continued)

3.4 Fair value estimation (Continued)

	For the nine months ended September 30,	
	2018 RMB'000	2019 RMB'000
Financial instruments with preferred rights		
Opening balance	1,018,019	1,320,712
Issuance of Series C+ Preferred Shares	60,000	—
Changes in fair value recognized in profit or loss	191,439	315,962
Changes in fair value due to own credit risk recognized in other comprehensive loss	8,204	6,957
Closing balance	1,277,662	1,643,631

4. Critical accounting estimates and judgments

The preparation of the Interim Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(a) Fair value of Preferred Shares

The fair value of Preferred Shares that are not traded in an active market is determined using valuation techniques. The Group has used the discounted cash flow method to determine the equity value of Genetron Health and adopted equity allocation model to determine the fair value of the Preferred Shares. Key assumptions such as discount rate, risk-free interest rate and discount for lack of marketability ("DLOM") are as follows:

	Nine months ended September 30, 2018	Year ended December 31, 2018	Nine months ended September 30, 2019
Discount rate	19.5%	19.0%	18.0%
Risk-free interest rate	2.2%-2.9%	2.2%-2.7%	1.6%-2.1%
DLOM	15%	15%	10%
Volatility	44.9%-52.9%	48.0%-52.9%	39.6%-49.8%

The estimated fair value carrying amounts of Preferred Shares as at September 30, 2018, December 31, 2018 and September 30, 2019 would have been RMB91,416,000 lower/RMB104,259,000 higher, RMB106,456,000 lower/RMB122,025,000 higher and RMB141,042,000 lower/RMB163,728,000 higher, respectively, should the discount rate used in discounted cash flow analysis be higher/lower by 100 basis points from management's estimates.

GENETRON HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

4. Critical accounting estimates and judgments (Continued)

(b) Lease extension options

Extension options are included in a number of property leases across the Group. These terms are used to maximize operational flexibility in terms of managing contracts.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

In preparing the Interim Financial Information, the nature of significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those described in the annual financial statements for the years ended December 31, 2017 and 2018, in addition to the critical judgments in determining the lease term upon adoption of IFRS 16 as described above.

5. Segment information

During the nine months ended September 30, 2018 and 2019, the Group is principally engaged in the Listing Business mentioned in Note 1.1. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the chief operating decision-maker ("CODM") regards that there is only one segment which is used to make strategic decisions.

The major operating entities of the Group are domiciled in the PRC. Accordingly, substantially all of the Group's results were derived from the PRC during the nine months ended September 30, 2018 and 2019. As at December 31, 2018 and September 30, 2019, substantially all of the Group's assets were located in the PRC.

6. Revenue

	For the nine months ended September 30,	
	2018 RMB'000	2019 RMB'000
Revenue from precision oncology testing		
- provision of laboratory developed tests ("LDT") services	114,246	169,285
- sale of in-vitro diagnostic ("IVD") products	2,675	14,434
Revenue from development services	34,271	36,766
	151,192	220,485
Timing of revenue recognition		
- over time	98,688	146,704
- at a point in time	52,504	73,781
	151,192	220,485

GENETRON HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

7. Expenses by nature

	For the nine months ended September 30,	
	2018 RMB'000	2019 RMB'000
Cost of inventories and consumables used	75,377	94,539
Employee benefit expenses	123,202	176,841
Depreciation on property, plant and equipment (Note 10)	19,053	22,967
Depreciation on right-of-use assets (Note 11)	—	10,952
Amortization on intangible assets (Note 12)	824	887
Provision for impairment of trade and other receivables and contract assets	323	736
Promotion expenses	56,338	89,701
Rental, utilities and office expenses	12,282	5,727
Listing expenses	4,158	22,553

8. Finance income/(costs) - net

	For the nine months ended September 30,	
	2018 RMB'000	2019 RMB'000
Finance income		
Interests from bank deposits	269	178
Interests from loans to a related party	654	260
	923	438
Finance costs		
Interests on lease liabilities	—	(1,592)
Interests on borrowings	—	(1,311)
Interests on loans from a related party	—	(700)
	—	(3,603)
Finance income/(costs) - net	923	(3,165)

9. Loss per share

Basic and diluted loss per share reflecting the effect of the issuance of ordinary shares by the Company are presented as follows.

To calculate loss per share, the capital structure in July 2019 when the Reorganization completed is pushed back assuming it had been in effect historically. Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding, excluding treasury shares which are detailed in Note 16.

	For the nine months ended September 30,	
	2018	2019
Loss attributable to owners of the Company (RMB'000)	(340,612)	(541,236)
Weighted average number of ordinary shares outstanding (in thousands) (Note)	112,242	124,286
Basic loss per share (RMB)	(3.03)	(4.35)

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

9. Loss per share (Continued)

Share options, restricted shares and Preferred Shares are considered as potential dilutive shares throughout the reporting periods. However, due to the Group's negative financial results for the nine months ended September 30, 2018 and 2019, the potential dilutive shares have anti-dilutive effect on loss per share if they are converted to ordinary shares. Thus diluted loss per share is equivalent to basic loss per share.

Note:

Movement of number of ordinary shares outstanding for the reported periods are shown as follows. Restricted ordinary shares have been considered in the calculation when they vested on monthly basis.

	For the nine months ended September 30,	
	2018 in thousands	2019 in thousands
Number of ordinary shares outstanding (excluding treasury shares) at beginning of period	107,768	119,812
Number of restricted ordinary shares vested	9,033	9,033
Number of ordinary shares outstanding (excluding treasury shares) at end of period	116,801	128,845

10. Property, plant and equipment

	Instruments and equipment RMB'000	Office equipment and furniture RMB'000	Transporting equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
As at December 31, 2017					
Cost	81,297	2,622	—	16,246	100,165
Accumulated depreciation	(28,677)	(622)	—	(5,563)	(34,862)
Net book amount	52,620	2,000	—	10,683	65,303
For the nine months ended September 30, 2018					
Opening net book amount	52,620	2,000	—	10,683	65,303
Additions	34,039	77	445	1,661	36,222
Depreciation	(14,813)	(381)	(26)	(3,833)	(19,053)
Exchange differences	176	—	—	—	176
Closing net book amount	72,022	1,696	419	8,511	82,648
As at September 30, 2018					
Cost	115,452	2,699	445	17,907	136,503
Accumulated depreciation	(43,430)	(1,003)	(26)	(9,396)	(53,855)
Net book value	72,022	1,696	419	8,511	82,648

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

10. Property, plant and equipment (Continued)

	Instruments and equipment RMB'000	Office equipment and furniture RMB'000	Transporting equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
As at December 31, 2018					
Cost	121,895	2,967	445	18,871	144,178
Accumulated depreciation	(49,700)	(1,143)	(53)	(10,731)	(61,627)
Net book amount	72,195	1,824	392	8,140	82,551
For the nine months ended September 30, 2019					
Opening net book amount	72,195	1,824	392	8,140	82,551
Additions	21,211	197	24	1,474	22,906
Disposals	(1,769)	—	—	—	(1,769)
Depreciation	(19,082)	(442)	(85)	(3,358)	(22,967)
Exchange differences	122	—	—	—	122
Closing net book amount	72,677	1,579	331	6,256	80,843
As at September 30, 2019					
Cost	140,003	3,164	469	16,391	160,027
Accumulated depreciation	(67,326)	(1,585)	(138)	(10,135)	(79,184)
Net book value	72,677	1,579	331	6,256	80,843

11. Leases

Amounts recognized in the unaudited condensed consolidated balance sheets are as follows:

(a) **Right-use of assets**

	Properties RMB'000	Office equipment RMB'000	Total RMB'000
As at January 1, 2019			
Cost	42,561	50	42,611
For the nine months ended September 30, 2019			
Opening net book amount	42,561	50	42,611
Additions	14,522	—	14,522
Depreciation	(10,939)	(13)	(10,952)
Closing net book amount	46,144	37	46,181
As at September 30, 2019			
Cost	57,083	50	57,133
Accumulated depreciation	(10,939)	(13)	(10,952)
Net book value	46,144	37	46,181

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

11. Leases (Continued)

(b) **Lease liabilities**

	As at	
	January 1, 2019 RMB'000	September 30, 2019 RMB'000
Non-current	27,530	31,979
Current	13,888	15,397
	41,418	47,376

12. Intangible assets

	Software RMB'000	Patented technology RMB'000	Others RMB'000	Total RMB'000
As at December 31, 2017				
Cost	3,563	230	2,030	5,823
Accumulated amortization and impairment	(696)	(230)	(1,015)	(1,941)
Net book value	2,867	—	1,015	3,882
For the nine months ended September 30, 2018				
Opening net book value	2,867	—	1,015	3,882
Additions	499	—	—	499
Amortization	(443)	—	(381)	(824)
Exchange differences	55	—	—	55
Closing net book value	2,978	—	634	3,612
As at September 30, 2018				
Cost	4,161	230	2,030	6,421
Accumulated amortization and impairment	(1,183)	(230)	(1,396)	(2,809)
Net book value	2,978	—	634	3,612
As at December 31, 2018				
Cost	4,200	230	2,030	6,460
Accumulated amortization and impairment	(1,313)	(230)	(1,522)	(3,065)
Net book value	2,887	—	508	3,395
For the nine months ended September 30, 2019				
Opening net book value	2,887	—	508	3,395
Additions	1,106	—	—	1,106
Amortization	(506)	—	(381)	(887)
Exchange differences	73	—	—	73
Closing net book value	3,560	—	127	3,687
As at September 30, 2019				
Cost	5,460	230	2,030	7,720
Accumulated amortization and impairment	(1,900)	(230)	(1,903)	(4,033)
Net book value	3,560	—	127	3,687

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

13. Financial assets at fair value through profit or loss

	As at	
	December 31, 2018 RMB'000	September 30, 2019 RMB'000
Wealth management products	38,597	—

Wealth management products held by the Group with various maturities bear floating interest rates at ranges of 3.86%-4.50% as at December 31, 2018. The underlying investments were mostly debt instruments with low to moderate risk levels.

The fair values of wealth management products are based on discounted cash flows using their expected returns. Changes in fair values of these financial assets are recorded in other income—net in the consolidated statements of loss.

14. Borrowings

	As at	
	December 31, 2018 RMB'000	September 30, 2019 RMB'000
Non-current		
Other borrowings (Note (i))	—	7,324
Current		
Bank borrowings (Note (ii))	—	5,000
Current portion of other borrowings (Note (i))	—	14,182
	—	19,182
Total	—	26,506

Notes:

(i) In March 2019, the Group entered into a sale and leaseback agreement with a two-year term with an independent party, to which the Group transferred the ownership of certain instruments with a consideration of RMB25,000,000 and thereby obtained cash proceeds of the same amount, with guarantee provided by a director of the Group and pledge of all equity interest of Beijing Genetron Medical Laboratory Co., Ltd., a subsidiary of the Company. In June 2019 another similar agreement with a three-year term and an amount of RMB6,960,000 was entered into.

The Group continues to have control over the assets which make the above ownership transfers not qualify as sales transactions as a result. The proceeds received by the Group are thus in substance borrowings with the assets not being derecognized.

The interest rates of these borrowings are approximately 7%-8% per annum and subject to adjustments in accordance with the benchmark lending interest rate promulgated by the People's Bank of China. The principals and interests are repaid in quarterly or monthly instalments based on respective agreements.

(ii) On June 26, 2019, the Group entered into a loan facility agreement with a bank, pursuant to which the bank granted the Group a facility in an aggregate amount of RMB5,000,000. Up to September 30, 2019, an outstanding loan amount of RMB5,000,000 has been drawn and will mature in June 2020.

The balance bears interest rate of about 5% per annum with reference to benchmark lending interest rate published by the People's Bank of China.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

14. Borrowings (Continued)

Notes (Continued):

The bank borrowing is guaranteed by an independent party (the "guarantor"), to which each of Mr. Sizhen Wang (a director of the Group) and Genetron Health have provided counter-guarantees, in addition to a facility fee of RMB 110,000 being paid by the Group. To provide the counter-guarantee Genetron Health has to pledge not less than RMB 10 million of certain of its receivables to the guarantor (balance pledged as of September 30, 2019 approximated RMB 10 million).

15. Share capital

	Note	Number of ordinary shares	Nominal value of ordinary shares US$'000	Number of preferred shares	Nominal value of preferred shares US$'000
Authorized:					
Upon incorporation	(i)	500,000,000	50	—	—
As at December 31, 2018		500,000,000	50	—	—
Share sub-division	(ii)	2,000,000,000	—	—	—
Re-designation upon issuance of Preferred Shares	(iii)	(171,083,000)	(3)	171,083,000	3
As at September 30, 2019		2,328,917,000	47	171,083,000	3

	Note	Number of ordinary shares
Issued and not paid up:		
Upon incorporation	(i)	3
As at December 31, 2018		3
Share repurchase	(ii)	(2)
Share sub-division	(ii)	4
Issuance of ordinary shares by the Company	(iv)	149,749,995
As at September 30, 2019		149,750,000

Note:

(i) On April 9, 2018, the Company was incorporated in the Cayman Islands with an authorized share capital of US$50,000 divided into 500,000,000 ordinary shares with a par value of US$0.0001 each and 3 ordinary shares were issued.

(ii) On July 2, 2019, the Company repurchased 2 ordinary shares and conducted a 1:5 share sub-division to amend its authorized share capital to 2,500,000,000 ordinary shares with a par value of US$0.00002 each in accordance with the resolution of the shareholders of the Company.

(iii) On July 2, 2019, the Company issued 171,083,000 Preferred Shares (equivalent to then 34,216,600 Preferred Shares of Genetron Health with each share having been converted to five shares of the Company) at par value of US$0.00002 per share.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

15. Share capital (Continued)

Note (Continued):

(iv) On July 2, 2019, the Company further issued 149,749,995 ordinary shares to each of the then equity holders of Genetron Health with substantially the same rights and shareholding percentages in Genetron Health upon the Reorganization. Together with the 5 ordinary shares of the Company resulted from (i) and (ii) above, this totalled 149,750,000 ordinary shares of the Company (equivalent to then 32,325,800 shares of Genetron Health less 2,375,800 treasury shares of Genetron Health held by Beijing Genetron Junmeng Investment Management Co. (Limited Partnership) ("Junmeng"), with each share of Genetron Health having been converted to five shares of the Company).

16. Treasury shares

33,961,500 ordinary shares of the Company (equivalent to then 2,375,800 issued shares of Genetron Health held by Junmeng and 4,416,500 shares of Genetron Health reserved in Zhuhai Genetron Junhe Investment Management Co. (Limited Partnership) ("Junhe") respectively, with each share of Genetron Health having been converted to five shares of the Company) were reserved for the Share Incentive Plan but not yet issued by the Company as at September 30, 2019.

A total of 93,506,000 ordinary shares of the Company held by Mr. Weiwu He, Mr. Sizhen Wang and Mr. Hai Yan (collectively the "Founders") were put in escrow with service conditions and vested on monthly basis or by one tranche which are detailed in Note 17(b) and Note 17(c) respectively. As at September 30, 2018, December 31, 2018 and September 30, 2019, 32,949,000, 29,938,000 and 20,905,000 ordinary shares of the Company were still in escrow and considered as treasury shares, respectively.

17. Share-based payment

(a) Share Incentive Plan

Genetron Health has employee share incentive plans for its key employees, key management and consultants, which were approved by its board of directors. The purpose is to provide incentives and rewards to eligible participants for their contribution or potential contribution to the Group and to recruit and retain high caliber persons who are valuable to the Group. The incentive shares had included 2,375,800 shares of Genetron Health held by Junmeng which were considered as treasury shares and 4,416,500 shares of Genetron Health reserved in Junhe which were authorized but not issued.

In July 2019, the Group adopted the 2019 Genetron Health Share Incentive Plan (the "2019 Plan") under which the awards completely replaced all options granted under previous similar share incentive plans. In October 2019, the Group further adopted the 2019 Genetron Health Share Incentive Scheme (the "2019 Scheme") with substantially the same terms. The 2019 Plan and 2019 Scheme provide for the issuance of up to an aggregate of 33,961,500 and 20,830,100 of the Company's ordinary shares respectively.

Pursuant to the plans, a grantee has the right to subscribe for the ordinary shares at a price determined by management. The options granted can only vest if the performance conditions (including certain annual performance rating and sales or development performance indicator, which have been defined on grant date) and service conditions are met. The service condition of the options granted to employees and key management is usually four years since the grant date and 25% of the granted options are progressively vested on each anniversary of the grant date. The service condition for consultants is one to three years. The grantees are entitled to subscribe for underlying shares only if an IPO is achieved, provided that the

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17. Share-based payment (Continued)

(a) Share Incentive Plan (Continued)

service condition is also met. As of each grant date during the nine months ended September 30, 2018 and 2019, management believed achievement of the IPO was probable. Grantees who leave the Group before the exercisable date will lose their entitlement to the vested options. Options granted typically expire in ten years from the grant date as stated in grant agreements.

Participation in the plans is at the discretion of the board of directors of Genetron Health and no individual has contractual right to participate in the plans or receive any guaranteed benefits.

Set out below are summaries of employee share options under the 2019 Plan. No options have been granted under the 2019 Scheme up to date of issuance of this financial information.

	For the nine months ended September 30			
	2018		2019	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Outstanding at beginning of the period	RMB1.00	1,624,456	RMB1.00	4,578,933
Granted during the period	RMB1.00	3,180,000	RMB1.00	49,000
Forfeited before Reorganization (Note (ii))	RMB1.00	(127,320)	RMB1.00	(47,507)
Share sub-division upon Reorganization (Note (i))	—	—	US$0.03	18,321,704
Forfeited after Reorganization (Note (ii))	—	—	US$0.03	(60,000)
Outstanding at end of the period	RMB1.00	4,677,136	US$0.03	22,842,130
Exercisable at end of the period (Note (iii))	—	—	—	—

Note:

(i) Each share of Genetron Health was converted to five shares of the Company upon the Reorganization in July 2019.

(ii) The shares are forfeited if the employment terminates or the performance condition is not met.

(iii) None of the options are exercisable as the options are only exercisable upon completion of IPO.

The weighted average remaining contractual lives of options outstanding as at September 30, 2018, December 31, 2018 and September 30, 2019 are 9.2 years, 9.0 years and 8.2 years, respectively.

Fair value of options granted

The Group used the discounted cash flow method to determine the underlying equity fair value of Genetron Health and adopted equity allocation model to determine the fair value of its underlying ordinary shares.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

17. Share-based payment (Continued)

(a) Share Incentive Plan (Continued)

Fair value of options granted (Continued)

Based on the fair value of underlying ordinary shares, the Group used Binominal option-pricing model to determine the fair value of options as at each of the grant dates. Key assumptions for the options granted are set as below:

Grant date	January 1, 2017	June 15, 2018	June 15, 2019
Fair value at grant date (RMB per share)	10.83	28.19	36.32
Exercise price (RMB per share) (Note)	1.00	1.00	1.00
Risk-free interest rate	2.51%	2.94%	2.09%
Dividend yield	nil	nil	nil
Expected volatility	55.08%	53.48%	50.20%
Expected terms	10 years	10 years	10 years

Note:

Pursuant to the 2019 Plan and upon Reorganization, the exercise price was modified from RMB 1.00 per share of Genetron Health to US$0.03 per share of the Company without impact on option values.

(b) Restriction of ordinary shares held by Founders

On May 7, 2015, an aggregate of 16,527,600 ordinary shares of Genetron Health at par value of RMB1.00 per share were issued to three directors, who are also Founders of Genetron Health. In accordance with Series A financing agreement on July 17, 2015, all the 16,527,600 ordinary shares held by the individual Founders were put in escrow since that date with a five-year service condition. Such restriction is deemed as a compensatory arrangement for services to be provided by the Founders and therefore accounted for as a share-based compensation arrangement.

The Group applied Binomial option-pricing model to determine the fair value of this share-based payment as RMB3.12 per share on the grant date. Key assumptions included risk-free interest rate of 1.70%, expected volatility of 50.00%, dividend yield of nil and expected terms of 5 years based on best estimates.

As modified since Series B financing in September 2016, one sixtieth of the award became vested on a monthly basis over five years provided that the Founders remain employment relationship with Genetron Health. Under the Series C financing in October 2017, the shares owned by one of the Founders were no longer subject to the five-year service condition and his then 2,540,650 restricted shares were vested immediately on the modification date. Accordingly, the unrecognized grant date fair value of those shares were accelerated and recognized as share-based compensation expenses on the modified date.

If the Founders terminate service, the Group has to repurchase the shares put in escrow at RMB1.00 per share, which is considered a leaver provision and recorded in other payables and accruals to be released proportionally as the restricted shares are progressively released from escrow.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

17. Share-based payment (Continued)

(b) Restriction of ordinary shares held by Founders (Continued)

The movement of the restricted shares for the nine months ended September 30, 2018 and 2019 are summarized as below:

	Number of restricted shares (in thousands)
Outstanding at January 1, 2018	6,222
Vested and released	(1,806)
Outstanding at September 30, 2018	4,416
Outstanding at January 1, 2019	3,813
Vested and released before Reorganization	(1,204)
Share sub-division upon Reorganization (Note)	10,439
Vested and released after Reorganization	(3,011)
Outstanding at September 30, 2019	10,037

Note:

Each share of Genetron Health has been converted to five shares of the Company upon the Reorganization.

(c) Share-based payment to a Founder

Pursuant to the Series A preferred shares agreement in 2015, a Founder was granted the right to subscribe for shares of Genetron Health amounted to 3% to 5% of its total shares outstanding at par value of RMB1.00 per share if the appraised value of Genetron Health reached RMB590 million before Series B Preferred Shares financing. The shares have a five-year service condition.

The market condition of target appraised value was met in 2016 and the Founder was allowed to subscribe for 2,173,600 shares (representing 5% of the total number of ordinary and preferred shares then outstanding) of Genetron Health at RMB1.00 per share. The shares were paid up in 2017 and the funds received represent a leaver provision being recorded in other payables and accruals as Genetron Health has to pay such amount to repurchase the shares if the service condition is not met.

The Group applied Binomial option-pricing model to determine the fair value of this share-based payment as RMB1.79 per share on the grant date. Key assumptions included probability of achieving the market condition, risk-free interest rate of 0.51%, expected volatility of 55.80%, dividend yield of nil and expected terms of 1.5 years based on best estimates.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

17. Share-based payment (Continued)

(d) Share-based compensation expenses were charged in the following categories in the consolidated statements of loss:

	For the nine months ended 30 September,	
	2018 RMB'000	2019 RMB'000
Cost of revenue	218	394
Selling expenses	1,328	2,225
Administrative expenses	14,208	22,757
Research and development expenses	4,264	6,118
	20,018	31,494

18. Capital commitments

	As at	
	December 31, 2018 RMB'000	September 30, 2019 RMB'000
Equipment and intangible assets		
- Contracted but not provided for	7,500	2,910

19. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, control or exercise significant influence over the other party. Parties are also considered to be related if they are subject to common control. Members of key management of the Group and their close family members are also considered as related parties.

Names of related parties	Nature of relationship
Mr. Sizhen Wang	A director of the Group
Vcanbio Gene Technology Corp., Ltd.	A shareholder of Genetron Health
Edigene (Beijing) Inc.	A director of this entity is also a director of the Company
Juventas Cell Therapy Ltd.	Certain directors of this entity are also directors of the Group

In addition to other related party transactions and balances disclosed elsewhere in this financial information, the following is a summary of significant transactions and balances with related parties during the nine months ended September 30, 2018 and September 30, 2019.

(a) Significant transactions with related parties

(i) Provision of services

	For the nine months ended September 30,	
	2018 RMB'000	2019 RMB'000
Vcanbio Gene Technology Corp., Ltd.	895	420
Edigene (Beijing) Inc.	45	401
	940	821

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

19. Related party transactions (Continued)

(a) Significant transactions with related parties (Continued)

(ii) Loans to/from related parties

	For the nine months ended September 30,	
	2018 RMB'000	2019 RMB'000
Loans to Mr. Sizhen Wang		
- Loans advanced	43,550	5,000
- Loans repaid	(35,000)	(2,250)
- Interest charged	654	260
Loans from Juventas Cell Therapy Ltd		
- Loans advanced	—	35,000
- Interest charged	—	700

(b) Balances with related parties

(i) Trade receivables

	As at	
	December 31, 2018 RMB'000	September 30, 2019 RMB'000
Vcanbio Gene Technology Corp., Ltd.	359	427
Edigene (Beijing) Inc.	71	344
	430	771

(ii) Other receivables

	As at	
	December 31, 2018 RMB'000	September 30, 2019 RMB'000
Mr. Sizhen Wang (Note)	6,274	8,632

Balances were unsecured, interest bearing at 0%-4.35% per annum and repaid as of date of issuance of this financial information.

(iii) Other payables

	As at	
	December 31, 2018 RMB'000	September 30, 2019 RMB'000
Juventas Cell Therapy Ltd	—	35,700

On August 1, 2019 the Group obtained a loan amounted to RMB 35 million which was guaranteed by Mr. Sizhen Wang, interest-bearing at 12% per annum and repayable on August 31, 2019. The loan has been further extended with RMB 10 million repaid on October 15, 2019 and RMB 25 million being repayable by November 30, 2019.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

19. Related party transactions (Continued)

(c) Key management compensation

Key management includes directors, supervisors and senior management personnel. The compensations paid or payable to key management for employee services are shown below:

	For the nine months ended September 30,	
	2018 RMB'000	2019 RMB'000
Salaries and other short-term employee benefits	3,375	3,976
Contributions to pension plans	44	94
Share-based compensation expenses	14,179	15,731
	17,598	19,801

20. Events occurring after the reporting period

In November 2019 the Group (i) repurchased 6,933,000 preferred shares and 8,272,000 ordinary shares from certain shareholders including the Founders for an aggregate consideration of US$15 million, and (ii) issued 15,205,000 Series C-2 preferred shares to a new investor ("C-2 investor") for a consideration of US$ 15 million. The fair value of the Series C-2 preferred shares exceeds the consideration by approximately RMB 30 million which was charged in the statement of loss. In the same transaction the Group further issued 34,147,600 Series D preferred shares for an aggregate consideration of US$50 million to certain investors including the C-2 investor. As of date of issuance of this financial information, the outstanding balance is US$25 million and the investors agreed to make their respective remaining payments within ten business days from November 19, 2019. In addition, subject to the fulfillment of certain conditions, the Group agreed to issue additional 6,829,500 Series D preferred shares, or corresponding number of ordinary shares subject to Series D conversion mechanism, to an investor for a consideration of US$10 million which is expected to be received no later than one hundred and five days from November 19, 2019.

The key preferred rights of Series C-2 and Series D preferred shares are similar to those of previous series of preferred shares; except for that if the IPO offering price per ordinary share is less than an agreed amount being set by reference to the Series D issue price, the conversion price for Series D will be subject to adjustments to reflect the discount.

21. Unaudited pro forma balance sheet and loss per share

Upon the closing of a qualified IPO of the Company, the Preferred Shares shall be automatically converted into ordinary shares.

The unaudited pro-forma balance sheet as at September 30, 2019 presents an adjusted financial position assuming the Preferred Shares of the Company had been converted into ordinary shares as at September 30, 2019 at the conversion ratio of one for one.

GENETRON HOLDINGS LIMITED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2019

21. Unaudited pro forma balance sheet and loss per share (Continued)

Unaudited pro-forma basic and diluted loss per share were computed to give effect to the automatic conversion of the Preferred Shares of the Company using the "if converted" method as though the conversion had occurred as of the beginning of the period in 2019.

	For the nine months ended September 30, 2019
Numerator (RMB'000):	
Net loss attributable to ordinary shareholders of the Company	(541,236)
Pro-forma effect of conversion of Preferred Shares	315,962
Pro-forma net loss attributable to ordinary shareholders of the Company – basic and diluted	(225,274)
Denominator (in thousands):	
Weighted average number of ordinary shares outstanding	124,286
Pro-forma effect of conversion of Preferred Shares	171,083
Denominator for pro-forma loss per share – basic and diluted	295,369
Pro-forma loss per share attributable to the Company's ordinary shareholders (RMB):	
- Basic and diluted	(0.76)

Note:

Share options and restricted shares are considered as potential dilutive shares throughout the reporting periods. However, due to the Group's negative financial results, the potential dilutive shares have anti-dilutive effect on loss per share if they are converted to ordinary shares. Thus pro-forma diluted loss per share is equivalent to the pro-forma basic loss per share.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 6. Indemnification of Directors and Officers

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences or committing a crime. Under our post-offering memorandum and articles of association, which will become effective immediately prior to the completion of this offering, to the fullest extent permissible under Cayman Islands law every director and officer of our company shall be indemnified against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him in connection with the execution or discharge of his duties, powers, authorities or discretions as a director or officer of our company, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere.

Pursuant to the form of indemnification agreements to be filed as Exhibit 10.3 to this Registration Statement, we will agree to indemnify our directors and executive officers against certain liabilities and expenses that they incur in connection with claims made by reason of their being a director or officer of our company.

The Underwriting Agreement, the form of which will be filed as Exhibit 1.1 to this Registration Statement, will also provide for indemnification of us and our officers and directors.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 7. Recent Sales of Unregistered Securities

During the past three years, we have issued the following securities (including options to acquire our ordinary shares) without registering the securities under the Securities Act. We believe that each of the following issuances was exempt from registration under the Securities Act in reliance on Regulation S under the Securities Act regarding sales by an issuer in offshore transactions, Rule 701 promulgated under the Securities Act or pursuant to Section 4(a)(2) of the Securities Act regarding transactions not involving a public offering.

Purchaser	Date of Issuance	Title and Number of Securities	Consideration
FHP Holdings Limited	April 9, 2018	1 ordinary shares(1)	US$0.0001
ETP Health Limited	April 9, 2018	1 ordinary shares(2)	US$0.0001
HealthOmic Blueprint Limited	April 9, 2018	1 ordinary shares(3)	US$0.0001
FHP Holdings Limited	July 2, 2019	5 ordinary shares	US$0.0001
FHP Holdings Limited	July 2, 2019	35,729,495 ordinary shares	US$714.59
Hai YAN	July 2, 2019	35,359,000 ordinary shares	US$707.18
Weiwu HE	July 2, 2019	22,417,500 ordinary shares	US$448.35
Genetron Voyage Holdings Limited	July 2, 2019	9,875,000 ordinary shares	US$197.50
Genetron United Holdings Limited	July 2, 2019	17,164,500 ordinary shares	US$343.29

Purchaser	Date of Issuance	Title and Number of Securities	Consideration
Kevin Ying HONG	July 2, 2019	5,313,500 ordinary shares	US$106.27
Eugene Health Limited	July 2, 2019	3,259,000 ordinary shares	US$65.18
IN Healthcare Limited	July 2, 2019	2,975,000 ordinary shares	US$59.50
EASY BENEFIT INVESTMENT LIMITED	July 2, 2019	4,185,000 ordinary shares	US$83.70
Tianjin Yuanjufu Business Management Partnership (Limited Partnership) 天津源聚福企业管理合伙企业 (有限合伙)	July 2, 2019	12,679,500 ordinary shares	RMB 39,336,630 in equivalent US Dollars
Genetron Alliance Holdings Limited	July 2, 2019	247,990 ordinary shares	US$4.96
Genetron Discovery Holdings Limited	July 2, 2019	544,510 ordinary shares	US$10.90
IN Healthcare Limited	July 2, 2019	2,212,000 series A-1 preferred shares	US$44.24
EASY BENEFIT INVESTMENT LIMITED	July 2, 2019	13,555,500 series A-1 preferred shares	US$271.11
Genetron Alliance Holdings Limited	July 2, 2019	5,552,010 series A-1 preferred shares	US$111.05
Genetron Discovery Holdings Limited	July 2, 2019	3,794,990 series A-1 preferred shares	US$75.90
Parkland Medtech Limited	July 2, 2019	8,400,000 series A-1 preferred shares	RMB 15,000,000 in equivalent US Dollars
Tianjin Genetron Jun'an Business Management Partnership (Limited Partnership) 天津今创君安企业管理合伙企业 (有限合伙)	July 2, 2019	12,232,500 series A-1 preferred shares	US$244.65
Tianjin Genetron Juncheng Business Management Partnership (Limited Partnership) 天津今创君成企业管理合伙企业 (有限合伙)	July 2, 2019	1,853,000 series A-1 preferred shares	US$37.06
IN Healthcare Limited	July 2, 2019	2,082,000 series A-2 preferred shares	US$41.64
EASY BENEFIT INVESTMENT LIMITED	July 2, 2019	2,216,000 series A-2 preferred shares	US$44.32
SUPERPOWER INVESTMENTS LTD.	July 2, 2019	11,856,000 series A-2 preferred shares	US$237.12

Purchaser	Date of Issuance	Title and Number of Securities	Consideration
Tianjin Genetron Jun'an Business Management Partnership (Limited Partnership) 天津今创君安企业管理合伙企业 (有限合伙)	July 2, 2019	3,606,000 series A-2 preferred shares	US$72.12
IN Healthcare Limited	July 2, 2019	2,536,000 series B preferred shares	US$50.72
EASY BENEFIT INVESTMENT LIMITED	July 2, 2019	2,536,000 series B preferred shares	US$50.72
Tianjin Yuanjufu Business Management Partnership (Limited Partnership) 天津源聚福企业管理合伙企业 (有限合伙)	July 2, 2019	2,355,500 series B preferred shares	RMB 9,280,670 in equivalent US Dollars
CrowdBees Holdings Limited	July 2, 2019	1,521,500 series B preferred shares	US$30.43
J&K BIOTECH INVESTMENT CO. LTD.	July 2, 2019	2,536,000 series B preferred shares	US$50.72
EASY BEST INVESTMENT LIMITED	July 2, 2019	2,536,000 series B preferred shares	US$50.72
Tianjin Genetron Jun'an Business Management Partnership (Limited Partnership) 天津今创君安企业管理合伙企业 (有限合伙)	July 2, 2019	2,536,000 series B preferred shares	US$50.72
Tianjin Genetron Juncheng Business Management Partnership (Limited Partnership) 天津今创君成企业管理合伙企业 (有限合伙)	July 2, 2019	3,803,500 series B preferred shares	US$76.07
Tianjin Tianshu Xingfu Corporation Management L.P. (Limited Partnership) 天津天枢幸福企业管理合伙企业 (有限合伙)	July 2, 2019	23,003,000 series B preferred shares	US$460.06
EASY BENEFIT INVESTMENT LIMITED	July 2, 2019	2,944,500 series C preferred shares	US$58.89
Tianjin Kangyue Business Management Partnership (Limited Partnership) 天津康悦企业管理合伙企业 (有限合伙)	July 2, 2019	44,165,500 series C preferred shares	RMB 300,000,000 in equivalent US Dollars

Purchaser	Date of Issuance	Title and Number of Securities	Consideration
Tianjin Genetron Jun'an Business Management Partnership (Limited Partnership) 天津今创君安企业管理合伙企业(有限合伙)	July 2, 2019	11,777,500 series C preferred shares	US$235.55
Tianjin Genetron Juncheng Business Management Partnership (Limited Partnership) 天津今创君成企业管理合伙企业(有限合伙)	July 2, 2019	1,472,000 series C preferred shares	US$29.44
Vivo Capital Fund IX, L.P	November 19, 2019	15,205,000 series C-2 preferred shares	US$15,000,000
Vivo Capital Fund IX, L.P	November 19, 2019	10,244,300 series D preferred shares	US$15,000,000
CICC Healthcare Investment Fund, L.P	November 19, 2019	6,829,500 series D preferred shares	US$10,000,000
Alexandria Venture Investments, LLC	November 19, 2019	6,829,500 series D preferred shares	US$10,000,000
GIANT PLAN LIMITED	November 19, 2019	6,829,500 series D preferred shares	US$10,000,000
ETP BioHealth II Fund, L.P.	November 19, 2019	3,414,800 series D preferred shares	US$5,000,000
Share-based Awards			
Certain executive officers and employees	Between March 31, 2018 to November 20, 2019	Options to purchase 22,915,620 ordinary shares	Past and future services provided by these individuals to us

(1) One ordinary share was subdivided into five ordinary shares upon a 1:5 share split on July 2, 2019.
(2) One ordinary share was repurchased by us on July 2, 2019.
(3) One ordinary share was repurchased by us on July 2, 2019.
(4) 3,195,500 series A-1 preferred shares, 2,216,000 series A-2 preferred shares, 1,521,500 series B preferred shares and 8,272,000 ordinary shares were repurchased by us on November 18, 2019.
(5) Subject to the fulfillment of certain conditions, we agreed to issue additional 6,829,500 series D preferred shares, or corresponding number of ordinary shares subject to series D conversion mechanism, to CICC Healthcare, or in case that the automatic cancellation occurs after ninety (90) days from November 19, 2019, to Emerging Technology Partners LLC or its affiliated funds, for a consideration of US$10.0 million. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Events occurring after the reporting period."

Item 8. Exhibits and Financial Statement Schedules

(a) Exhibits:

See Exhibit Index for a complete list of all exhibits filed as part of this registration, which Exhibit Index is incorporated herein by reference.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the consolidated financial statements and the notes thereto.

Item 9. Undertakings

The undersigned hereby undertakes:

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the U.S. Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) If the undersigned registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(4) For the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by

means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

GENETRON HOLDINGS LIMITED

EXHIBIT INDEX

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement
3.1	Third Amended and Restated Memorandum and Articles of Association of the Registrant, as currently in effect
3.2	Form of Fourth Amended and Restated Memorandum and Articles of Association of the Registrant, as effective immediately prior to the completion of this offering
4.1*	Form of Registrant's Specimen American Depositary Receipt (included in Exhibit 4.3)
4.2	Registrant's Specimen Certificate for Ordinary Shares
4.3*	Form of Deposit Agreement between the Registrant, the depositary and holders of the American Depositary Shares
4.4	Amended and Restated Shareholders Agreement by and among Genetron Holdings Limited, Genetron Health (Hong Kong) Company Limited, Genetron (Tianjin) Co., Ltd, Genetron Health (Beijing) Co., Ltd., Sizhen Wang, Hai Yan, Weiwu He, FHP Holdings Limited, certain investors of Genetron Holdings Limited and other parties named therein dated November 19, 2019
5.1	Opinion of Walkers (Hong Kong) regarding the validity of the ordinary shares being registered
8.1	Opinion of Walkers (Hong Kong) regarding certain Cayman Island tax matters (included in Exhibit 5.1)
8.2	Opinion of Shihui Partners regarding certain PRC tax matters (included in Exhibit 99.2)
10.1	2019 Genetron Health Share Incentive Plan
10.2	2019 Genetron Health Share Incentive Scheme
10.3	Form of Indemnification Agreement with the Registrant's directors
10.4	Form of Employment Agreement between the Registrant and an executive officer of the Registrant
10.5	Shares Purchase Agreement by and among Genetron Holdings Limited, Genetron Health (Hong Kong) Company Limited, Genetron (Tianjin) Co., Ltd, Genetron Health (Beijing) Co., Ltd., Sizhen Wang, Hai Yan, Weiwu He, FHP Holdings Limited, certain investors of Genetron Holdings Limited and other parties named therein dated July 2, 2019
10.6	Share Repurchase Agreement by and between Genetron Holdings Limited and EASY BENEFIT INVESTMENT LIMITED dated October 1, 2019
10.7	Share Repurchase Agreement by and between Genetron Holdings Limited and Parkland Medtech Limited dated October 1, 2019
10.8	Share Repurchase Agreement by and between Genetron Holdings Limited and CrowdBees Holdings Limited dated October 1, 2019
10.9	Share Repurchase Agreement by and among Genetron Holdings Limited, FHP Holdings Limited, Hai Yan, Weiwu He, Genetron Voyage Holdings Limited and Genetron United Holdings Limited dated October 1, 2019
10.10	Series C-2 Preferred Shares Purchase Agreement by and among Genetron Holdings Limited, Genetron Health (Hong Kong) Company Limited, Genetron (Tianjin) Co., Ltd., Genetron Health (Beijing) Co., Ltd., Sizhen Wang, Hai Yan, Weiwu He, FHP Holdings Limited, and Vivo Capital Fund IX, L.P. dated October 1, 2019

Exhibit Number	Description of Document
10.11	Amendment Agreement to Series C-2 Preferred Shares Purchase Agreement by and among Genetron Holdings Limited, Genetron Health (Hong Kong) Company Limited, Genetron (Tianjin) Co., Ltd., Genetron Health (Beijing) Co., Ltd., Sizhen Wang, Hai Yan, Weiwu He, FHP Holdings Limited, and Vivo Capital Fund IX, L.P. dated November 19, 2019
10.12	Series D Preferred Shares Purchase Agreement by and among Genetron Holdings Limited, Genetron Health (Hong Kong) Company Limited, Genetron (Tianjin) Co., Ltd, Genetron Health (Beijing) Co., Ltd., Sizhen Wang, Hai Yan, Weiwu He, FHP Holdings Limited, certain investors of Genetron Holdings Limited and other parties named therein dated November 19, 2019
10.13	Exclusive Business Cooperation Agreement dated July 2, 2019 by and between Genetron (Tianjin) Co., Ltd and Genetron Health (Beijing) Co., Ltd.
10.14	Shareholder Voting Rights Entrustment Agreement dated July 30, 2019 by and among Genetron (Tianjin) Co., Ltd, Genetron Health (Beijing) Co., Ltd. and the shareholders of Genetron Health (Beijing) Co., Ltd.
10.15	Equity Interest Pledge Agreement dated July 30, 2019 by and among Genetron (Tianjin) Co., Ltd, Genetron Health (Beijing) Co., Ltd. and the shareholders of Genetron Health (Beijing) Co., Ltd
10.16	Exclusive Option Agreement dated July 30, 2019 by and among Genetron (Tianjin) Co., Ltd, Genetron Health (Beijing) Co., Ltd. and the shareholders of Genetron Health (Beijing) Co., Ltd
10.17	Spousal Consent granted by the spouse of Mr. Sizhen Wang dated July 30, 2019
10.18	Spousal Consent granted by the spouse of Ms. Xiaoge Wang dated July 30, 2019
10.19	Spousal Consent granted by the spouse of Ms. Shuyan Wei dated July 30, 2019
10.20	License and Supply Agreement dated January 1, 2018 by and between Life Technologies Corporation and Genetron Health (Beijing) Company, Ltd.
21.1	Principal Subsidiaries and the VIE of the Registrant
23.1	Consent of PricewaterhouseCoopers Zhong Tian LLP, Independent Registered Public Accounting Firm
23.2	Consent of Walkers (Hong Kong) (included in Exhibit 5.1)
23.3	Consent of Shihui Partners (included in Exhibit 99.2)
24.1	Powers of Attorney (included on signature page)
99.1	Code of Business Conduct and Ethics of the Registrant
99.2	Opinion of Shihui Partners regarding certain PRC law matters
99.3	Consent of Frost & Sullivan
99.4	Consent of Webster Cavenee
99.5	Consent of Dian Kang

* To be filed by amendment.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Beijing, the People's Republic of China, on November 21, 2019.

Genetron Holdings Limited

By: /s/ Sizhen Wang
Name: Sizhen Wang
Title: Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Sizhen Wang as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead in any and all capacities, in connection with this registration statement, including to sign in the name and on behalf of the undersigned, this registration statement and any and all amendments thereto, including post-effective amendments and registrations filed pursuant to Rule 462 under the U.S. Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, granting unto such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons on November 21, 2019 in the capacities indicated:

Signature	Title
/s/ Sizhen Wang Sizhen Wang	Chief Executive Officer, Director (principal executive officer)
/s/ Hai Yan Hai Yan	Chief Scientific Officer, Director
/s/ Evan Ce Xu Evan Ce Xu	Chief Financial Officer (principal financial and accounting officer)
/s/ Weiwu He Weiwu He	Chairman of the Board
/s/ Xia Wu Xia Wu	Director
/s/ Weidong Liu Weidong Liu	Director

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of Genetron Holdings Limited, has signed this registration statement or amendment thereto in New York on November 21, 2019.

Authorized U.S. Representative
COGENCY GLOBAL INC.

By: /s/ Richard Artur
Name: Richard Artur
Title: Assistant Secretary for COGENCY GLOBAL INC.

Exhibit 3.1

THE COMPANIES LAW

OF THE CAYMAN ISLANDS

EXEMPTED COMPANY LIMITED BY SHARES

THIRD AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION

OF

Genetron Holdings Limited
□□□□□(□□)□□□□

(Adopted by way of Special Resolutions passed on November 19, 2019)

NAME

1. The name of the Company is Genetron Holdings Limited and its dual foreign name is □□□□□(□□)□□□□.

REGISTERED OFFICE

2. The Registered Office of the Company shall be at the offices of Vistra (Cayman) Limited, P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 - 1205 Cayman Islands or at such other place as the Directors may from time to time decide.

GENERAL OBJECTS AND POWERS

3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law or as revised, or any other law of the Cayman Islands.

LIMITATION OF LIABILITY

4. The liability of each Member of the Company is limited to the amount from time to time unpaid on such Member’s shares.

CURRENCY

5. Shares in the Company shall be issued in the currency of the United States of America.

AUTHORIZED CAPITAL

6. The authorized share capital of the Company is US$50,000 consisting of 2,500,000,000 shares of a nominal or par value of US$0.00002 each, of which: (i) 2,272,734,900 are designated as ordinary shares of a nominal or par value of US$0.00002 each (the "**Ordinary Shares**"), (ii) 227,265,100 preferred shares of US$0.00002 par value each (the "**Preferred Shares**") which are further designated as 47,600,000 convertible redeemable series A-1 preferred shares of a nominal or par value of US$0.00002 each (the "**Series A-1 Preferred Shares**"), 19,760,000 convertible redeemable series A-2 preferred shares of a nominal or par value of US$0.00002 each (the "**Series A-2 Preferred Shares**"), 43,363,500 convertible redeemable series B preferred shares of a nominal or par value of US$0.00002 each (the "**Series B Preferred Shares**"), 60,359,500 convertible redeemable series C preferred shares of a nominal or par value of US$0.00002 each (the "**Series C Preferred Shares**"), 15,205,000 convertible redeemable series C-2 preferred shares of a nominal or par value of US$0.00002 each (the "**Series C-2 Preferred Shares**", together with the Series C Preferred Shares, the "**Series C Group Preferred Shares**"), and 40,977,100 convertible redeemable series D preferred shares of a nominal or par value of US$0.00002 each (the "**Series D Preferred Shares**") with power for the Company, insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law and these Articles and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be Preferred or otherwise shall be subject to the powers hereinbefore contained.

EXEMPTED COMPANY

7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 193 of the Companies Law and, subject to the provisions of the Companies Law and these Articles, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

REGISTERED SHARES AND BEARER SHARES

8. Shares of the Company may be issued as registered shares only. The Company shall not issue shares in bearer form.

DEFINITIONS

9. The meanings of terms used in this Memorandum are as defined in these Articles.

THE COMPANIES LAW

OF THE CAYMAN ISLANDS

EXEMPTED COMPANY LIMITED BY SHARES

THIRD AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

Genetron Holdings Limited
□□□□□(□□)□□□□

(Adopted by way of a Special Resolution passed on November 19, 2019)

PRELIMINARY

The regulations in Table A in the Schedule to the Law (as defined below) do not apply to the Company.

1. In these Articles and the Memorandum, if not inconsistent with the subject or context, the words and expressions standing in the first column of the following table shall bear the meanings set opposite them respectively in the second column thereof. Capitalized terms used but not otherwise defined in these Articles and the Memorandum shall have the meanings given to them in the Shareholders Agreement.

Words	Meanings
AVI	Alexandria Venture Investments, LLC
Business Day or business day	shall mean any day that is not a Saturday, Sunday, legal holiday or a day on which banks are required to be closed in Cayman Islands, Hong Kong, or the PRC.
BVI Company	FHP Holdings Limited, a company organized and existing under the laws of the British Virgin Islands.
Companies Law	means Companies Law, Cap 22 (Law 3 of 1961, as consolidated, modified, re-enacted and revised) of the Cayman Islands.
Director	a director for the time being of the Company and shall include an alternate director.
Founder	Wang Sizhen, Yan Hai and He Weiwu
Majority Investor Director(s)	at least fifty percent (50%) of Investor Directors; for avoidance of doubt, when there is one Investor Director, “Majority Investor Director” shall mean such Investor Director.

Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires.
Ordinary Resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by a simple majority of the votes cast, or a written resolution passed by the unanimous consent of all Members entitled to vote.
Deemed issue price	the deemed per share issue price of each Preferred Shares, which is US$ 0.2613 per share for Series A-1 Preferred Share; US$ 0.3693 per share for Series A-2 Preferred Share; US$ 0.5751 per share for Series B Preferred Share; US$ 0.9911 per share for Series C Preferred Share; US$ 0.9865 per share for Series C-2 Preferred Share; US$ 1.4642 per share for Series D Preferred Share, as adjusted for share dividends, splits, combinations, recapitalizations or similar events and are otherwise provided herein.
GIANT	GIANT PLAN LIMITED
Register of Members	the register of Members referred to in these Articles.
resolution of directors	(a) A resolution approved at a duly convened and constituted meeting of directors of the Company or of a committee of directors of the Company by the affirmative vote of a simple majority of the directors present at the meeting who voted and did not abstain; or (b) A resolution consented to in writing by all directors or of all members of the committee, as the case may be.
Securities	shares and debt obligations of every kind, and options, warrants and rights to acquire shares, or debt obligations.
PRC	the People’s Republic of China, for the purpose of these Articles only, excluding Hong Kong Special Administrative Region, Macaw Special Administrative Region and Taiwan
Shareholders Agreement	the Amended and Restated Shareholders Agreement dated November 19, 2019 by and among the Company, the HK Co., WFOE, the PRC Affiliate, the BVI Company, the Founders, the Investors and other parties thereto.
Special Resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by a majority of not less than two thirds (or such greater number as may be specified in these Articles) of the vote cast, as provided in the Law, or a written resolution passed by unanimous consent of all Members entitled to vote.
the Law	the Companies Law of the Cayman Islands and every modification, re-enactment or revision thereof for the time being in force.
the Memorandum	the Memorandum of Association of the Company as originally framed or as from time to time amended.
the Seal	any seal which has been duly adopted as the Seal of the Company.
these Articles	the Articles of Association of the Company as originally framed or as from time to time amended.
VIVO	VIVO CAPITAL FUND IX, L.P..

2. "**Written**" or any term of like import includes words typewritten, printed, painted, engraved, lithographed, photographed or represented or reproduced by any mode of reproducing words in a visible form, including telex, facsimile, telegram, cable, or other form of writing produced by electronic communication.

3. Save as aforesaid any words or expressions defined in the Law shall bear the same meaning in these Articles.

4. Whenever the singular or plural number, or the masculine, feminine or neuter gender is used in these Articles, it shall equally, where the context admits, include the others.

5. A reference in these Articles to voting in relation to shares shall be construed as a reference to voting by members holding the shares except that it is the votes allocated to the shares that shall be counted and not the number of members who actually voted and a reference to shares being present at a meeting shall be given a corresponding construction.

6. A reference to money in these Articles is, unless otherwise stated, a reference to the currency in which shares in the Company shall be issued according to the provisions of the Memorandum.

REGISTRATION OF SHARES

7. Register of Members

The Board of Directors of the Company (the "**Board**") shall cause to be kept in one or more books a Register of Members which may be kept within or outside the Cayman Islands at such place as the Directors shall appoint and shall enter therein the following particulars:

(a) the name and address of each Member, the number, and (where appropriate) the class of shares held by such Member and the amount paid or agreed to be considered as paid on such shares;

(b) the date on which each person was entered in the Register of Members; and

(c) the date on which any person ceased to be a Member.

8. Registered Holder Absolute Owner

(a) The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

(b) No person shall be entitled to recognition by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way to recognise, (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other right in respect of any share except an absolute right to the entirety of the share in the holder. If, notwithstanding this Article, notice of any trust is at the holder's request entered in the Register or on a share certificate in respect of a share, then, except as aforesaid:

(i) such notice shall be deemed to be solely for the holder's convenience;

(ii) the Company shall not be required in any way to recognise any beneficiary, or the beneficiary, of the trust as having an interest in the share or shares concerned;

(iii) the Company shall not be concerned with the trust in any way, as to the identity or powers of the trustees, the validity, purposes or terms of the trust, the question of whether anything done in relation to the shares may amount to a breach of trust or otherwise; and

(iv) the holder shall keep the Company fully indemnified against any liability or expense which may be incurred or suffered as a direct or indirect consequence of the Company entering notice of the trust in the Register or on a share certificate and continuing to recognise the holder as having an absolute right to the entirety of the share or shares concerned.

SHARES, AUTHORIZED CAPITAL, CAPITAL

9. Subject to the provisions of these Articles, any resolution of the Members and any agreement which is binding on the Company to the contrary, the unissued shares of the Company shall be at the disposal of the directors who may, without limiting or affecting any rights previously conferred on the holders of any existing shares or class or series of shares, offer, allot, grant options over or otherwise dispose of shares to such persons, at such times and upon such terms and conditions as the Company may by resolution of directors determine provided that no share shall be issued at a discount except in accordance with the Law.

10. Shares in the Company shall be issued for money, services rendered, personal property, an estate in real property, a promissory note or other binding obligation to contribute money or property or any combination of the foregoing as shall be determined by a resolution of directors.

11. Shares in the Company may be issued for such amount of consideration as the directors may from time to time by resolution of directors determine, except that in the case of shares with par value, the amount shall not be less than the par value, and in the absence of fraud the decision of the directors as to the value of the consideration received by the Company in respect of the issue is conclusive unless a question of law is involved. The consideration in respect of the shares constitutes capital to the extent of thereof and the excess constitutes share premium.

12. A share issued by the Company upon conversion of, or in exchange for, another share or a debt obligation or other security in the Company, shall be treated for all purposes as having been issued for money equal to the consideration received or deemed to have been received by the Company in respect of the other share, debt obligation or security.

13. The Company may issue fractions of a share and a fractional share shall have the same corresponding fractional liabilities, limitations, preferences, privileges, qualifications, restrictions, rights and other attributes of a whole share of the same class or series of shares.

14. Shares may be issued as registered shares only. The Company shall not issue shares in bearer form.

15. Upon the issue by the Company of a share without par value, if an amount is stated in the Memorandum to be authorized capital represented by such shares then each share shall be issued for no less than the appropriate proportion of such amount which shall constitute capital, otherwise the consideration in respect of the share constitutes capital to the extent designated by the directors, except that the directors must designate as capital an amount of the consideration that is at least equal to the amount that the share is entitled to as a preference, if any, in the assets of the Company upon liquidation of the Company.

16. Subject to receipt of all approvals required under the Memorandum or elsewhere in these Articles, the Company may purchase, redeem or otherwise acquire and hold its own shares but in accordance with the Law and the Company be and is hereby authorised to make payment out of capital in connection therewith.

17. Subject to provisions to the contrary in

(a) the Memorandum or these Articles;

(b) the designations, powers, preferences, rights, qualifications, limitations and restrictions with which the shares were issued; or

(c) the subscription agreement for the issue of the shares,

the Company may not purchase or redeem its own shares without the consent of members whose shares are to be purchased or redeemed.

18. No purchase or redemption of shares out of capital shall be made unless the directors determine that immediately after the purchase or redemption the Company will be able to satisfy its liabilities as they become due in the ordinary course of its business and unless it is in compliance with the provisions of the Law.

19. Shares that the Company purchases, redeems or otherwise acquires pursuant to the preceding paragraph shall be cancelled and available for re-issue thereafter.

TRANSFER OF SHARES

20. Subject to any limitations in the Memorandum, registered shares in the Company may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee, but in the absence of such written instrument of transfer the directors may accept such evidence of a transfer of shares as they consider appropriate.

21. The Company shall not be required to treat a transferee of a registered share in the Company as a member until the transferee's name has been entered in the Register of Members.

22. Subject to any limitations in the Memorandum, these Articles and any binding agreement that the Company is a party to, the Company must on the application of the transferor or transferee of a registered share in the Company enter in the Register of Members the name of the transferee of the share; provided that, the directors, unless satisfied that any and all transfer restrictions applicable to a relevant share transfer under any agreement legally binding on the transferring member and the Company have been duly complied with or duly waived, may decline to register any such transfer of shares in violation of any applicable restriction. If the directors refuse to register a transfer they shall notify the transferee within sixty (60) days of such refusal.

VARIATION OF CLASS RIGHTS

23. If at any time the authorized capital is designated into different classes or series of shares, subject to compliance with other consent or approval requirements under these Articles, the rights attached to any class or series (unless otherwise provided by the terms of issuance of the shares of that class or series) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least fifty percent (50%) of the issued shares of that class or series, which may be affected by such variation.

24. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not be deemed to be varied by the creation or issuance of further shares ranking pari passu therewith.

TRANSMISSION OF SHARES

25. The executor or administrator of a deceased member, the guardian of an incompetent member or the trustee of a bankrupt member shall be the only person recognized by the Company as having any title to his share but they shall not be entitled to exercise any rights as a member of the Company until they have proceeded as set forth in the next following three regulations.

26. The production to the Company of any document which is evidence of probate of the will, or letters of administration of the estate, or confirmation as executor, of a deceased member or of the appointment of a guardian of an incompetent member or the trustee of a bankrupt member shall be accepted by the Company even if the deceased, incompetent or bankrupt member is domiciled outside the Cayman Islands if the document evidencing the grant of probate or letters of administration, confirmation as executor, appointment as guardian or trustee in bankruptcy is issued by a foreign court which had competent jurisdiction in the matter. For the purpose of establishing whether or not a foreign court had competent jurisdiction in such a matter the directors may obtain appropriate legal advice. The directors may also require an indemnity to be given by the executor, administrator, guardian or trustee in bankruptcy.

27. Any person becoming entitled by operation of law or otherwise to a share or shares in consequence of the death, incompetence or bankruptcy of any member may be registered as a member upon such evidence being produced as may reasonably be required by the directors. An application by any such person to be registered as a member shall for all purposes be deemed to be a transfer of shares of the deceased, incompetent or bankrupt member and the directors shall treat it as such.

28. Any person who has become entitled to a share or shares in consequence of the death, incompetence or bankruptcy of any member may, instead of being registered himself, request in writing that some person to be named by him be registered as the transferee of such share or shares and such request shall likewise be treated as if it were a transfer.

29. What amounts to incompetence on the part of a person is a matter to be determined by the court having regard to all the relevant evidence and the circumstances of the case.

REDUCTION OR INCREASE IN AUTHORIZED CAPITAL OR CAPITAL

30. Subject to the Law, the Company may from time to time by a Special Resolution alter the conditions of its Memorandum to increase its share capital by new shares of such amount as it thinks expedient or, if the Company has shares without par value, increase its share capital by such number of shares without nominal or par value, or increase the aggregate consideration for which its shares may be issued, as it thinks expedient.

31. Subject to the Law, the Company may from time to time by a Special Resolution alter the conditions of its Memorandum to:

    (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

    (b) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; or

    (c) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled or, in the case of shares without par value, diminish the number of shares into which its capital is divided.

32. For the avoidance of doubt, it is declared that Article 31(a) and (b) above do not apply if at any time the shares of the Company have no par value.

33. Subject to the Law, the Company may from time to time by Special Resolution reduce its share capital in any way or, subject to Article 130, alter any conditions of the Memorandum relating to share capital.

34. Subject to Article 9, the Memorandum and any resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the share capital of the Company shall be divided into Ordinary Shares and Preferred Share. The holders of Ordinary Shares, subject to provisions of these Articles, shall:

(a) be entitled to one vote per share;

(b) be entitled to such dividends as the Board may from time to time declare;

(c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and

(d) generally be entitled to enjoy all of the rights attaching to shares.

The Investors shall be entitled to the rights set out in the following Articles.

CONVERSION OF PREFERRED SHARES

35. Conversion Rights. Unless converted earlier pursuant to Article 36 below, each holder of Preferred Shares shall have the right, at such holder's sole discretion, to convert all or any portion of the Preferred Shares into Ordinary Shares at any time.

The conversion rate for Preferred Shares shall be determined by dividing the applicable Deemed issue price by the conversion price then in effect at the date of the conversion. The initial conversion price at which Ordinary Shares shall be issued upon conversion of the applicable Preferred Shares will be the Deemed issue price (i.e., a 1-to-1 initial conversion ratio), which will be subject to adjustments to reflect share dividends, share splits and other events, as provided in Article 39 below (the "**Preferred Share Conversion Price**").

Nothing in this Article 35 shall limit the automatic conversion rights of Preferred Shares described in Article 36 below.

36. Automatic Conversion. Each Preferred Share shall automatically be converted into Ordinary Shares, at the then applicable Preferred Share Conversion Price upon the closing of a Qualified IPO (as defined in the Shareholders Agreement) (or before the closing of a Qualified IPO, if such conversion is necessary or desirable for complying with any law, regulation or rule applicable to the Qualified IPO (including any applicable listing rules, listing decisions and guidance letters published or issued by the relevant recognized international securities exchange). In the event of the automatic conversion of the Preferred Shares upon a Qualified IPO as aforesaid, the person(s) entitled to receive the Ordinary Shares issuable upon such conversion of Preferred Shares shall not be deemed to have converted such Preferred Shares until immediately prior to time specified above.

37. Mechanics of Conversion. No fractional Ordinary Share shall be issued upon conversion of the Preferred Shares. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall pay cash equal to such fraction multiplied by the then effective Preferred Share Conversion Price. Before any holder of Preferred Shares shall be entitled to convert the same into full Ordinary Shares and to receive certificates therefor, he shall surrender the certificate or certificates therefor, at the office of the Company or of any transfer agent for the Preferred Shares and shall give written notice to the Company at such office that he elects to convert the same. The Company shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Shares a certificate or certificates for the number of Ordinary Shares to which he shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional Ordinary Shares, if any. Such conversion shall be deemed to have been made immediately prior to close of business on the date of receipt by the Company of the share certificate in respect of the Preferred Shares to be converted, and the person or persons entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Ordinary Shares on such date after its name is recorded in the Register of Members as the holder of such Ordinary Shares. The Directors may effect conversion in any matter permitted by law including, without prejudice to the generality of the foregoing, repurchasing or redeeming the relevant Preferred Shares and applying the proceeds towards the issue of the relevant number of new Ordinary Shares.

38. Reservation of Shares Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary Shares solely for the purpose of effecting the conversion of the shares of the Preferred Shares such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Preferred Shares, and if at any time the number of authorized but unissued Ordinary shares shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Shares, in addition to such other remedies as shall be available to the holder of such Preferred Shares, the Company will take such corporate action as may, in the opinion of its legal counsel, be necessary to increase its authorized but unissued Ordinary Shares to such number of shares as shall be sufficient for such purposes.

ADJUSTMENTS TO CONVERSION PRICE

39. (a) Special Definitions. For purposes of this Article 39, the following definitions shall apply:

(i) "**Options**" mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Ordinary Shares or Convertible Securities.

(ii) "**Convertible Securities**" shall mean any evidences of indebtedness, shares (other than the Preferred Shares and Ordinary Shares) or other securities directly or indirectly convertible into or exchangeable for Ordinary Shares.

(iii) "**Additional Ordinary Shares**" for each class of Preferred Shares shall mean all Ordinary Shares (including reissued shares) issued (or, pursuant to Article 39(c), deemed to be issued) by the Company after the Original Issue Date, other than:

(A) any Ordinary Shares (and/or options or warrants therefor) issued to employees, officers, directors, contractors, advisors or consultants of the Company pursuant to the Company's employee share option plans approved by the Board (including the affirmative votes of the Majority Investor Directors) in accordance with these Articles and the Memorandum and the Shareholders Agreement (the "**ESOP**");

(B) any Preferred Shares issued under the Purchase Agreements (including the Additional Purchased Shares as defined under the Series D Purchase Agreement), as such agreements may be amended from time to time, and any Ordinary Shares issued pursuant to the conversion of any Preferred Shares;

(C) any securities issued in connection with any share split, share dividend or other similar event in which all Participation Rights Holders are entitled to participate on a pro rata basis;

(D) any securities issued pursuant to the acquisition of another corporation or entity by the Company by consolidation, merger, purchase of assets, or other reorganization duly approved in accordance with these Articles and the Memorandum and the Shareholders Agreement in which the Company acquires, in a single transaction or series of related transactions, all or substantially all assets of such other corporation or entity, or fifty percent (50%) or more of the equity ownership or voting power of such other corporation or entity, as duly approved by the Board (including the affirmative votes of Majority Investor Directors); or

(E) any securities issued pursuant to a Qualified IPO or for the adjustment pursuant to Article 39(e) below.

(b) No Adjustment to Conversion Price. No adjustment in the Preferred Share Conversion Price shall be made in respect of the issuance of Additional Ordinary Shares unless the consideration per share for an Additional Ordinary Share issued or deemed to be issued by the Company is less than the Preferred Share Conversion Price in effect on the date of and immediately prior to such issuance.

(c) Deemed Issuance of Additional Ordinary Shares. In the event the Company at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number that would result in an adjustment pursuant to clause (ii) below) of Ordinary Shares issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Ordinary Shares issued as of the time of such issuance or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that Additional Ordinary Shares shall not be deemed to have been issued with respect to Preferred Shares, unless the consideration per share (determined pursuant to Article 39(f) hereof) of such Additional Ordinary Share would be less than the Preferred Share Conversion Price in effect on the date of and immediately prior to such issuance, or such record date, as the case may be, and provided further that in any such case in which Additional Ordinary Shares are deemed to be issued:

(i) no further adjustment to the Preferred Share Conversion Price shall be made upon the subsequent issuance of Convertible Securities or Ordinary Shares upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(ii) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Company, or increase or decrease in the number of Ordinary Shares issuable, upon the exercise, conversion or exchange thereof, the Preferred Share Conversion Price computed upon the original issuance thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(iii) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been fully exercised, the Preferred Share Conversion Price computed upon the original issuance thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration be recomputed as if:

(A) in the case of Convertible Securities or Options for Ordinary Shares, the only Additional Ordinary Shares issued were Ordinary Shares, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Company for the issuance of all such Options, whether or not exercised, plus the consideration actually received by the Company upon such exercise, or for the issuance of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Company upon such conversion or exchange, and

(B) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issuance of such Options, and the consideration received by the Company for the Additional Ordinary Shares deemed to have been then issued was the consideration actually received by the Company for the issuance of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Company upon the issuance of the Convertible Securities with respect to which such Options were actually exercised;

(iv) no readjustment pursuant to clause (ii) or (iii) above shall have the effect of increasing the Preferred Share Conversion Price to an amount which exceeds the lower of (i) the Preferred Share Conversion Price immediately prior to the original adjustment date, or (ii) the Preferred Share Conversion Price that would have resulted from any issuance of Additional Ordinary Shares between the original adjustment date and such readjustment date; and

(v) in the case of any Options which expire by their terms not more than 30 days after the date of issuance thereof, no adjustment of the Preferred Share Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the manner provided in clause (iii) above.

(d) Adjustment of Preferred Share Conversion Price upon Issuance of Additional Ordinary Shares below the Preferred Share Conversion Price. In the event that the Company shall issue any Additional Ordinary Shares (including those deemed to be issued pursuant to Article 39 (c)) without consideration or at a subscription price per Ordinary Share (on an as-converted basis) (the "**New Issuance Price**")

(i) less than the Preferred Share Conversion Price of any of the Preferred Shares (excluding the Series D Preferred Shares) in effect on the date of and immediately prior to such issuance, then the Preferred Share Conversion Price for such Preferred Shares (excluding the Series D Preferred Shares) shall forthwith be reduced, concurrently with such issuance of the Additional Ordinary Shares, to a price determined as set forth below:

CP2 = CP1 * (A + B) / (A + C)

For the purposes of the foregoing formula, the following definitions shall apply:

(A) "**CP2**" shall mean the applicable Conversion Price for such Preferred Shares (excluding the Series D Preferred Shares) in effect immediately after such issuance;

(B) "**CP1**" shall mean the applicable Conversion Price for such Preferred Shares (excluding the Series D Preferred Shares) in effect immediately prior to such issuance;

(C) "**A**" shall mean the number of Ordinary Shares outstanding immediately prior to such issuance on a fully diluted and as converted basis (assuming the conversion of all outstanding Convertible Securities and the exercise of all outstanding Options);

(D) "**B**" shall mean the number of Ordinary Shares that would have been issued or deemed issued if such issuance of the Additional Ordinary Shares had been made at a price per share equal to CP1 (determined by dividing the aggregate consideration received by the Company in respect of such issuance by CP1); and

(E) "**C**" shall mean the number of Additional Ordinary Shares issued in such issuance.

(ii) less than the applicable Preferred Share Conversion Price of the Series D Preferred Shares in effect on the date of and immediately prior to such issuance, then the applicable Preferred Share Conversion Price of the Series D Preferred Shares shall be reduced, concurrently with such issuance of the Additional Ordinary Shares, to the New Issuance Price.

(e) Adjustment of Series D Preferred Share Conversion Price upon Failure to Obtain a Qualified IPO. In the event that the Company undertakes an IPO other than a Qualified IPO or any IPO takes place after March 31, 2021 (each, an "**Unqualified IPO**"), then the Preferred Share Conversion Price for each Series D Share shall forthwith be reduced, concurrently with the issuance of the Additional Ordinary Shares under the Unqualified IPO, to a price being the lower of the following, provided that such adjusted price calculated through the following formula is lower than the Series D Issue Price:

(i) AP= 85% * P; and

(ii) $AP= P / (1 + 15\%)^{N}$

For the purpose of the foregoing formula, the following definitions shall apply.

"**AP**" shall mean the adjusted Conversion Price;

"**P**" shall mean the per share price under the Unqualified IPO;

"**N**" shall mean a fraction, the numerator of which is the number of calendar days between the Series D Issue Date and the date of the Unqualified IPO and the denominator of which is 365.

(f) Determination of Consideration. For purposes of this Article 39, the consideration received by the Company for the issuance of any Additional Ordinary Shares shall be computed as follows:

(i) Cash and Property. Except as provided in clause (ii) below, such consideration shall:

(A) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company excluding amounts paid or payable for accrued interest for accrued dividends;

(B) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issuance, as determined in good faith by the Board; provided, however, that no value shall be attributed to any services performed by any employee, officer or director of the Company; and

(C) in the event Additional Ordinary Shares are issued together with other shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received with respect to such Additional Ordinary Shares, computed as provided in clauses (A) and (B) above, as determined in good faith by the Board.

(ii) Options and Convertible Securities. The consideration per share received by the Company for Additional Ordinary Shares deemed to have been issued pursuant to Article 39(c), relating to Options and Convertible Securities, shall be determined by dividing

(A) the total amount, if any, received or receivable by the Company as consideration for the issuance of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by

(B) the maximum number of Ordinary Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(g) Adjustments for Share Dividends, Subdivisions, Combinations or Consolidations of Ordinary Shares. In the event the outstanding Ordinary Shares shall be subdivided (by share dividend, share split, or otherwise), into a greater number of Ordinary Shares, the Preferred Share Conversion Price shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding Ordinary Shares shall be combined or consolidated, by reclassification or otherwise, into a lesser number of Ordinary Shares the Preferred Share Conversion Price shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

(h) Adjustments for Other Distributions. In the event the Company at any time or from time to time makes, or files a record date for the determination of holders of Ordinary Shares entitled to receive any distribution payable in securities or assets of the Company other than Ordinary Shares, then and in each such event provision shall be made so that the Investors shall receive upon conversion thereof, in addition to the number of Ordinary Shares receivable thereupon, the amount of securities or assets of the Company which they would have received had their Preferred Shares been converted into Ordinary Shares on the date of such event and had they thereafter, during the period from the date of such event to and including the date of conversion, retained such securities or assets receivable by them as aforesaid during such period, subject to all other adjustment called for during such period under this Article 39 with respect to the rights of the holders of the Preferred Shares.

(i) Adjustments for Reclassification, Exchange and Substitution. If the Ordinary Shares issuable upon conversion of the Preferred Shares shall be changed into the same or a different number of shares of any other class or classes of shares, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then and in each such event the holder of each share of Preferred Shares shall have the right thereafter to convert such share into the kind and amount of shares and other securities and property receivable upon such reorganization or reclassification or other change by holders of the number of Ordinary Shares that would have been subject to receipt by the holders upon conversion of the Preferred Shares immediately before that change, all subject to further adjustment as provided herein.

(j) No Impairment. The Company will not, by the amendment of the Memorandum and these Articles or through any reorganization, transfer of assets, consolidation, merger, dissolution, issuance or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company but will at all times in good faith assist in the carrying out of all the provisions of Article 39 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the Investors against impairment.

(k) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Preferred Share Conversion Price pursuant to Article 39, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Preferred Shares, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Preferred Share Conversion Price at the time in effect, and (iii) the number of Ordinary Shares and the amount, if any, of other property which at the time would be received upon the conversion of such Preferred Shares.

(l) Miscellaneous.

(i) All calculations under this Article 39 shall be made to the nearest one hundredth (1/100) of a cent or to the nearest one hundredth (1/100) of a share, as the case may be.

(ii) No adjustment in the Preferred Share Conversion Price need be made if such adjustment would result in a change in such conversion price of less than US$0.01. Any adjustment of less than US$0.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of US$0.0l or more in such conversion price and in no event shall the adjusted Preferred Share Conversion Price shall fall below the par value of the Ordinary Shares.

VOTING RIGHTS

40. Each Preferred Share shall carry a number of votes equal to the number of Ordinary Shares then issuable upon its conversion into Ordinary Shares at the record date for determination of the shareholders entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of shareholders is solicited. To the extent that applicable law, the Memorandum and/or these Articles require the Preferred Shares to vote separately as a class with respect to any matters, the Preferred Shares shall vote separately as a class with respect to such matters. Otherwise, the Preferred Shares and Ordinary Shares shall vote together as a single class.

PROTECTIVE PROVISIONS

41. Acts Requiring the Approval of Board of Directors. In addition to such other limitations as may be provided in these Articles, any of the following acts of the Company shall require the affirmative votes of at least seventy five percent (75%) of the total number of directors of the Board (including the affirmative votes of Majority Investor Directors) (where any such action requires a resolution of the shareholders in accordance with the Companies Law (as amended) of the Cayman Islands, such resolution of the shareholders shall be obtained accordingly). For the purpose of this Article 41, the term “Company” means, the Company itself as well as any and all the subsidiaries of the Company (including but not limited to the other Group Companies), to the extent and where applicable:

(a) approval of annual business plan or investment plan;

(b) approval of annual budget;

(c) declaration or payment of dividends or other distribution on any Ordinary Shares of the Company, or on any shares of the Company’s subsidiaries, as the case may be;

(d) any change or termination of the principal business of the Group Companies(including, without limitation, any change to or termination of the principal business of any direct or indirect subsidiary of the PRC Affiliate in China) which constitutes or potentially constitutes a Material Adverse Effect on the business of such Group Company ;

(e) any issuance or sale of any debt securities of the Company ;

(f) except for the purpose of any *bona fide* reorganization in connection with a Qualified IPO, the liquidation, dissolution, winding up of the Company; any Acquisition;

(g) any initial public offering of any of the Shares or other equity or debt securities of the Company; determination of the underwriter, the listing venue, timing and valuation of the initial public offering of any of the Shares or other equity or debt securities of the Company;

(h) except for the purpose of any bona fide reorganization in connection with a Qualified IPO or for the adjustment pursuant to Article 39 (e) of the these Articles, (i) any action that authorizes, creates or issues any class of securities (or other securities that may be converted into such class of securities) of the Company having preferences superior to or on a parity with any series of Preferred Shares or any other securities of the Company (including, for the avoidance of doubt, the issue of any further securities within an existing class of securities of the Company), or reclassify any outstanding Shares into Shares having rights, preferences, priority or privileges senior to or on parity with Preferred Shares, (ii) any action that repurchases, redeems or retires any of the Company's voting securities, or (iii) any increase or decrease in the authorized share capital, issued share capital or registered capital, as applicable, of the Company (including any reservation of the Shares for the ESOP), or any cancellation of equity security of the Company, or any issuance, allotment or purchase of any share warrants, option rights or other securities convertible into the Company's shares, excluding for (w) any Ordinary Shares (and/or options or warrants therefor) issued or granted to employees, officers, directors, contractors, advisors or consultants of the Group Companies pursuant to the ESOP, (x) the redemption of any Preferred Shares as provided in the Shareholders Agreement and these Articles, (y) pursuant to contractual rights to repurchase Ordinary Shares or Preferred Shares held by employees, directors or consultants of the Company (other than any of the Founders) or its subsidiaries upon termination of their employment or services under the ESOP as approved by the Board, or (z) pursuant to the exercise of a contractual right of first refusal held by the Company under the Transaction Documents;

(i) notwithstanding anything to the contrary, any grant of Ordinary Shares (and/or options therefor) to any contractor, advisor or consultant of the Group Companies, if such grant results that the aggregate Ordinary Shares (and/or options therefor) being granted to all the contractors, advisors and consultants during any consecutive twelve (12) months' period would exceed zero point two percent (0.2%) of the total Ordinary Shares of the Company (calculated on a fully-diluted and an as-converted basis);

(j) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, any series of Preferred Shares;

(k) any transaction (including but not limited to the termination, extension, continuation after expiry, renewal, amendment, variation or waiver of any term under agreement with respect to any transaction or series of transactions) with any related party, where the amount of such transaction would in the aggregate exceed RMB2,000,000 (or its equivalence in other currency or currencies);

(l) incurrence of debt or assumption of any loan, facility or other financial obligation from a third party, or issue, assumption, provision of guarantee, charge, lien or indemnity warranty in favor of a third party, or creation of any liability (including without limitation any off-balance-sheet liability or contingent liability) by the Company, where the amount would exceed RMB 3,000,000 individually (or its equivalence in other currency or currencies)or in the aggregate ten percent (10%) of the Group Companies' net assets value in any fiscal year;

(m) incurrence of guaranty for any other party (except any subsidiaries directly or indirectly controlled by the Company) by the Company, or establishing guarantee, lien, warranty or otherwise creating encumbrance over the assets, businesses or property rights of the Company, where the amount would exceed RMB 3,000,000 individually (or its equivalence in other currency or currencies)or in the aggregate ten percent (10%) of the Group Companies' net assets value in any fiscal year;

(n) any sale, transfer, license, charge, or other disposal of, or purchase or other acquisition of, any material assets (including any material Intellectual Property Rights) or a substantial part of the goodwill of any Group Company, where the amount would exceed RMB 5,000,000 (or its equivalence in other currency or currencies) at any time in respect of any one transaction or exceed in the aggregate ten percent (10%) of the Group Companies' net assets value in any fiscal year;

(o) appointing or deposing Yan Hai (□□) and/or Wang Sizhen (□□□) as Key Employee, the resignation of such Founder from the Group Companies on or prior to a Qualified IPO or any change to the salary and/or remuneration package of such Founder;

(p) appointment, replacement or removal of the chief executive officer, the chief financial officer, and the chief operating officer, and any other C-level executives of the Company, or any change to the salary and/or remuneration package of the foregoing persons;

(q) any amendment of the Memorandum and these Articles or other charter documents of the Company;

(r) appointment and removal of the accounting firm, auditors of the Company and/or the underwriters and advisors for the initial public offering;

(s) any sale, transfer, license, charge, or other disposal of the shares held by any Founder to any person through one or a series of transactions on or prior to a Qualified IPO;

(t) any change in the equity ownership of any of the Group Companies or any termination of, amendment to or breach of any Contracts among the Group Companies designed to provide the Company with Control over, and the ability to consolidate the financial statements of, direct or indirect subsidiaries and/or controlled entities, including but not limited to any termination, amendment or waiver of any provision under any Control Documents; any initiation, termination, suspension or settlement of any dispute arising out of or relating to any Control Document;

(u) any decision to change, terminate, waive, transfer, license, not to renew or not to apply for relevant government permits or licenses (e.g., medical institution operating licenses, permits and licenses for medical devices and other products and services) of any of the Group Companies (including, without limitation, government permits or licenses of any direct or indirect subsidiary of the PRC Affiliate in China) which constitutes or potentially constitutes a Material Adverse Effect on the ability of such Group Company to continue to conduct its businesses in the ordinary course of business;

(v) any decision to terminate, liquidate, dissolve, reorganize, merge or consolidate any Group Company (including, without limitation, any direct or indirect Subsidiary of the PRC Affiliate in China) which constitutes or potentially constitutes a Material Adverse Effect on the business of the Group Companies as a whole;

(w) any creation, adoption or amendment of any profit-sharing scheme or any employee share option or share participation scheme or any employee incentive scheme of any Group Company, including but not limited to the ESOP; and

(x) any update of the list of Competitors.

The provisions under this Article 41 shall be terminated upon the occurrence of a Qualified IPO.

MEETINGS AND CONSENTS OF MEMBERS

42. The directors of the Company may convene meetings of the members of the Company at such times and in such manner and places within or outside the Cayman Islands as the directors consider necessary or desirable.

43. Upon the written request of members holding ten percent or more of the outstanding voting shares in the Company, the directors shall convene a meeting of members promptly, and in any event within ten (10) Business Days, following receipt by the Company of such a request.

44. The directors shall give not less than seven (7) days notice of meetings of members to those persons whose names on the date the notice is given appear as members in the share register of the Company and are entitled to vote at the meeting.

45. The directors may fix the date notice is given of a meeting of members as the record date for determining those shares that are entitled to vote at the meeting.

46. Subject to section 60 of the Companies Law relating to special resolutions, a meeting of members may be called on short notice:

(a) if members holding not less than ninety (90) percent of the total number of shares entitled to vote on all matters to be considered at the meeting, or ninety (90) percent of the votes of each class or series of shares where members are entitled to vote thereon as a class or series together with not less than a ninety (90) percent majority of the remaining votes, have agreed to short notice of the meeting, or

(b) if all members holding shares entitled to vote on all or any matters to be considered at the meeting have waived notice of the meeting and for this purpose presence at the meeting shall be deemed to constitute waiver.

47. The inadvertent failure of the directors to give notice of a meeting to a member, or the fact that a member has not received notice, does not invalidate the meeting.

48. A member may be represented at a meeting of members by a proxy who may speak and vote on behalf of the member.

49. The instrument appointing a proxy shall be produced at the place appointed for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote.

50. An instrument appointing a proxy shall be in substantially the following form or such other form as the Chairman of the meeting shall accept as properly evidencing the wishes of the member appointing the proxy.

(Name of Company)

I/We _____ being a member of the above Company with _____ shares HEREBY APPOINT _____ of ____ or failing him _____ of _____ to be my/our proxy to vote for me/us at the meeting of members to be held on the _____ day of ____ and at any adjournment thereof.

(Any restrictions on voting to be inserted here.)

Signed this day of

_____

Member

51. The following shall apply in respect of joint ownership of shares:

(a) if two or more persons hold shares jointly each of them may be present in person or by proxy at a meeting of members and may speak as a member;

(b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and;

(c) if two or more of the joint owners are present in person or by proxy they must vote as one.

52. A member shall be deemed to be present at a meeting of members if he participates by telephone or other electronic means and all members participating in the meeting are able to hear each other.

53. No business shall be transacted at any meeting of members unless a quorum is present. The quorum for a meeting of members shall be such Member(s) present in person or by proxy holding (i) not less than a majority of the votes of the shares or class or series of shares entitled to vote on a resolution of members to be considered at the meeting, and (ii) not less than a majority of the issued Series D Preferred Shares and a majority of the issued Series C Group Preferred Shares.

54. If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the next Business Day at the same time and place or to such other time and place as the directors may determine, and if within one hour after the adjourned meeting begins, a quorum is not present, those present shall constitute a quorum.

55. At every meeting of members, the Chairman of the Board of Directors shall preside as Chairman of the meeting. If there is no Chairman of the Board of Directors or if the Chairman of the Board of Directors is not present at the meeting, the members present shall choose someone of their number to be the Chairman. If the members are unable to choose a Chairman for any reason, then the person representing the greatest number of voting shares present in person or by prescribed proxy at the meeting shall preside as Chairman failing which the oldest individual member or representative of a member present shall take the chair.

56. The Chairman may, with the consent of the meeting, adjourn any meeting from time to time, from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

57. At any meeting of the members the Chairman shall be responsible for deciding in such manner as he shall consider appropriate whether any resolution has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes thereof.

58. Any person other than an individual shall be regarded as one member and subject to the specific provisions hereinafter contained for the appointment of representatives of such persons the right of any individual to speak for or represent such member shall be determined by the law of the jurisdiction where, and by the documents by which, the person is constituted or derives its existence. In case of doubt, the directors may in good faith seek legal advice from any qualified person and unless and until a court of competent jurisdiction shall otherwise rule, the directors may rely and act upon such advice without incurring any liability to any member.

59. Any person other than an individual which is a member of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorized shall be entitled to exercise the same power on behalf of the person which he represents as that person could exercise if it were an individual member of the Company.

60. The Chairman of any meeting at which a vote is cast by proxy or on behalf of any person other than an individual may call for a notarially certified copy of such proxy or authority which shall be produced within seven days of being so requested or the votes cast by such proxy or on behalf of such person shall be disregarded.

61. Directors of the Company may attend and speak at any meeting of members of the Company and at any separate meeting of the holders of any class or series of shares in the Company.

62. An action that may be taken by the members at a meeting may also be taken by a resolution of members consented to in writing or by telex, telegram, cable, facsimile or other written electronic communication by all the Members, without the need for any notice. The consent may be in the form of counterparts, each counterpart being signed by one or more members.

DIRECTORS

63. The first directors of the Company shall be appointed by the subscriber to the Memorandum; and thereafter, the directors shall be elected by the members for such term as the members determine.

64. The Company shall be managed by a Board of Directors consisting of five (5) directors, which number of directors shall not be changed except pursuant to an amendment to these Articles. Whereby:

(a) Founders collectively (so long as any of them continues to hold Shares in the Company directly or indirectly) shall be entitled to appoint and remove three (3) directors (the "**Ordinary Directors**"),

(b) VIVO (so long as it continues to hold no less than 5% of all the Ordinary Shares of the Company (calculated on a fully-diluted and an as-converted basis)) shall be entitled to appoint and remove one (1) director (the "**VIVO Director**"), and

(c) □□□□□□□□□□□□□□□□□□(so long as it continues to hold no less than 5% of all the Ordinary Shares of the Company (calculated on a fully-diluted and an as-converted basis)) shall be entitled to appoint and remove one(1) director (together with the VIVO Director, the "**Investor Directors**").

The person(s) or entity(ies) originally entitled to designate or approve a director or occupy a Board seat pursuant to the Article 64 may remove a director appointed by it, with or without cause and appoint a new Director in his/her place by notice in writing to the Company and the other Members.

Notwithstanding the foregoing, each of SUPERPOWER INVESTMENTS LTD., AVI, VIVO and GIANT shall be entitled to appoint and remove one (1) observer (the "**Observers**" and each an "**Observer**") so long as they each continue to hold no less than 1% of all the Ordinary Shares of the Company (calculated on a fully-diluted and an as-converted basis). The Observers shall be entitled to attend all meetings of the Board, all meetings of any committee of the Board in a non-voting capacity, and in this respect, the Company shall give such Observer copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors. In the event that an Observer cannot or elects not to attend any of the foregoing meetings, such Observer may, with the prior consent of the Company, by a written instrument appoint an alternate to attend such meeting(s).

65. Subject to Article 64, any vacancy, including newly created directorships resulting from any increase in the authorised number of directors or amendment of these Articles, and vacancies created by removal or resignation of a director, may be filled by the consent of a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where such vacancy occurs among the directors elected by the holders of a class or series of shares under Article 64, such vacancy shall be filled and appointed in accordance with Article 64.

Any director of the Company may be removed from the Board by the Members of the Company or in the manner specified by the Law and these Articles, but with respect to a director appointed pursuant to Article 64, only upon the vote or written consent of the Members entitled to appoint such director. Any vacancies created by the resignation, removal or death of a director appointed pursuant to Article 64 shall be filled pursuant to Article 64.

66. A director may resign his office by giving written notice of his resignation to the Company and the resignation shall have effect from the date the notice is received by the Company or from such later date as may be specified in the notice.

67. The Company shall keep a register of directors containing:

(a) the names and addresses of the persons who are directors of the Company;

(b) the date on which each person whose name is entered in the register was appointed as a director of the Company; and

(c) the date on which each person named as a director ceased to be a director of the Company.

68. A copy of the register of directors shall be kept at the registered office of the Company.

69. With the prior approval or subsequent ratification by an Ordinary Resolution and subject to all other approvals required under the Memorandum or these Articles, the Board may, by a resolution of directors, fix the emoluments of directors with respect to services to be rendered in any capacity to the Company.

70. A director shall not require a share qualification, and may be an individual or a company.

POWERS OF DIRECTORS

71. The business and affairs of the Company shall be managed by the directors who may pay all expenses incurred preliminary to and in connection with the formation and registration of the Company and may exercise all such powers of the Company as are not by the Law or by the Memorandum or these Articles required to be exercised by the members of the Company, subject to any delegation of such powers as may be authorized by these Articles and to such requirements as may be prescribed by a resolution of members; but no requirement made by a resolution of members shall prevail if it be inconsistent with these Articles nor shall such requirement invalidate any prior act of the directors which would have been valid if such requirement had not been made.

72. The directors may, by a resolution of directors, appoint any person, including a person who is a director, to be an officer or agent of the Company. The resolution of directors appointing an agent may authorize the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company.

73. Every officer or agent of the Company has such powers and authority of the directors, including the power and authority to affix the Seal, as are set forth in these Articles or in the resolution of directors appointing the officer or agent, except that no officer or agent has any power or authority with respect to the matters requiring a resolution of directors under the Law.

74. Any director which is a body corporate may appoint any person its duly authorized representative for the purpose of representing it at meetings of the Board of Directors or with respect to unanimous written consents.

75. The continuing directors may act notwithstanding any vacancy in their body.

76. The directors may by resolution of directors exercise all the powers of the Company subject to all approvals required under the Memorandum to borrow money and to mortgage or charge its undertakings and property or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

77. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by resolution of directors.

78. The Directors shall cause to be kept the register of mortgages and charges required by the Law.

79. The register of mortgages and charges shall be open to inspection in accordance with the Law, at the office of the Company on every Business Day in the Cayman Islands, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each such Business Day be allowed for inspection.

PROCEEDINGS OF DIRECTORS

80. The directors of the Company or any committee thereof may meet at such times and in such manner and places within or outside the Cayman Islands as the directors may determine to be necessary or desirable; provided, that the Board of Directors (as defined in Article 91 below) shall meet at least every three months.

81. A director shall be deemed to be present at a meeting of directors if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear each other.

82. A director shall be given not less than seven (7) days notice of meetings of directors, but a meeting of directors held without seven (7) days notice having been given to all directors shall be valid if all the directors entitled to vote at the meeting who do not attend, waive notice of the meeting and for this purpose, the presence of a director at a meeting shall constitute waiver on his part. The inadvertent failure to give notice of a meeting to a director, or the fact that a director has not received the notice, does not invalidate the meeting.

83. A director may by a written instrument appoint an alternate who need not be a director and an alternate is entitled to attend meetings in the absence of the director who appointed him and to vote or consent in place of the director.

84. A meeting of directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than three (3) directors (including Majority Investor Directors) ; provided, however, that if such quorum cannot be obtained for a Board meeting after two (2) consecutive notices of Board meeting have been sent by the Company with the first notice providing not less than seven (7) days' prior notice and the second notice providing not less than five (5) days' prior notice, then the attendance of any three (3) directors shall constitute a quorum provided further that matters discussed in such adjourned meeting shall be limited to those stated in the written notices and agendas of the Board meeting, and resolutions passed in such meeting shall be subject to notices and agendas of Board meeting as well as copies of all board papers shall be sent to all the directors and each Shareholder who appointed a director to the Board at least seven (7) days prior to the relevant Board meeting.

85. At every meeting of the directors the Chairman of the Board of Directors shall preside as Chairman of the meeting. If there is no Chairman of the Board of Directors or if the Chairman of the Board of Directors is not present at the meeting the Vice Chairman of the Board of Directors shall preside. If there is no Vice Chairman of the Board of Directors or if the Vice Chairman of the Board of Directors is not present at the meeting the directors present shall choose someone of their number to be Chairman of the meeting.

86. An action that may be taken by the directors or a committee of directors at a meeting may also be taken by a resolution of directors or a committee of directors consented to in writing or by telex, telegram, cable, facsimile or other written electronic communication by all directors or all members of the committee as the case may be, without the need for any notice. The consent may be in the form of counterparts, each counterpart being signed by one or more directors.

87. The directors shall cause the following corporate records to be kept:

(a) minutes of all meetings of directors, members, committees of directors, committees of officers and committees of members;

(b) copies of all resolutions consented to by directors, members, committees of directors, committees of officers and committees of members; and

(c) such other accounts and records as the directors by resolution of directors consider necessary or desirable in order to reflect the financial position of the Company.

88. The books, records and minutes shall be kept at the registered office of the Company, its principal place of business or at such other place as the directors determine.

89. The directors may, by resolution of directors, designate one or more committees. Each committee of directors has such powers and authorities of the directors, including the power and authority to affix the Seal, as are set forth in the resolution of directors establishing the committee, except that no committee has any power or authority to appoint directors or fix their emoluments, or to appoint officers or agents of the Company.

90. The meetings and proceedings of each committee of directors shall be governed mutatis mutandis by the provisions of these Articles regulating the proceedings of directors so far as the same are not superseded by any provisions in the resolution establishing the committee.

91. The Company shall set up a compensation committee (the "**Compensation Committee**"), and an audit committee (the "**Audit Committee**") (collectively, the "**Committees**") at the time determined by the Board of Directors (including the affirmative votes of the Majority Investor Directors). The Compensation Committee shall be responsible for evaluating and recommending to the Board of the Director for action all matters related to the Company's annual compensation and/or bonus plan, share option plan, and employee related compensation matters. The Audit Committee shall be responsible for internal audit and nomination of auditors for the Company.

OFFICERS

92. The Company may by resolution of Board of Directors, appoint officers of the Company at such times as shall be considered necessary or expedient. Such officers may consist of a Chairman of the Board of Directors, a Vice Chairman of the Board of Directors, a President and one or more Vice Presidents, Secretaries and Financial Controller and such other officers as may from time to time be deemed desirable. Any number of offices may be held by the same person.

93. The officers shall perform such duties as shall be prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by resolution of directors or Ordinary Resolution, but in the absence of any specific allocation of duties it shall be the responsibility of the Chairman of the Board of Directors to preside at meetings of directors and members, the Vice Chairman to act in the absence of the Chairman, the President to manage the day to day affairs of the Company, the Vice Presidents to act in order of seniority in the absence of the President but otherwise to perform such duties as may be delegated to them by the President, the Secretaries to maintain the share register, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the Treasurer to be responsible for the financial affairs of the Company.

94. The emoluments of all officers shall be fixed by resolution of the Board of Directors; provided, that the Company shall not provide any director's fee, other remuneration or emolument to directors that are not independent directors. The Company shall reimburse the directors for all reasonable out-of-pocket expenses incurred in connection with attending any meetings of the Board and any committee thereof.

95. Subject to compliance with Article 92, the officers of the Company shall hold office until their successors are duly elected and qualified, but any officer elected or appointed by the directors may be removed at any time, with or without cause, by resolution of directors. Any vacancy occurring in any office of the Company may be filled by resolution of directors.

CONFLICT OF INTERESTS

96. No agreement or transaction between the Company and one or more of its directors or any person in which any director has a financial interest or to whom any director is related, including as a director of that other person, is void or voidable for this reason only or by reason only that the director is present at the meeting of directors or at the meeting of the committee of directors that approves the agreement or transaction or that the vote or consent of the director is counted for that purpose if the material facts of the interest of each director in the agreement or transaction and his interest in or relationship to any other party to the agreement or transaction are disclosed in good faith or are known by the other directors.

97. A director who has an interest in any particular business to be considered at a meeting of directors or members may be counted for purposes of determining whether the meeting is duly constituted and may vote in respect of any such business at the meeting.

INDEMNIFICATION

98. Subject to the limitations hereinafter provided and to all applicable laws, the Company may indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who

(a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director, an officer or a liquidator of the Company; or

(b) is or was, at the request of the Company, serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise.

99. The Company may only indemnify a person if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that his conduct was unlawful.

100. The decision of the directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful, is, in the absence of fraud, sufficient for the purposes of these Articles, unless a question of law is involved.

101. The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a nolle prosequi does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.

102. If a person to be indemnified has been successful in defense of any proceedings referred to above the person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.

103. The Company may purchase and maintain insurance in relation to any person who is or was a director, an officer or a liquidator of the Company, or who at the request of the Company is or was serving as a director, an officer or a liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in these Articles.

SEAL

104. The Company may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted by resolution of directors. The directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the Registered Office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of a director or any other person so authorized from time to time by resolution of directors. Such authorization may be before or after the seal is affixed may be general or specific and may refer to any number of sealing. The Directors may provide for a facsimile of the Seal and of the signature of any director or authorized person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been signed as hereinbefore described.

DIVIDENDS

105. No dividend, whether in cash, in property or in shares of the capital of the Company, shall be paid on any other class or series of shares of the Company unless and until a dividend in like amount is first paid in full on the Preferred Shares (on an as-converted basis). The Investors shall also be entitled to receive any non-cash dividends declared by the Board on an as-converted basis.

106. Subject to receipt of all approvals required under the Memorandum or elsewhere in these Articles, the Company may by a resolution of directors declare and pay dividends in money, shares, or other property. In the event that dividends are paid in specie the directors shall have responsibility for establishing and recording in the resolution of directors authorizing the dividends, a fair and proper value for the assets to be so distributed.

107. Subject to receipt of all approvals required under the Memorandum or elsewhere in these Articles, the directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company.

108. The directors may, before declaring any dividend, set aside out of the profits of the Company such sum as they think proper as a reserve fund, and may invest the sum so set apart as a reserve fund upon such securities as they may select.

109. Dividends may be declared and paid out of profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed, or not in the same amount. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Law.

110. Notice of any dividend that may have been declared shall be given to each member in manner hereinafter mentioned and all dividends unclaimed for 3 years after having been declared may be forfeited by resolution of the directors for the benefit of the Company.

111. No dividend shall bear interest as against the Company and no dividend shall be paid on shares held by another company of which the Company holds, directly or indirectly, shares having more than 50 per cent of the vote in electing directors.

112. The Board may resolve to capitalise any sum for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

113. The Board may resolve to capitalise any sum for the time being standing to the credit of a reserve account or sums otherwise available for dividend or distribution by applying such amounts in paying up in full partly paid or nil paid shares of those Members who would have been entitled to such sums if they were distributed by way of dividend or distribution.

114. A division of the issued and outstanding shares of a class or series of shares into a larger number of shares of the same class or series having a proportionately smaller par value does not constitute a dividend of shares.

ACCOUNTS AND AUDIT

115. The Company shall prepare an audited annual consolidated financial statements of the Group Companies in accordance with the International Financial Reporting Standards prepared by the International Accounting Standards Board, as amended from time to time(the "**Accounting Standard**"), which shall be drawn up so as to give respectively a true and fair view of the profit or loss of the Company for the financial period and a true and fair view of the state of affairs of the Company as at the end of each fiscal year.

116. The accounts of the Company shall be examined at least annually by a Big Four accounting firm (namely Deloitte Touche Tohmatsu, Ernst & Young, KPMG, and PricewaterhouseCoopers) starting from the fiscal year 2019.

117. The first auditors shall be appointed by resolution of directors, and subsequent auditors shall be appointed by a resolution of directors in accordance with the Memorandum and these Articles.

118. The auditors may be members of the Company but no director or other officer shall be eligible to be an auditor of the Company during his continuance in office.

119. The remuneration of the auditors of the Company

(a) in the case of auditors appointed by the directors, may be fixed by resolution of directors;

(b) subject to the foregoing, shall be fixed by an Ordinary Resolution or in such manner as the Company may by an Ordinary Resolution determine.

120. The auditors shall examine each profit and loss account and balance sheet required to be served on every member of the Company or laid before a meeting of the members of the Company and shall state in a written report whether or not

(a) in their opinion the profit and loss account and balance sheet give a true and fair view respectively of the profit or loss for the period covered by the accounts, and of the state of affairs of the Company at the end of that period, and

(b) all the information and explanations required by the auditors have been obtained.

121. The report of the auditors shall be annexed to the accounts and shall be read at the meeting of members at which the accounts are laid before the Company or shall be served on the members.

122. Every auditor of the Company shall have a right of access at all times to the books of account and vouchers of the Company, and shall be entitled to require from the directors and officers of the Company such information and explanations as he thinks necessary for the performance of the duties of the auditors.

123. The auditors of the Company shall be entitled to receive notice of, and to attend any meetings of members of the Company at which the Company's profit and loss account and balance sheet are to be presented.

NOTICES

124. Any notice, information or written statement to be given by the Company to Members may be served in the case of members holding registered shares in any way by which it can reasonably be expected to reach each member or by mail addressed to each member at the address shown in the share register.

125. Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it, or by sending it by registered mail addressed to the Company, at its registered office, or by leaving it with, or by sending it by registered mail to, the registered office of the Company.

126. Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office of the Company or that it was mailed in such time as to admit to its being delivered to the registered office of the Company in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.

127. (a) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth day (not including Saturdays or Sundays or public holidays) following the day on which the notice was posted.

(b) Where a notice is sent by cable, telex, or facsimile, service of the notice shall be deemed to be effected by properly addressing, and sending such notice and shall be deemed to have been received on the same day that it was transmitted.

(c) Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.

VOLUNTARY WINDING UP AND DISSOLUTION

128. Subject to the provisions of the Memorandum, the Company may voluntarily commence to wind up and dissolve by a Special Resolution.

LIQUIDATION PREFERENCE

129. Liquidation Preference.

A. In the event of any liquidation, dissolution or winding up of the Company (each a "**Liquidation Event**"), either voluntary or involuntary, distributions to the Shareholders of the Company shall be made in the following manner:

(a) before any distribution or payment shall be made to the holders of any Series C-2 Preferred Shares, Series C Preferred Shares, Series B Preferred Shares, Series A Preferred Shares and Ordinary Shares, each holder of Series D Preferred Shares shall be entitled to receive, on parity with each other, an amount equal to one hundred percent (100%) of the Series D Issue Price, plus all dividends declared and unpaid with respect thereto (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) per Series D Preferred Share, then held by such holder (the "**Series D Preference Amount**"). If, upon the occurrence of any Liquidation Event, the assets of the Company shall be insufficient to make payment of the foregoing amounts in full on all Series D Preferred Shares, then such assets shall be distributed among the holders of Series D Preferred Shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon;

(b) after distribution or payment in full of the Series D Preference Amount pursuant to Article 129A(a), before any distribution or payment shall be made to the holders of any Ordinary Shares, each holder of Series C-2 Preferred Shares, Series C Preferred Shares, Series B Preferred Shares and Series A Preferred Shares shall be entitled to receive, on parity with each other, an amount per Preferred Share equal to one hundred percent (100%) of the applicable Deemed Issue Price, plus all accrued or declared but unpaid dividends thereon ("**Junior Shares Preference Amount**", collectively with the Series D Preference Amount, the "**Preference Amount**"). If, upon any Liquidation Event, the assets of the Company shall be insufficient to make payment of the foregoing amounts in full on all Series C-2 Preferred Shares, Series C Preferred Shares, Series B Preferred Shares and Series A Preferred Shares, then such assets shall be distributed among the holders of Series C Group Preferred Shares, Series B Preferred Shares and Series A Preferred Shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon;

(c) after the full Preference Amount on all outstanding Preferred Shares has been paid pursuant to Article 129A(a) and (b) above, any remaining funds or assets of the Company legally available for distribution (together with the Preference Amount, the "**Distribution Proceeds**") to Shareholders shall be distributed on a pro rata, pari passu basis among the holders of the Preferred Shares (including the holders of Series D Preferred Shares) (on an as-converted basis), together with the holders of the Ordinary Shares.

B. Unless otherwise waived in writing by all Preferred Shareholders or provided under Section 5.4 of the Shareholders Agreement, each of an Acquisition (excluding the Drag-Along Sale) shall constitute and be treated as a Liquidation Event under this Article 129, and any proceeds, whether in cash or properties, resulting from any such event shall be distributed in accordance with the terms of this Article 129.

C. In the event the Company proposes to distribute assets other than cash pursuant to any Liquidation Event, the value of the assets to be distributed to the Investors and Ordinary Shareholders shall be that as determined in good faith by the Board. Any securities not subject to investment letter or similar restrictions on free marketability shall be valued as follows:

(a) If traded on a securities exchange, the value shall be deemed to be the average of the security's closing prices on such exchange over the thirty (30) day period ending one (1) day prior to the distribution;

(b) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the distribution; and

(c) If there is no active public market, the value shall be the fair market value thereof as determined in good faith by the Board.

provided further that the method of valuation of securities subject to investment letter or other restrictions on free marketability shall be adjusted to make an appropriate discount from the market value determined as above in clauses (a), (b) or (c) to reflect the fair market value thereof as determined in good faith by the Board. Subject to Section 5 under the Shareholders Agreement, the holders of at least a majority of the outstanding Preferred Shares shall have the right to challenge any determination by the Board of fair market value pursuant to this Article 129, in which case the determination of fair market value shall be made by an independent appraiser selected jointly by the Board and the challenging parties, the cost of such appraisal to be borne by the Company.

D. In the event that the Company shall propose at any time to consummate a Liquidation Event, then, in connection with each such event, subject to any necessary approval required in the Shareholders Agreement and these Articles, the Company shall send to the Preferred Shareholders at least thirty (30) days prior written notice of the date when the same shall take place; provided, however, that the foregoing notice periods may be shortened or waived with the vote or written consent of the Preferred Shareholders.

E. Notwithstanding any other provision of this Article 129, the Company may at any time, out of funds legally available therefor and subject to compliance with the provisions of the applicable laws of the Cayman Islands, repurchase Ordinary Shares of the Company issued to or held by employees, officers or consultants of the Company (other than any of the Founders) or its subsidiaries upon termination of their employment or services, pursuant to any bona fide agreement providing for such right of repurchase, whether or not dividends on the Preferred Shares shall have been declared.

F. Notwithstanding the foregoing, in the event that the Distribution Proceeds received or to be received from an Acquisition (excluding the Drag-Along Sale) is in excess of US$ 1,250,000,000, all holders of Preferred Shares shall waive the liquidation preference rights provided in Article 129 on such Preferred Shares, in which case, then subject to any then outstanding liquidation preference rights provided herein, all Distribution Proceeds of the Company shall be distributed ratably among the holders of Ordinary Shares and such holders of Preferred Shares on an as-converted basis.

G. The provisions under this Article 129 shall be terminated upon the occurrence of a Qualified IPO.

REDEMPTION

130. Redemption by the Company and Founders.

A. Notwithstanding anything to the contrary herein, upon the occurrence of any of the following events: (collectively the "**Redemption Triggering Events**", and each a "**Redemption Triggering Event**"), subject to the applicable laws of the Cayman Islands and, if so requested by the relevant holder of the Preferred Shares (each a "**Redeeming Shareholder**"), the Company and/or any Founder shall redeem or repurchase all or part of the outstanding Preferred Shares in cash out of funds legally available therefor (the "**Redemption**"):

(a) for each holder of the Preferred Shares, (i) the Company has not consummated a Qualified IPO before March 31, 2021; (ii) Yan Hai (□□) and/or Wang Sizhen (□□□) directly or indirectly participates in or owns any interest in business of molecular diagnosis outside the Group Companies which is substantially competitive with the Group Company (other than as a holder of less than five percent (5%) of the outstanding shares of a company without decision rights) and has not stopped it within sixty (60) days after the written notice issued by any holder of Series C Group Preferred Shares and/or Series D Preferred Shares; (iii) any material violation of law or act of dishonesty committed by any Group Companies or any Founders; (iv) Yan Hai (□□) and/or Wang Sizhen (□□□) resigns from the Group Companies or no longer holds any Shares of the Company directly or indirectly; (v) any change in the laws and regulations or the reinterpretation or enforcement of such laws and regulations, that causes the Control Documents invalid, illegal or unenforceable where (a) the Shareholders of the Company fail to revert to be the shareholders of the PRC Affiliate or reach an agreement with respect to any feasible alternative arrangements satisfactory to the then Shareholders of the Company, and (b) there is Material Adverse Effect on the PRC Affiliate, within six (6) months after such change, reinterpretation or abolition of any law or regulation; or (vi) the Company, the Founders or any other party terminate any Control Document or cause any Control Document to be terminated, unless otherwise approved by the Board (including the affirmative vote of the Majority Investor Directors);

(b) for VIVO and/or each holder of the Series D Preferred Shares (in addition to its rights under Article 130A(a)), the VIE structure or the Control Documents are rendered invalid, illegal or unenforceable by any change in the laws and regulations or the reinterpretation or enforcement of such laws and regulations, and/or the Company, with the approval of the Board (including the affirmative votes of Majority Investor Directors), decides to unwind the VIE structure and cause the Shareholders of the Company to revert to be the shareholders of the PRC Affiliate or such other Subsidiary or Affiliate of the Company in the PRC.

The price at which each Preferred Share shall be redeemed or repurchased (the "**Redemption Price**") shall be calculated by applying the following formula:

IP × (1+N×A) + D, and

IP = the Deemed Issue Price;

N = a fraction the numerator of which is the number of calendar days between the Original Issue Date and the relevant Redemption Date (as defined below) on which such Preferred Share is redeemed and the denominator of which is 365;

A = 8% in the case of Series C-2 Preferred Shares, or 10% in the case of other Preferred Shares;

D = all declared but unpaid dividends on each Preferred Share up to the Redemption Date, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations or mergers.

B. A notice of redemption (a "**Redemption Notice**") by any Redeeming Shareholder shall be given by hand or by mail to the Company at any time on or after the occurrence of Redemption Triggering Event stating the date on which the Preferred Shares shall be redeemed (the "**Redemption Date**"), which shall be no more than sixty (60) days from the date of the Redemption Notice, and which shall be no earlier than the occurrence of the Redemption Triggering Event or the expiry of a thirty-days period from the date of the Redemption Notice, whichever is later. Upon receipt of any Redemption Notice, the Company shall promptly give written notice of the redemption request to each non-requesting holder of record of the Preferred Shares who has the right to redeem its Preferred Shares pursuant to this Article 130 above, stating the existence of such request, the Redemption Price, the Redemption Date and the mechanics of redemption. For the avoidance of doubt, the closing of the Redemption (the "**Redemption Closing**") of any series of the Preferred Shares pursuant to this Article 130 will take place within ninety (90) days following the date of the relevant Redemption Notice (the "**Redemption Period**") at the offices of the Company. Notwithstanding anything to the contrary contained herein, no other Shares of the Company shall be redeemed unless and until the Company shall have redeemed all of the Preferred Shares requested to be redeemed pursuant to this Article 130 and shall have paid all the Redemption Price for such Preferred Shares requested to be redeemed payable pursuant to this Article 130.

C. If the Company and/or the Founders fail (for whatever reason) to redeem any Preferred Shares within six (6) months after the expiration of the Redemption Period, without prejudice to any other rights and remedies that the Redeeming Shareholder(s) may have and without relieving the Company or the Founder of any of its obligations to redeem the Preferred Shares, the Redeeming Shareholder(s) who holds Series D Preferred Shares and whose Preferred Shares remain not redeemed shall be entitled to require the Company, the BVI Company and the Founders to effect, and the Company, the BVI Company and the Founders shall be obligated to effect the liquidation of the Company. All proceeds generated therefrom shall be distributed in accordance with this Article 129 above. If the Company and/or any Founder does not have sufficient cash or funds legally available to redeem all of the Preferred Shares required to be redeemed at any Redemption Closing, those assets or funds which are legally available shall be applied to redeem the maximum number of Preferred Shares which can be legally redeemed on a pro rata basis among the applicable Redeeming Shareholders thereof and payment of the relevant Redemption Price payable in respect thereof. With respect to the remaining Preferred Shares not redeemed due to insufficient legal funds, such Preferred Shares shall remain outstanding, and the Redeeming Shareholders holding such redeeming Preferred Shares shall remain entitled to all the rights, preferences and privileges provided in these Articles, until such time as the Company or the Founder has sufficient legal funds to redeem such Preferred Shares.

D. The provisions under this Article 130 shall be terminated upon the occurrence of a Qualified IPO.

CONTINUATION

131. The Company may by an Ordinary Resolution or by a resolution passed unanimously by all directors of the Company continue as a company incorporated under the laws of a jurisdiction outside the Cayman Islands in the manner provided under those laws.

CHANGES TO CONSTITUTION

132. The Company may from time to time, by Special Resolution, change the name of the Company, alter or add to the Memorandum or these Articles.

Exhibit 3.2

THE COMPANIES LAW (AS AMENDED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

FOURTH AMENDED AND RESTATED
MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

Genetron Holdings Limited

□□□□□(□□)□□□□

(ADOPTED BY SPECIAL RESOLUTION PASSED ON AND EFFECTIVE CONDITIONAL AND IMMEDIATELY PRIOR TO THE COMPLETION OF THE COMPANY'S INITIAL PUBLIC OFFERING OF AMERICAN DEPOSITARY SHARES REPRESENTING ITS ORDINARY SHARES)

THE COMPANIES LAW (AS AMENDED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES

FOURTH AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION

OF

Genetron Holdings Limited

□□□□□(□□)□□□□

(Adopted by Special Resolution passed on and effective conditional and immediately prior to the completion of the Company's initial public offering of American depositary shares representing its Ordinary Shares)

1. The name of the Company is Genetron Holdings Limited and its dual foreign name is □□□□□(□□)□□□□ (the "**Company**").

2. The registered office of the Company will be situated at the offices of [Vistra (Cayman) Limited, P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1—1205 Cayman Islands] or at such other location as the Directors may from time to time determine.

3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Law (as amended) of the Cayman Islands (the "**Companies Law**").

4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Companies Law.

5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

6. The liability of the shareholders of the Company is limited to the amount from time to time, if any, unpaid on the shares respectively held by them.

7. The authorised share capital of the Company is US$50,000 divided into 2,500,000,000 Ordinary Shares of a nominal or par value of US$0.00002 each. Subject to the Companies Law and the Articles of Association, the Company shall have power to redeem or purchase any of its shares, and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

8. The Company may exercise the power contained in Section 206 of the Companies Law to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

9. Capitalized terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.

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THE COMPANIES LAW (AS AMENDED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES

FOURTH AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

Genetron Holdings Limited

□□□□□(□□)□□□□

(Adopted by Special Resolution passed on and effective conditional and immediately prior to the completion of the Company's initial public offering of American depositary shares representing its Ordinary Shares)

TABLE A

The Regulations contained or incorporated in Table 'A' in the First Schedule of the Companies Law shall not apply to the Company and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"**ADS**" means an American depositary share, each representing such number of Ordinary Shares as set out in the registration statements of the Company;

"**Affiliate**" means in respect of a Person, any other Person that, directly or indirectly, through (1) one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, shall include, without limitation, such person's spouse, parents, children, siblings, mother-in-law, father-in-law, brothers-in-law and sisters-in-law, a trust for the benefit of any of the foregoing, and a corporation, partnership or any other entity wholly or jointly owned by any of the foregoing, and (ii) in the case of an entity, shall include a partnership, a corporation or any other entity or any natural person which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term "control" shall mean the ownership, directly or indirectly, of shares possessing more than fifty per cent (50%) of the voting power of the corporation, partnership or other entity (other than, in the case of a corporation, securities having such power only by reason of the happening of a contingency), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity;

"**Articles**" means these articles of association of the Company, as amended or substituted from time to time;

"**Board**" and "**Board of Directors**" and "**Directors**" means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;

"**Chairman**" means the chairman of the Board of Directors;

"**Class**" or "**Classes**" means any class or classes of Shares as may from time to time be issued by the Company;

"**Commission**" means Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;

"**Companies Law**" means the Companies Law (as amended) of the Cayman Islands;

"**Company**" means Genetron Holdings Limited □□□□□(□□)□□□□, a Cayman Islands exempted company;

"**Company's Website"** means the website of the Company, the address or domain name of which has been notified to Shareholders;

"**Designated Stock Exchange**" means the stock exchange in the United States on which any Shares and ADSs are listed for trading;

"**Designated Stock Exchange Rules**" means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any Shares or ADSs on the Designated Stock Exchange;

"**electronic"** means the meaning given to it in the Electronic Transactions Law (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;

"**electronic communication"** means electronic posting to the Company's Website, transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than a majority of the vote of the Board;

"**Founders**" means WANG Sizhen, YAN Hai and HE Weiwu;

"**Independent Director"** means a Director who is an independent director as defined in the Designated Stock Exchange Rules;

"**Majority Investor Director(s)**" means at least fifty percent of Investor Directors; for the avoidance of doubt, when there is one Investor Director, "Majority Investor Director" shall mean such Investor Director;

"**Memorandum of Association**" means the memorandum of association of the Company, as amended or substituted from time to time;

"**Month**" means calendar month;

"**Office**" means the registered office of the Company as required by the Companies Law;

"**Officer**" means the offices for the time being and from time to time of the Company;

"**Ordinary Resolution**" means a resolution:

(a) passed by a simple majority of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled by these Articles; or

(b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;

"**Ordinary Shares**" means an ordinary share of par value of US$0.00002 each in the capital of the Company having the rights and subject to the restrictions set out in these Articles, including a fraction of a share;

"**paid up**" means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up;

"**Person**" means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires, other than in respect of a Director or Officer in which circumstances Person Shall mean any person or entity permitted to act as such in accordance with the laws of the Cayman Islands;

"**Register**" means the register of Members of the Company required to be kept pursuant to the Companies Law;

"**Seal**" means the common seal of the Company (if adopted) including any facsimile thereof;

"**Secretary**" means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;

"**Securities Act**" means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;

"**Share**" means a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;

"**Shareholder**" or "**Member**" means a Person who is registered as the holder of Shares in the Register and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber;

"**Share Premium Account**" means the share premium account established in accordance with these Articles and the Companies Law;

"**signed**" means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;

"**Special Resolution**" means a special resolution of the Company passed in accordance with the Companies Law being a resolution:

(b) passed by not less than two-thirds of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or

(b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed;

"**VIVO**" means VIVO CAPITAL FUND IX, L.P.

"**Treasury Shares**" means Shares that were previously issued but were purchased, redeemed, surrendered or otherwise acquired by the Company and not cancelled;

"**United States**" means the United States of America, its territories, its possessions and all areas subject to its jurisdiction; and

"**year**" means calendar year.

2. In these Articles, save where the context requires otherwise:

(a) words importing the singular number shall include the plural number and vice versa;

(b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;

(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;

(d) reference to a dollar or dollars (or US$) and to a cent or cents is reference to dollars and cents of the United States of America;

(e) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(f) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case;

(g) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing including in the form of an electronic record or partly one and partly another;

(h) any requirements as to delivery under the Articles include delivery in the form of an electronic record or an electronic communication; and

(i) any requirements as to execution or signature under the Articles, including the execution of the Articles themselves, can be satisfied in the form of an electronic signature as defined in the Electronic Transaction Law (as amended). Sections 8 and 19 of the Electronic Transactions Law (as amended) shall not apply.

3. Subject to the last two preceding Articles, any words defined in the Companies Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be conducted as the Directors see fit.

5. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

7. The Directors shall keep, or cause to be kept, the Register at such place or (subject to compliance with the Companies Law and these Articles) places as the Directors may from time to time determine. In the absence of any such determination, the Register shall be kept at the Office.

SHARES

8. Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may, in their absolute discretion and without the approval of the Members, cause the Company to:

   (a) issue, allot or dispose of the same (whether in certificated form or non-certificated form, including fractions of a Share) to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine;

   (b) grant rights over Shares or other securities to be issued in one or more classes or series as they deem necessary or appropriate and determine the designations, powers, preferences, privileges and other rights attaching to such Shares or securities, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers, preferences, privileges and rights associated with the then issued and outstanding Shares, at such times and on such other terms as they think proper; and

   (c) grant options with respect to such Shares and issue warrants, convertible securities or similar instruments with respect thereto;

   and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

9. The Directors, or the Shareholders by Ordinary Resolution, may authorise the division of Shares into any number of Classes and sub-classes and the different Classes and sub-classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) may be fixed and determined by the Directors or by the Shareholders by Ordinary Resolution. The Directors may issue Shares with such preferred or other rights, all or any of which may be greater than the rights of Ordinary Shares, at such time and on such terms as they may think appropriate. Notwithstanding Article 12 the Directors may issue from time to time, out of the authorised share capital of the Company (other than the authorised but unissued Ordinary Shares), series of preferred shares in their absolute discretion and without approval of the Members; provided, however, before any preferred shares of any such series are issued, the Directors shall by resolution of Directors determine, with respect to any series of preferred shares, the terms and rights of that series, including:

   (a) the designation of such series, the number of preferred shares to constitute such series and the subscription price thereof if different from the par value thereof;

   (b) whether the preferred shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;

   (c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of any other class or any other series of shares;

(d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;

(e) whether the preferred shares of such series shall have any rights to receive any part of the assets available for distribution amongst the Members upon the liquidation of the Company, and, if so, the terms of such liquidation preference, and the relation which such liquidation preference shall bear to the entitlements of the holders of shares of any other class or any other series of shares;

(f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;

(g) whether the preferred shares of such series shall be convertible into, or exchangeable for, shares of any other class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

(h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing shares or shares of any other class of shares or any other series of preferred shares;

(i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional shares, including additional shares of such series or of any other class of shares or any other series of preferred shares; and

(j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued. The Company is not obliged to issue, allot or dispose of shares if it is, in the opinion of the Directors, unlawful or impracticable. The Company shall not issue Shares to bearer.

10. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.

11. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

MODIFICATION OF RIGHTS

12. Whenever the capital of the Company is divided into different Classes (and as otherwise determined by the Directors) the rights attached to any such Class may, subject to any rights or restrictions for the time being attached to any Class, only be materially adversely varied or abrogated with the consent in writing of the holders of not less than a majority of the issued Shares of the relevant Class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of such Class by a majority of two-thirds of the votes cast at such a meeting. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more Persons at least holding or representing by proxy one-third in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him. For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes.

13. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the Shares of that Class, be deemed to be materially adversely varied or abrogated by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any Shares of any Class by the Company. The rights of the holders of Shares shall not be deemed to be materially adversely varied by the creation or issue of Shares with preferred or other rights including, without limitation, the creation of Shares with enhanced or weighted voting rights.

CERTIFICATES

14. Every Person whose name is entered as a Member in the Register shall, without payment, be entitled to a certificate within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) in the form determined by the Directors. All certificates shall specify the Share or Shares held by that person and the amount paid up thereon, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all. All certificates for Shares shall be delivered personally or sent through the post addressed to the member entitled thereto at the Member's registered address as appearing in the Register.

15. Every share certificate of the Company shall bear legends required under the applicable laws, including the Securities Act.

16. Any two or more certificates representing Shares of any one Class held by any Member may at the Member's request be cancelled and a single new certificate for such Shares issued in lieu on payment (if the Directors shall so require) of US$1.00 or such smaller sum as the Directors shall determine.

17. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the relevant Member upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

18. In the event that Shares are held jointly by several persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

FRACTIONAL SHARES

19. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

LIEN

20. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it.

21. The Company may sell, in such manner as the Directors may determine, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.

22. For giving effect to any such sale the Directors may authorise some Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

23. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

CALLS ON SHARES

24. The Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen days' clear notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares.

25. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.

26. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

27. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

28. The Directors may make arrangements on the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.

29. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction by Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors. No such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

FORFEITURE OF SHARES

30. If a Shareholder fails to pay any call or instalment of a call in respect of partly paid Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

31. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the Shares in respect of which the call was made will be liable to be forfeited.

32. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.

33. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

34. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited. A certificate in writing under the hand of a Director that a Share has been duly forfeited on a date stated in the certificate, shall be conclusive evidence of the facts in the certificate as against all Persons claiming to be entitled to the Share.

35. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

36. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

37. The instrument of transfer of any Share shall be in any usual or common form or such other form as the Directors may determine and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.

38. (a) Subject to the terms of issue thereof, the Directors may determine to decline to register any transfer of Shares without assigning any reason therefor.

(b) The Directors may also decline to register any transfer of any Share unless:

(i) the instrument of transfer is lodged with the Company, accompanied by the certificate for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(ii) the instrument of transfer is in respect of only one Class of Shares;

(iii) the instrument of transfer is properly stamped, if required;

(iv) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four;

(v) the Shares are free from any lien in favour of the Company; or

(vi) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable or such lesser sum as the Board of Directors may from time to time require, is paid to the Company in respect thereof.

39. The registration of transfers may, on ten calendar days' notice being given by advertisement in such one or more newspapers or by electronic means or by any other means in accordance with the Designated Stock Exchange Rules, be suspended and the Register of Members closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfer shall not be suspended nor the Register of Members closed for more than 30 days in any year.

40. All instruments of transfer that are registered shall be retained by the Company. If the Directors refuse to register a transfer of any Shares, they shall within three months after the date on which the transfer was lodged with the Company send to each of the transferor and the transferee notice of the refusal.

TRANSMISSION OF SHARES

41. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased holder of the Share, shall be the only Person recognised by the Company as having any title to the Share.

42. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.

43. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

REGISTRATION OF EMPOWERING INSTRUMENTS

44. The Company shall be entitled to charge a fee not exceeding one dollar (US$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

ALTERATION OF SHARE CAPITAL

45. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine.

46. The Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;

(b) subdivide its existing Shares, or any of them into Shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived;

(c) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;

(d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.

47. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

REDEMPTION, PURCHASE AND SURRENDER OF SHARES

48. Subject to the Companies Law and these Articles, the Company may:

(a) issue Shares on terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the Shareholder on such terms and in such manner as may be determined, before the issue of such Shares, by either the Board or by the Shareholders by Ordinary Resolution;

(b) purchase its own Shares (including any redeemable Shares) on such terms and in such manner as have been approved by the Board or by the Members by Ordinary Resolution, or are otherwise authorised by these Articles;

(c) make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Companies Law, including out of its capital; and

(d) accept the surrender for no consideration of any paid up Share (including any redeemable Share) on such terms and in such manner as the Directors may determine.

49. The holder of the Shares being purchased shall be bound to deliver up to the Company the certificate(s) (if any) thereof. Any Share in respect of which notice of redemption has been given shall not be entitled to participate in the profits of the Company in respect of the period after the date specified as the date of redemption in the notice of redemption.

50. The redemption, purchase or surrender of any Share shall not be deemed to give rise to the redemption, purchase or surrender of any other Share.

51. The Directors may when making payments in respect of redemption or purchase of Shares, if authorised by the terms of issue of the Shares being redeemed or purchased or with the agreement of the holder of such Shares, make such payment either in cash or in specie including without limitation, interests in a special purpose vehicle holding assets of the Company or holding entitlement to the proceeds of assets held by the Company or in a liquidation structure.

TREASURY SHARES

52. Shares that the Company purchases, redeems or acquires (by way of surrender or otherwise) may, at the option of the Company, be cancelled immediately or held as Treasury Shares in accordance with the Companies Law. In the event that the Directors do not specify that the relevant Shares are to be held as Treasury Shares, such Shares shall be cancelled.

53. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be declared or paid in respect of a Treasury Share.

54. The Company shall be entered in the Register as the holder of the Treasury Shares provided that:

(a) the Company shall not be treated as a member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;

(b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Companies Law, save that an allotment of Shares as fully paid bonus shares in respect of a Treasury Share is permitted and Shares allotted as fully paid bonus shares in respect of a treasury share shall be treated as Treasury Shares.

55. Treasury Shares may be disposed of by the Company on such terms and conditions as determined by the Directors.

GENERAL MEETINGS

56. All general meetings other than annual general meetings shall be called extraordinary general meetings.

57. (a) The Company may, but shall not (unless required by the Companies Law) be obliged to hold a general meeting in each year as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as may be determined by the Directors.

(b) At these meetings the report of the Directors (if any) shall be presented.

58. (a) The Chairman or a majority of the Directors may call general meetings, and they shall on a Members' requisition forthwith proceed to convene an extraordinary general meeting of the Company.

(b) Upon the written request of Members holding ten percent or more of the outstanding voting shares in the Company, the Directors shall convene a meeting of Members promptly. By a notice given no later than 21 days from the date of deposit of the requisition signed by the requisitionists, and if the Directors do not convene such meeting for a date not later than ten (10) Business Days after the date of such deposit, the requisitionists themselves may convene the general meeting.

(c) A Members' requisition is a requisition of Members of the Company holding at the date of deposit of the requisition not less ten (10) percent or more of the outstanding voting shares in the Company as at that date of the deposit carries the right of voting at general meetings of the Company.

(d) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists.

(e) If the Directors do not within 21 days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three months after the expiration of the said 21 days.

(f) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

(g) Subject to section 60 of the Companies Law relating to Special Resolution, a meeting of Members may be called on short notice:

(i) if Members holding not less than ninety (90) percent of the total number of shares entitled to vote on all matters to be considered at the meeting, or ninety (90) percent of the votes of each class or series of shares where Members are entitled to vote thereon as a class or series together with not less than a ninety (90) percent majority of the remaining votes, have agreed to short notice of the meeting, or

(ii) if all Members holding shares entitled to vote on all or any matters to be considered at the meeting have waived notice of the meeting and for this purpose presence at the meeting shall be deemed to constitute waiver.

NOTICE OF GENERAL MEETINGS

59. At least seven (7) calendar days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting by all the Members (or their proxies) entitled to attend and vote thereat; and

(b) in the case of an extraordinary general meeting by a majority in number of the Members (or their proxies) having a right to attend and vote at the meeting, being a majority together holding not less than seventy five per cent (75%) in par value of the Shares giving that right.

60. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

61. No business shall be transacted at any general meeting without the consent of all Shareholders entitled to receive notice of that meeting unless notice of such business has been given in the notice convening that meeting.

62. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. The holders of Shares being not less than an aggregate of one-half of all Shares in issue present in person or by proxy and entitled to vote shall be a quorum for all purposes.

63. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Shareholder or Shareholders present and entitled to vote shall form a quorum.

64. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

65. The chairman, if any, of the Directors shall preside as chairman at every general meeting of the Company.

66. If there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, any Director or Person nominated by the Directors shall preside as chairman, failing which the Shareholders present in person or by proxy shall choose any Person present to be chairman of that meeting.

    The chairman of the general meeting may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen days or more, notice of the adjourned meeting shall be given in the manner provided for the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

67. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason, upon notice in writing to Shareholders. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.

68. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or one or more Shareholders present in person or by proxy entitled to vote, and unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

69. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

70. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

71. All questions submitted to a meeting shall be decided by an Ordinary Resolution except where a greater majority is required by these Articles or by the Law. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.

VOTES OF SHAREHOLDERS

72. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder present in person and every Person representing a Shareholder by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy) shall, at a general meeting or extraordinary general meeting of the Company, each have one (1) vote and on a poll every Shareholder and every Person representing a Shareholder by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy) shall have one (1) vote for each Share of which he or the Person represented by proxy is the holder.

73. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy), shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

74. Shares carrying the right to vote are held by a Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may be voted in respect of Shares carrying the right to vote held by him, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person, may vote in respect of such Shares by proxy.

75. No Shareholder shall be entitled to vote at any general meeting of the Company unless he is registered as a Shareholder on the record date for such meeting or unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.

76. On a poll votes may be given either personally or by proxy.

77. Each Shareholder, other than a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)), may only appoint one proxy on a show of hand and on a poll, each such proxy is under no obligation to cast all his votes in the same way. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an Officer or attorney duly authorised. A proxy need not be a Shareholder. On a poll a Shareholder entitled to more than one vote need not use all his votes or cast all his votes in the same way.

78. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked.

79. The instrument appointing a proxy shall be deposited at the Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:

    (a) not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(b) in the case of a poll taken more than forty-eight (48) hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than twenty-four (24) hours before the time appointed for the taking of the poll; or

(c) where the poll is not taken forthwith but is taken not more than forty-eight (48) hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited (no later than the time for holding the meeting or adjourned meeting) at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The Chairman may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

80. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

81. A resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

82. Votes given in accordance with the terms of an instrument of proxy, which has been deposited in accordance with Article 79, shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation or transfer was received by the Company at the Registered Office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

83. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

CLEARING HOUSES

84. If a clearing house (or its nominee) is a Member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any general meeting of the Company or at any general meeting of any class of Members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such person is so authorised. A person so authorised pursuant to this Article shall be entitled to exercise the same powers on behalf of the clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise if it were an individual Member holding the number and Class of Shares specified in such authorisation.

DIRECTORS

85. (a) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than five Directors , and there shall be no maximum number of Directors.

(b) The Board of Directors shall have a Chairman elected and appointed by a majority of the Directors then in office. The period for which the Chairman will hold office will also be determined by a majority of all of the Directors then in office. The Chairman shall preside as chairman at every meeting of the Board of Directors. To the extent the Chairman is not present at a meeting of the Board of Directors within fifteen minutes after the time appointed for holding the same, or if the Chairman is unable to or unwilling to act as the chairman of a meeting of the Directors, the attending Directors may choose one of their number to be the chairman of the meeting.

(c) For so long as the Founders hold Shares in the Company directly or indirectly, the Founders collectively shall be entitled to appoint and remove three Directors;

(d) For so long as VIVO holds no less than 5% of all the Ordinary Shares of the Company (calculated on a fully-diluted and an as-converted basis), VIVO shall be entitled to appoint and remove one Director (the "**VIVO Director**").

(e) For so long as □□□□□□□□□□□□□□□□□□□holds no less than 5% of all the Ordinary Shares of the Company (calculated on a fully-diluted and an as-converted basis), □□□□□□□□□□□□□□□□□□□shall be entitled to appoint and remove one Director (together with the VIVO Director, the "**Investor Directors**").

(f) Subject to Article 85, the Directors may by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting, appoint any person to be a Director either to fill a vacancy on the Board or as an addition to the existing Board.

(e) An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between the Company and the Director, if any; but no such term shall be implied in the absence of express provision. Each Director whose term of office expires shall be eligible for re-election at a meeting of the Shareholders or re-appointment by the Board.

86. Notwithstanding the foregoing, each of SUPERPOWER INVESTMENTS LTD., AVI, VIVO and GIANT shall be entitled to appoint and remove one (1) observer (the "**Observers**" and each an "**Observer**") so long as they each continue to hold any Shares in the Company. The Observers shall be entitled to attend all meetings of the Board, all meetings of any committee of the Board in a non-voting capacity, and in this respect, the Company shall give such Observer copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors. In the event that an Observer cannot or elects not to attend any of the foregoing meetings, such Observer may by a written instrument appoint an alternate to attend such meeting(s).

87. Subject to Article 85, any vacancy, including newly created directorships resulting from any increase in the authorised number of Directors or amendment of these Articles, and vacancies created by removal or resignation of a Director, may be filled by the consent of a majority of the Directors then in office, though less than a quorum, or by a sole remaining director, and the Directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where such vacancy occurs among the Directors elected by the holders of a class or series of shares under Article 85, such vacancy shall be filled and appointed in accordance with Article 85.

88. A Director may be removed from office by Ordinary Resolution of the Company, notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement) but with respect to a Director appointed pursuant to clause (c), (d) or (e) of Article 85, only upon the vote or written consent of the Shareholders entitled to appoint such Director. Any vacancies created by the resignation, removal or death of a Director appointed pursuant to Article 85 shall be filled in such manner as stipulated in Article 85. A vacancy on the Board created by the removal of a Director under the previous sentence may be filled by Ordinary Resolution or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting. The notice of any meeting at which a resolution to remove a Director shall be proposed or voted upon must contain a statement of the intention to remove that Director and such notice must be served on that Director not less than ten (10) calendar days before the meeting. Such Director is entitled to attend the meeting and be heard on the motion for his removal.

89. The Board may, from time to time, and except as required by applicable law or Designated Stock Exchange Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.

90. Subject to applicable law, Designated Stock Exchange Rules and the Articles, the Board may establish any committee of the Board as it deems appropriate from time to time, and committees of the Board shall have the rights, powers and privileges delegated to such committees by the Board from time to time.

91. A Director shall not be required to hold any Shares in the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings.

92. The remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.

93. The Directors shall be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive such fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

ALTERNATE DIRECTOR

94. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be authorised to sign such written resolutions where they have been signed by the appointing Director, and to act in such Director's place at any meeting of the Directors. Every such alternate shall be entitled to attend and vote at meetings of the Directors as the alternate of the Director appointing him and where he is a Director to have a separate vote in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall not be an Officer solely as a result of his appointment as an alternate other than in respect of such times as the alternate acts as a Director. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

POWERS AND DUTIES OF DIRECTORS

95. Subject to the Companies Law, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

96. Subject to Article 122, the Directors may from time to time appoint any Person, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, chief executive officers, one or more other executive officers, the office of president, one or more vice-presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any Person so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto terminate if any managing director ceases from any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.

97. The Directors may appoint any Person to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.

98. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

99. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such person being an "**Attorney**" or "**Authorised Signatory**", respectively) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.

100. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.

101. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any Person to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such Person.

102. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any Person so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

103. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

104. The Directors may agree with a Shareholder to waive or modify the terms applicable to such Shareholder's subscription for Shares without obtaining the consent of any other Shareholder; provided that such waiver or modification does not amount to a variation or abrogation of the rights attaching to the Shares of such other Shareholders.

BORROWING POWERS OF DIRECTORS

105. The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof, or to otherwise provide for a security interest to be taken in such undertaking, property or uncalled capital, and to issue debentures, debenture stock, bonds and other securities, whether outright or as collateral, whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

106. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

107. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.

108. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION OF DIRECTORS

109. The office of Director shall be vacated, if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors;

(b) dies or is found to be or becomes of unsound mind;

(c) resigns his office by notice in writing to the Company; or

(d) is prohibited by any applicable Law or Designated Stock Exchange Rules from being a Director;

(e) without special leave of absence from the Board, is absent from meetings of the Board for three consecutive meetings and the Board resolves that his office be vacated; or

(f) is removed from office pursuant to any other provision of these Articles.

PROCEEDINGS OF DIRECTORS

110. The Directors may meet together (either within or outside the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes of the Directors present at a meeting. At any meeting of the Directors, each Director present in person or represented by his alternate shall be entitled to one vote. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

111. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

112. The quorum necessary for the transaction of the business of the Directors shall be not less three Directors, including Majority Investor Directors; *provided*, however, that if such quorum cannot be obtained for a Board meeting after two (2) consecutive notices of such meeting have been sent by the Company with the first notice providing not less than seven (7) days' prior notice and the second notice providing not less than five (5) days' prior notice, then the attendance of any three (3) Directors shall constitute a quorum, *provided* further that matters discussed in such adjourned meeting shall be limited to those stated in the written notices and agendas of the Board meeting, and resolutions passed in such meeting shall be subject to notices and agendas of such meeting as well as copies of all board papers shall be sent to all the Directors and each Shareholder who appointed a director to the Board at least seven (7) days prior to the relevant Board meeting. If at any time there is only a sole Director, the quorum shall be one Director. A Director represented by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

113. A Director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm or is to be regarded as interested in any contract or other arrangement which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. Subject to the Designated Stock Exchange Rules and disqualification by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.

114. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

115. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

116. The Directors shall cause minutes to be made in books or loose-leaf folders provided for the purpose of recording:

(a) all appointments of Officers made by the Directors;

(b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

(c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

117. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

118. A resolution in writing signed by all the Directors or all the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.

119. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.

120. The Directors may elect a chairman of their meetings and determine the period for which he is to hold office but if no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, or if the Chairman is unable to or unwilling to act as the chairman, the Directors present may choose one of their number to be chairman of the meeting.

121. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen minutes after the time appointed for holding the meeting, or if the Chairman is unable to or unwilling to act as the chairman, the committee members present may choose one of their number to be chairman of the meeting.

122. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.

123. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

PRESUMPTION OF ASSENT

124. A Director of the Company who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the Minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIVIDENDS

125. Subject to any rights and restrictions for the time being attached to any Shares, or as otherwise provided for in the Companies Law and these Articles, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

126. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

127. The Directors may determine, before recommending or declaring any dividend, to set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the Directors, be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.

128. Any dividend may be paid in any manner as the Directors may determine. If paid by cheque it will be sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to any one of such joint holders at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the Person to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct.

129. The Directors when paying dividends to the Shareholders in accordance with the foregoing provisions of these Articles may make such payment either in cash or in specie and may determine the extent to which amounts may be withheld therefrom (including, without limitation, any taxes, fees, expenses or other liabilities for which a Shareholder (or the Company, as a result of any action or inaction of the Shareholder) is liable).

130. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares. No amount paid on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the Share.

131. If several Persons are registered as joint holders of any Share, any of them may give effectual receipts for any dividend or other moneys payable on or in respect of the Share.

132. No dividend shall bear interest against the Company.

133. Any dividend unclaimed after a period of six calendar years from the date of declaration of such dividend may be forfeited by the Board of Directors and, if so forfeited, shall revert to the Company.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

134. The books of account relating to the Company’s affairs shall be kept in such manner as may be determined from time to time by the Directors.

135. The books of account shall be kept at the Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

136. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.

137. The accounts relating to the Company’s affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Directors or failing any determination as aforesaid shall not be audited.

138. The Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.

139. Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

140. Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.

141. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Companies Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

CAPITALISATION OF RESERVES

142. Subject to the Companies Law and these Articles, the Directors may:

(a) resolve to capitalise an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), whether or not available for distribution;

(b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:

(i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or

(ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,

and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;

(c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;

(d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:

(i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or

(ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,

and any such agreement made under this authority being effective and binding on all those Shareholders; and

(e) generally do all acts and things required to give effect to any of the actions contemplated by this Article.

143. Notwithstanding any provisions in these Articles, the Directors may resolve to capitalise any sum standing to the credit of any of the Company's reserve accounts or funds (including the Share Premium Account and capital redemption reserve fund) or any sum standing to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up in full unissued Shares to be allotted and issued to:

(a). employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members;

(b). any trustee of any trust or administrator of any share incentive scheme or employee benefit scheme to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or Members; or

(a) any depositary of the Company for the purposes of the issue, allotment and delivery by the depositary of ADSs to employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members.

SHARE PREMIUM ACCOUNT

144. The Directors shall in accordance with the Companies Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

145. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the determination of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Law, out of capital.

NOTICES

146. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it airmail or air courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile or by placing it on the Company's Website should the Directors deem it appropriate provided that the Company shall notify the Shareholders of the placement of such notice by any of the means set out above. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

147. Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail.

148. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

149. Any notice or other document, if served by:

(a) post, shall be deemed to have been served five days after the time when the letter containing the same is posted;

(b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;

(c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or

(d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

150. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

151. Notice of every general meeting of the Company shall be given to:

(a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and

(b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INFORMATION

152. No Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Members of the Company to communicate to the public.

153. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its Members including, without limitation, information contained in the Register and transfer books of the Company.

INDEMNITY

154. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other Officer (but not including the Company's auditors) and the personal representatives of the same (each an **"Indemnified Person"**) shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud as determined by a court of competent jurisdiction, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

155. No Indemnified Person shall be liable:

(a) for the acts, receipts, neglects, defaults or omissions of any other Director or Officer or agent of the Company; or

(b) for any loss on account of defect of title to any property of the Company; or

(c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or

(d) for any loss incurred through any bank, broker or other similar Person; or

(e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or

(f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own dishonesty, wilful default or fraud as determined by a court of competent jurisdiction.

FINANCIAL YEAR

156. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

NON-RECOGNITION OF TRUSTS

157. No Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Companies Law requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register.

WINDING UP

158. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Law, divide amongst the Members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

159. If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the par value of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the par value of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

AMENDMENT OF ARTICLES OF ASSOCIATION

160. Subject to the Companies Law and the rights attaching to the various Classes, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

CLOSING OF REGISTER OR FIXING RECORD DATE

161. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case 30 days. If the Register shall be so closed for the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders the Register shall be so closed for at least ten days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register.

162. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors may, at or within 90 days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.

163. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

REGISTRATION BY WAY OF CONTINUATION

164. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

DISCLOSURE

165. The Directors, or any service providers (including the Officers, the Secretary and the registered office agent of the Company) specifically authorised by the Directors, shall be entitled to disclose to any regulatory or judicial authority or to any stock exchange on which securities of the Company may from time to time be listed any information regarding the affairs of the Company including without limitation information contained in the Register and books of the Company.

Genetron Holdings Limited

INCORPORATED IN THE CAYMAN ISLANDS UNDER THE COMPANIES LAW (AS AMENDED OR REVISED FROM TIME TO TIME)

Certificate Number **Number of Shares**

THE AUTHORISED CAPITAL OF THE COMPANY IS USD 50,000.00
DIVIDED INTO
2,500,000,000 ORDINARY SHARES OF PAR VALUE USD 0.00002 EACH

THIS CERTIFIES THAT

OF

IS THE OWNER OF fully paid **ORDINARY** shares of par value **USD 0.00002** each

IN THE COMPANY **Genetron Holdings Limited** (the "**Company**") transferable on the books of the Company by the holder hereof in person or by a duly authorised attorney upon surrender of this certificate to the Company. This certificate and the shares represented are issued and shall be held subject to the provisions of the Memorandum and Articles of Association of the Company.

EXECUTED on behalf of the Company this _____day of _____

_____
Director

Exhibit 4.4

AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

This Amended and Restated Shareholders Agreement (this "**Agreement**") is made and entered into as of November 19, 2019 by and among:

1. Genetron Holdings Limited (□□□□□(□□)□□□□), an exempted company with limited liability organized and existing under the laws of the Cayman Islands (the "**Company**");

2. Genetron Health (Hong Kong) Company Limited (□□□□□(□□)□□□□), a company organized and existing under the laws of Hong Kong (the "**HK Co.**");

3. Genetron (Tianjin) Co., Ltd. (□□□□□□□□□), a wholly foreign-owned enterprise organized and existing under the laws of the People's Republic of China (the "**PRC**", for the purpose of this Agreement only, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan) (the "**WFOE**");

4. Genetron Health (Beijing) Co., Ltd. (□□□□□□□□□□□□□□), a limited liability company organized and existing under the laws of the PRC (the "**PRC Affiliate**");

5. Each of the persons as set forth in Schedule 1-1 attached hereto (the "**Founders**" and each, a "**Founder**");

6. The entity as set forth in Schedule 1-2 attached hereto (the **"BVI Company**");

7. Each of the entities as set forth in Schedule 2 attached hereto (the **"Other Ordinary Shareholders**" and each, an **"Other Ordinary Shareholder"**); and

8. Each of the entities as set forth in Schedule 3 attached hereto (the "**Investors**", and each an "**Investor**").

The Company, the HK Co., the WFOE, the PRC Affiliate, and the subsidiaries and branches (if any) of each of the foregoing are referred to collectively herein as the "**Group Companies**", and each, a "**Group Company**". The WFOE, and the PRC Affiliate are referred to collectively herein as the "**PRC Companies**", and each a "**PRC Company**".

Each of the foregoing Parties is referred to herein individually as a "**Party**" and collectively as the "**Parties**".

RECITALS

A. The Company and the Investors (other than the Series C-2 Investor and Series D Investors), amongst others, have entered into a Shareholders Agreement dated July 2, 2019 (the "**Prior Shareholders Agreement**").

B. The Group Companies, the BVI Company, the Founders, the Series C-2 Investor, and other parties thereto have entered into a Series C-2 Preferred Shares Purchase Agreement dated October 1, 2019 (the "**Series C-2 Purchase Agreement**"), under which the Series C-2 Investor has agreed to purchase from the Company, and the Company has agreed to sell to the Series C-2 Investor, up to 15,205,000 Series C-2 Preferred Shares of the Company.

C. The Group Companies, the BVI Company, the Founders, Series D Investors, Emerging Technology Partners LLC and other parties thereto have entered into a Series D Shares Purchase Agreement dated November 19, 2019 (the "**Series D Purchase Agreement**", together with the Series C-2 Purchase Agreement, "**Purchase Agreements**"), under which the Series D Investors have agreed to purchase from the Company, and the Company has agreed to sell to the Series D Investors and the Additional Investor, up to 40,977,100 Series D Preferred Shares of the Company.

D. The parties to the Prior Shareholders Agreement desire to amend and restate the Prior Shareholders Agreement in its entirety pursuant to the terms set forth in this Agreement, and the parties to the Prior Shareholders Agreement have agreed that the Prior Shareholders Agreement shall be of no further force and effect and further that the rights granted to the Parties hereto under this Agreement shall supersede the rights granted to such parties under the Prior Shareholders Agreement.

E. The Purchase Agreements provide that the execution and delivery of this Agreement by the Parties shall be a condition precedent to the consummation of the transactions contemplated under the each of Purchase Agreements.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. GENERAL MATTERS.

1.1. Definitions. Capitalized terms used herein without definition have the meanings assigned to them in Annex A attached to this Agreement. The use of any term defined in Annex A in its un-capitalized form indicates that the words have their normal and general meaning.

1.2. Pledge. The Company, the Founders and the BVI Company shall cause all Parties to this Agreement, other than the Investors and Other Ordinary Shareholders, to perform their obligations under this Agreement.

2. INFORMATION RIGHTS; BOARD REPRESENTATION.

2.1. Information and Inspection Rights.

(a) Information Rights. Each of the Group Companies covenants and agrees that, commencing on the date of this Agreement, for so long as any Preferred Shares are outstanding, the Group Companies shall deliver to each holder of the Preferred Shares:

(i) audited annual consolidated financial statements of the Group Companies, within one hundred and twenty (120) days after the end of each fiscal year, prepared in conformance with the International Financial Reporting Standards prepared by the International Accounting Standards Board, as amended from time to time(the "**Accounting Standard**"), and audited by a Big Four accounting firm (namely Deloitte Touche Tohmatsu, Ernst & Young, KPMG, and PricewaterhouseCoopers);

(ii) unaudited semi-annual consolidated financial statements of the Group Companies, within thirty (30) days after the end of half of the year, prepared in conformance with the Accounting Standard;

(iii) an annual business plan, capital expenditure and operations budget of the Group Companies for the following fiscal year, approved by the Board of Directors;

(iv) unaudited quarterly consolidated financial statements of the Group Companies, within thirty (30) days after the end of each quarter, prepared in conformance with the Accounting Standard;

(v) unaudited monthly management financials and operating metrics of the Group Companies upon the written request by any holder of Preferred Shares ; and

(vi) upon the written request by any holder of Preferred Shares, such other information as such holder of Preferred Shares shall reasonably request from time to time, including without limitation, resolutions, decisions, and minutes of any meeting of the Board of Directors and records of discussion thereof (the above rights, collectively, the "**Information Rights**").

All financial statements to be provided to such holder of Preferred Shares pursuant to this Section 2.1(a) shall include an income statement, a balance sheet and a cash flow statement for the relevant period as well as for the fiscal year to-date and shall be prepared in conformance with the Accounting Standard. If any financial statement to be provided to such holder of Preferred Shares pursuant to this Section 2.1(a) is not provided within respective term and is not corrected within ten (10) days after any holder of Preferred Shares' written notice, such holder of Preferred Shares shall be entitled to, or request any Group Company to, appoint a qualified accounting firm to prepare such financial statement for such Group Company, at such Group Company's expenses. Each of the Founders covenants, and shall procure any Group Company to covenant, to provide all the materials and/or information required by such accounting firm.

(b) Inspection Rights. Each of the Group Companies further covenants and agrees that, commencing on the date of this Agreement, for so long as any Preferred Shares are outstanding, each holder of Preferred Shares shall have (i) the right to inspect facilities, records and books of the Group Companies at any time during regular working hours upon reasonable prior notice to the Group Companies, (ii) the right to discuss the business, operations, conditions, finances and accounts of the Group Companies with their respective directors, officers, employees, accountants, legal counsels and investment banks, (iii) the right to obtain or be informed the important materials and/or information about the operation or management of the Group Companies held and maintained by the Board (the "**Inspection Rights**").

2.2. Board of Directors.

(a) The Restated Articles shall provide that the board of the directors of the Company (the "**Board**" or the "**Board of Directors**") shall consist of five (5) members, which number of members shall not be changed except pursuant to an amendment to the Restated Articles. Effective from the date hereof,

(i) VIVO (so long as it continues to hold no less than 5% of all the Ordinary Shares of the Company (calculated on a fully-diluted and an as-converted basis)) shall be entitled to appoint and remove one (1) director (the "**VIVO Director**"), which individual shall initially be Liu Weidong;

(ii) Tianjin Kangyue (so long as it continues to hold no less than 5% of all the Ordinary Shares of the Company (calculated on a fully-diluted and an as-converted basis)) shall be entitled to appoint and remove one (1) director (together with VIVO Director, the "**Investor Directors**"), which individual shall initially be Wu Xia; and

(iii) The Founders collectively (so long as any of them continues to hold any Shares in the Company directly or indirectly) shall be entitled to appoint and remove three (3) directors, which individuals shall initially be He Weiwu, Yan Hai, and Wang Sizhen.

(b) Each Director shall have one (1) voting right on all matters that are presented to the Board for approval. A meeting of directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than three (3) directors (including the Majority Investor Directors). The Company shall reimburse the directors for all reasonable out-of-pocket expenses incurred in connection with attending any meetings of the Board and any committee thereof. "**Majority Investor Directors**" shall mean at least fifty percent (50%) of Investor Directors; for avoidance of doubt, when there is one Investor Director, "**Majority Investor Director**" shall mean such Investor Director.

(c) Notwithstanding the foregoing, each of SUPERPOWER INVESTMENTS LTD., AVI, VIVO and GIANT shall be entitled to appoint and remove one (1) observer (the "**Observers**" and each an "**Observer**") so long as they each continue to hold no less than 1% of all the Ordinary Shares of the Company (calculated on a fully-diluted and an as-converted basis). The Observers shall be entitled to attend all meetings of the Board, all meetings of any committee of the Board in a non-voting capacity, and in this respect, the Company shall give such Observer copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors. In the event that an Observer cannot or elects not to attend any of the foregoing meetings, such Observer may, with the prior consent of the Company, by a written instrument appoint an alternate to attend such meeting(s).

(d) Upon the request of VIVO and/or Tianjin Kangyue who are entitled to appoint directors to the Company, the board of directors of each of the Group Companies shall mirror in substance that of the Company (including the directors appointed by VIVO and Tianjin Kangyue). In the event that the board of directors of certain Group Company mirrors in substance that of the Company, SUPERPOWER INVESTMENTS LTD., AVI, VIVO and/or GIANT shall be entitled to appoint the same number of observers to such Group Company as they are entitled to appoint to the Company.

3. RIGHT OF PARTICIPATION.

3.1. General. Any holder of Preferred Shares, and its assignees, to whom the rights under this Section 3 have been duly assigned in accordance with Section 9 (hereinafter referred to as a "**Participation Rights Holder**") shall have the right of first refusal to purchase such Participation Rights Holder's Pro Rata Share (as defined below), of all (or any part) of any New Securities (as defined in Section 3.3) that the Company may from time to time issue after the date of this Agreement (the "**Right of Participation**").

3.2. Pro Rata Share. A Participation Rights Holder's "**Pro Rata Share**" for purposes of the Right of Participation is equal to the product obtained by multiplying (x) the aggregate number of the New Securities to be issued by the Company by (y) a fraction, the numerator of which is the number of Ordinary Shares of the Company (calculated on a fully-diluted and as-converted basis) held by such Participation Rights Holder and the denominator of which is the total number of Ordinary Shares held by all Participation Rights Holders who have elected to exercise the Right of Participation (calculated on a fully-diluted and as-converted basis) immediately prior to the issuance of New Securities giving rise to the Right of Participation. For the purpose of this Agreement, "**fully-diluted**" means, with respect to the capitalization of the Company, all warrants, options and convertible securities of the Company are taken into account and assumed to be exercised.

3.3. New Securities. "**New Securities**" shall mean, collectively, equity securities of the Company, whether or not currently authorized, as well as any Preferred Shares, Ordinary Shares or other voting shares of the Company and rights, options or warrants to purchase such Preferred Shares, Ordinary Shares and securities of any type whatsoever that are, or may become, convertible or exchangeable into such Preferred Shares, Ordinary Shares or other voting shares, provided, however, that the term "New Securities" shall not include:

(a) any Ordinary Shares (and/or options or warrants therefor) issued to employees, officers, directors, contractors, advisors or consultants of the Company pursuant to the Company's employee share option plans duly approved by the Board (including the affirmative votes of Majority Investor Directors) in accordance with this Agreement and Restated Articles (the "**ESOP**");

(b) any Preferred Shares issued under the Purchase Agreements (including the Additional Purchased Shares as defined under the Series D Purchase Agreement), as such agreements may be amended from time to time, and any Ordinary Shares issued pursuant to the conversion of any Preferred Shares;

(c) any securities issued in connection with any share split, share dividend or other similar event in which all Participation Rights Holders are entitled to participate on a pro rata basis;

(d) any securities issued pursuant to the acquisition of another corporation or entity by the Company by consolidation, merger, purchase of assets, or other reorganization duly approved in accordance with this Agreement and Restated Articles in which the Company acquires, in a single transaction or a series of related transactions, all or substantially all assets of such other corporation or entity, or fifty percent (50%) or more of the equity ownership or voting power of such other corporation or entity, as duly approved by the Board (including the affirmative votes of Majority Investor Directors); and,

(e) any securities issued pursuant to a Qualified IPO or for the adjustment pursuant to Article 39 (e) of the Restated Articles.

3.4. Procedures.

(a) Participation Notice. In the event that the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), it shall give to each Participation Rights Holder written notice of its intention to issue New Securities (the "**Participation Notice**"), describing the amount and type of New Securities, the price and the general terms upon which the Company proposes to issue such New Securities. Each Participation Rights Holder shall have thirty (30) days from the date of receipt of any such Participation Notice (the "**Participation Period**") to agree in writing to purchase such Participation Rights Holder's Pro Rata Share of such New Securities for the price and upon the terms and conditions specified in the Participation Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Participation Rights Holder's Pro Rata Share) (the "**Purchase Notice**"). If any Participation Rights Holder fails to so agree in writing within Participation Period to purchase such Participation Rights Holder's full Pro Rata Share of an offering of New Securities, then such Participation Rights Holder shall forfeit the right hereunder to purchase that part of its Pro Rata Share of such New Securities that it did not agree to purchase.

(b) Each Participating Rights Holder who exercised their Right of Participation (the "**Right Participant**") shall be obligated to buy such number of New Securities as determined by the Company pursuant to this Section 3.4 and the Company shall so notify the Right Participants within five (5) days following the receipt of the Purchase Notice from the Participating Rights Holder.

3.5. Oversubscription. If any Participating Rights Holder fails or declines to exercise fully its Rights of Participation in accordance with Section 3.4, the Company shall promptly give a written notice (the "**Second Participation Notice**") within five (5) days from the end of Participation Period to the Right Participants who agreed to exercise their Right of Participation in full in accordance with Section 3.4 (the "**Oversubscribing Right Participant**"). Each Oversubscribing Right Participant shall have fifteen (15) days from the date of the Second Participation Notice (the "**Second Participation Period**") to notify the Company in written form of its desire to purchase the New Securities in excess of its Pro Rata Share, stating the number of the additional New Securities it proposes to purchase. If as a result thereof, such oversubscription exceeds the total number of the remaining New Securities available for purchase, the Oversubscribing Right Participants will be cut back by the Company with respect to their oversubscriptions to that number of remaining New Securities equal to the lesser of (a) the number of the additional Shares it proposes to purchase, or (b) the product obtained by multiplying (i) the number of the remaining New Securities available for subscription by (ii) a fraction the numerator of which is the number of Ordinary Shares (calculated on a fully diluted and an as-converted basis) held by each Oversubscribing Right Participant and the denominator of which is the total number of Ordinary Shares (calculated on a fully diluted and an as-converted basis) held by all the Oversubscribing Rights Participants. The Company shall so notify the Right Participants within five (5) days from the end of the Second Participation Period. Notwithstanding anything to the contrary contained herein, the transaction in connection with the New Securities purchased by the Participation Rights Holder pursuant to this Section 3 shall be consummated within sixty-five (65) days following the receipt of the Purchase Notice from the Right Participants in respect of the desire to purchase such New Securities.

3.6. Failure to Exercise. Upon the expiration of the Second Participation Period, or in the event no Participating Rights Holder exercise the Right of Participation within Participation Period, the Company shall have one hundred and twenty (120) days thereafter to complete the sale of the New Securities described in the Participation Notice (with respect to which the Right of Participation and oversubscription right hereunder were not exercised) at the same or higher price and upon non-price terms not materially more favorable to the purchasers thereof than specified in the Participation Notice, provided that the prospective purchaser of such New Securities shall comply with this Agreement and Restated Articles, as maybe amended from time to time, to the fullest extent or otherwise approved by the Participation Rights Holders. In the event that the Company has not issued and sold such New Securities within such one hundred and twenty (120) days period, then the Company shall not thereafter issue or sell any New Securities without again first offering such New Securities to the Participation Rights Holders pursuant to this Section 3.

4. TRANSFER RESTRICTIONS.

4.1. Restriction on Transfers. Except for transfers by a holder of Ordinary Shares to its Permitted Transferees as provided in Section 4.4, none of the holders of Ordinary Shares (excluding Tianjin Yuanjufu, Easy Benefit Investment Limited and their respectively permitted assignees to whom its rights have been duly assigned in accordance with this Agreement) or their Permitted Transferees shall, without the written approval of the Board (including the affirmative votes of both Investor Directors), sell, assign, transfer, pledge, hypothecate, mortgage, encumber or otherwise dispose through one or a series of transactions any Company securities held by it ("**Restricted Shares**") to any person (the "**Transfer**"), on or prior to a Qualified IPO. Any attempt by a Party to transfer any Restricted Shares in violation of this Section 4 shall be void and the Company hereby agrees it will not effect such a Transfer nor will it treat any alleged transferee as the holder of such Shares without the written approval of the Board (including the affirmative votes of both Investor Directors).

4.2. Right of First Refusal to Transfer of Restricted Shares. Subject to Section 4.4 of this Agreement, if any Ordinary Shareholder (excluding Tianjin Yuanjufu, Easy Benefit Investment Limited and their respectively permitted assignees to whom its rights have been duly assigned in accordance with this Agreement) (the "**Selling Shareholder**") proposes to Transfer any Restricted Shares held by it to any person (other than the Permitted Transferee as defined in Section 4.4), then such Selling Shareholder shall promptly give written notice (the "**Transfer Notice**") to each Preferred Shareholder (the "**ROFR Holders**") and the Company prior to such sale or transfer. The Transfer Notice shall describe in reasonable detail the proposed sale or transfer including, without limitation, the number of Restricted Shares to be sold or transferred (the "**Offered Shares**"), the nature of such sale or transfer, the consideration to be paid, and the name and address of each prospective purchaser or transferee. The ROFR Holders shall have an option for a period of thirty (30) days from receipt of the Transfer Notice (the "**ROFR Holder's First Refusal Period**") to elect to purchase the Offered Shares at the same price and subject to the same terms and conditions as described in the Transfer Notice. The ROFR Holders may exercise such purchase option and purchase all or any portion of the Offered Shares by notifying the Selling Shareholder in writing before expiration of such thirty (30) days period as to the number of shares that it wishes to purchase. Each ROFR Holder will have the right, exercisable upon written notice (the "**ROFR Holder's First Refusal Notice**") to the Selling Shareholder and the Company within the ROFR Holder's First Refusal Period of its election to exercise its right of first refusal hereunder. The ROFR Holder's First Refusal Notice shall set forth the number of Offered Shares that such ROFR Holder wishes to purchase, which amount shall not exceed the First Refusal Allotment (as defined below) of such ROFR Holder. Such right of first refusal shall be exercised as follows:

(a) First Refusal Allotment. Each ROFR Holder shall have the right to purchase up to that number of the Offered Shares (the "**First Refusal Allotment**") equivalent to the product obtained by multiplying the aggregate number of the Offered Shares by a fraction, the numerator of which is the number of Ordinary Shares (on an as-converted basis) held by such ROFR Holder at the time of the transaction and the denominator of which is the total number of Ordinary Shares (on an as-converted basis) owned by all ROFR Holders at the time of the transaction who have elected to participate in the right of first refusal purchase. A ROFR Holder shall not have a right to purchase any of the Offered Shares unless it exercises its right of first refusal within the ROFR Holder's First Refusal Period. To the extent that any ROFR Holder does not exercise its right of first refusal in connection with any or all of its First Refusal Allotment, the Selling Shareholder and the exercising ROFR Holders that intend to purchase the Offered Shares in excess of its First Refusal Allotment (the "**Over-subscription ROFR Holders**") shall, at the Over-subscription ROFR Holders' sole discretion, within five (5) days after the end of the ROFR Holder's First Refusal Period, make such adjustment to the First Refusal Allotment of each Over-subscription ROFR Holder so that any remaining Offered Shares may be allocated to the Over-subscription ROFR Holders on a pro rata basis.

(b) Purchase Price and Payment. The purchase price for the Offered Shares to be purchased by the ROFR Holders exercising their right of first refusal will be the price set forth in the Transfer Notice. The transaction in connection with the Offered Shares purchased by the ROFR Holders shall be consummated within fifteen (15) days following the date of the ROFR Holder's First Refusal Notice by wire transfer or check as directed by the Selling Shareholder.

(c) Expiration Notice. Within five (5) days after the expiration of the ROFR Holder's First Refusal Period, the Company will give written notice (the "**First Refusal Expiration Notice**") to the Selling Shareholder and the ROFR Holders specifying either (i) that all of the Offered Shares were subscribed by the ROFR Holders exercising their rights of first refusal, or (ii) that the ROFR Holders have not subscribed for all of the Offered Shares in which case the First Refusal Expiration Notice will specify the Co-Sale Pro Rata Portion (as defined below) of the remaining Offered Shares for the purpose of the co-sale right of the holders of the Preferred Shares described in the Section 4.3 below provided that such Selling Shareholder shall be any BVI Company or Founder.

(d) Rights of a Selling Shareholder. If any ROFR Holder exercises its right of first refusal to purchase the Offered Shares, then, upon the date the notice of such exercise is given by the ROFR Holder, the Selling Shareholder will have no further rights as a holder of such Offered Shares except the right to receive payment for such Offered Shares from such ROFR Holder in accordance with the terms of this Agreement, and the Selling Shareholder will forthwith cause all certificate(s) evidencing such Offered Shares to be surrendered to the Company for transfer to such ROFR Holder.

4.3. Co-Sale Right. In the event that any BVI Company or Founder (the "**Co-Sale Selling Shareholder**") proposes to Transfer any Restricted Shares directly or indirectly held by it to any third party (other than the existing Shareholders of the Company) and the ROFR Holders have not exercised their right of first refusal with respect to any of the Offered Shares (the "**Co-Sale Holders**"), then the remaining Offered Shares not subscribed for under the right of first refusal pursuant to Section 4.2 above shall be subject to co-sale rights under this Section 4.3 and each Co-Sale Holder shall have the right, exercisable upon written notice to the Co-Sale Selling Shareholder and the Company (the "**Co-Sale Notice**") within fifteen(15) days after receipt of First Refusal Expiration Notice (the "**Co-Sale Right Period**"), to participate in such sale of the Offered Shares on the same terms and conditions as set forth in the Transfer Notice. The Co-Sale Notice shall set forth the number of Ordinary Shares (on both an absolute and as-converted to Ordinary Shares basis) that such Co-Sale Holder wishes to include in such sale or transfer, which amount shall not exceed the Co-Sale Pro Rata Portion (as defined below) of such Co-Sale Holder. To the extent one or more of the Co-Sale Holders exercise such right of participation in accordance with the terms and conditions set forth below, the number of Restricted Shares that such Co-Sale Selling Shareholder may sell in the transaction shall be correspondingly reduced. The co-sale right of each Co-Sale Holder shall be subject to the following terms and conditions:

(a) Co-Sale Pro Rata Portion. Each Co-Sale Holder may sell all or any part of that number of Ordinary Shares (on an as-converted basis) held by it that is equal to the product obtained by multiplying (x) the aggregate number of the Offered Shares subject to the co-sale right hereunder by (y) a fraction, the numerator of which is the number of Ordinary Shares (on an as-converted basis) owned by such Co-Sale Holder at the time of the sale or transfer and the denominator of which is the combined number of Ordinary Shares (on an as-converted basis) at the time owned by all Co-Sale Holders who elect to exercise their co-sale rights (if any Co-Sale Holder does not elect to exercise the co-sale right to the full extent then its Ordinary Shares (on as-converted basis) for calculation in the denominator shall be proportionately reduced) and the Co-Sale Selling Shareholder ("**Co-Sale Pro Rata Portion**"); provided that, without prejudice to the provisions in Section 7.2, in the event that any Founder or any BVI Company proposes to sell or transfer any Restricted Shares directly or indirectly held by it to any third party (other than the existing shareholders of the Company) and such sale or transfer will result in the change of the ultimate controller(s) and/or controlling shareholder(s) of the Company, the denominator of the fraction in the Co-Sale Pro Rata Portion shall be the combined number of Ordinary Shares (on an as-converted basis) at the time owned by all Co-Sale Holders who elect to exercise their co-sale rights (if any Co-Sale Holder does not elect to exercise the co-sale right to the full extent then its Ordinary Shares (on as-converted basis) for calculation in the denominator shall be proportionately reduced); for the avoidance of doubt, it being understood that Preferred Shareholders shall be entitled to sell or transfer, with priority to any other shareholders, all or any portion of its shares to any third party on the same terms and conditions under such circumstance.

(b) Transferred Shares. Each Co-Sale Holder shall effect its participation in the sale by promptly delivering to the Co-Sale Selling Shareholder for transfer to the prospective purchaser one or more certificates, properly endorsed for transfer, which represent:

(i) the number of Ordinary Shares which such Co-Sale Holder elects to sell;

(ii) that number of Preferred Shares which is at such time convertible into the number of Ordinary Shares that such Co-Sale Holder elects to sell; provided in such case that, if the prospective purchaser objects to the delivery of Preferred Shares in lieu of Ordinary Shares, such Co-Sale Holder shall convert such Preferred Shares into Ordinary Shares and deliver Ordinary Shares as provided in Subsection 4.3(b)(i) above. The Company agrees to make any such conversion concurrent with the actual transfer of such shares to the purchaser; or

(iii) a combination of the above.

(c) Payment to Co-Sale Holder. The share certificate or certificates that the Co-Sale Holder delivers to the Co-Sale Selling Shareholder pursuant to Section 4.3(b) shall be transferred to the prospective purchaser in consummation of the sale of the Offered Shares pursuant to the terms and conditions specified in the Transfer Notice, and the Co-Sale Selling Shareholder shall concurrently therewith remit to such Co-Sale Holder that portion of the sale proceeds to which such Co-Sale Holder is entitled by reason of its participation in such sale. To the extent that any prospective purchaser or purchasers prohibits such assignment or otherwise refuses to purchase any shares or other securities from a Co-Sale Holder exercising its co-sale right hereunder, the Co-Sale Selling Shareholder shall not sell to such prospective purchaser or purchasers any Ordinary Shares unless and until, simultaneously with such sale, the Co-Sale Selling Shareholder shall purchase such shares or other securities from such Co-Sale Holder.

(d) Right to Transfer. To the extent the ROFR Holders do not elect to purchase, or the Co-Sale Holders do not to participate in the sale of, any or all of the Offered Shares subject to the Transfer Notice, the Selling Shareholder may, not later than ninety (90) days following delivery to the Company and each of the Preferred Shareholder of the Transfer Notice, conclude a Transfer of the Offered Shares covered by the Transfer Notice and not elected to be purchased by the ROFR Holders, which in each case shall be on substantially the same terms and conditions as those described in the Transfer Notice. Any prospective purchaser of such shares shall comply with this Agreement and Restated Articles, as maybe amended from time to time, to the fullest extent. Any proposed transfer on terms and conditions which are materially different from those described in the Transfer Notice, as well as any subsequent proposed transfer of any Restricted Shares by the Selling Shareholder, shall again be subject to the right of first refusal of the ROFR Holders and the co-sale right of the Co-Sale Holders (in the event that the proposed Transfer is made by any Co-Sale Selling Shareholder) and shall require compliance by the Selling Shareholder with the procedures described in Sections 4.2 and 4.3 of this Agreement (in the event that the proposed Transfer is made by any Co-Sale Selling Shareholder).

4.4. Permitted Transfers. Notwithstanding anything to the contrary contained herein, the right of first refusal and co-sale rights as set forth in Section 4.2 and Section 4.3 above shall not apply to (a) any Transfer of Restricted Shares to the Company pursuant to a repurchase right or right of first refusal held by the Company in the event of a termination of employment or consulting relationship under the ESOP or other similar plan or arrangement as approved according to Section 11; (b) any Transfer of Restricted Shares to employees, officers or directors of the Company pursuant to the ESOP or other similar plan or arrangement of the Company as approved according to Section 11 and (c) Transfer of any Restricted Shares held by the BVI Company, a Founder or another Ordinary Shareholders to the Founder's or the Ordinary Shareholder's individual beneficiary owner's parents, children or spouse, or to a trustee for the benefit of such persons for bona fide estate planning purposes provided that the voting right with respect such Restricted Shares are still vested in the transferring Ordinary Shareholder (each transferee pursuant to the foregoing subsections (a), (b) and (c), a "**Permitted Transferee**"); provided further that adequate documentation therefor is provided to the Preferred Shareholders to their satisfaction and that any such Permitted Transferee agrees in writing to be bound by this Agreement and the Restated Articles in place of the relevant transferor (including the provision of restriction on transfer); provided, further, that such transferor shall remain liable for any breach by such Permitted Transferee of any provision hereunder.

4.5. The shareholders specifically agree that the restrictions with regard to the Transfer of the Restricted Shares by the Ordinary Shareholders as described under this Section 4 shall apply equally to Transfer of the shares of each Ordinary Shareholders (as applicable) (excluding Tianjin Yuanjufu, Easy Benefit Investment Limited and their respectively permitted assignees to whom its rights have been duly assigned in accordance with this Agreement, and each of such Ordinary Shareholders, a "**Restricted Ordinary Shareholder**"), as if each of the provisions under this Section 4 has been repeated under this Section 4.5 with regard to Transfer of the shares of each Restricted Ordinary Shareholder except that the reference to the shares in the Company has been revised to refer to the shares in each Restricted Ordinary Shareholder, as applicable, so that the result of such restrictions on the indirect Transfer of the shares in the Company by transferring the shares in each Restricted Ordinary Shareholder is the same as if such Restricted Ordinary Shareholder directly transfers the relevant shares in the Company.

4.6. Restriction on Indirect Transfers. Notwithstanding anything to the contrary contained herein, without the prior written approval of the Board (including the affirmative votes of both Investor Directors):

(a) (i) the Founders and/or the BVI Company shall not, directly or indirectly, Transfer any equity interest held directly or indirectly, to any person; and (ii) the Founders or BVI Company shall not, issue to any person any equity securities of the Founders or BVI Company or any options or warrants for, or any other securities exchangeable for or convertible into, such equity securities of the Founders or BVI Company.

(b) the Founders and the BVI Company shall not, or shall not cause or permit any other person to, directly or indirectly, Transfer any equity interest held or controlled by him or the BVI Company respectively in the Company to any person. Any Transfer in violation of this Section shall be void and the Company hereby agrees it will not effect such a Transfer nor will it treat any alleged transferee as the holder of such equity interest.

(c) Except in compliance with this Agreement, each Group Company shall not, and the Founders and/or the BVI Company shall not (i) Transfer any equity interest held, directly or indirectly, by it or him in the Group Companies to any person; and (ii) cause any Group Company to, issue to any person any equity securities of such Group Company, or any options or warrants for, or any other securities exchangeable for or convertible into, such equity securities of such Group Company.

4.7. Guarantees by the Founders. The Founders hereby guarantee and warrant the performance and obligations of the BVI Company under this Agreement.

4.8. Legend.

(a) Each certificate representing the Restricted Shares held by Ordinary Shareholders shall be endorsed with the following legend:

"THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER SET FORTH IN A SHAREHOLDERS AGREEMENT, A COPY OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY."

(b) Each Party agrees that the Company may instruct its transfer agent to impose transfer restrictions on the shares represented by certificates bearing the legend referred to in Section 4.8 (a) above to enforce the provisions of this Agreement and the Company agrees to promptly do so. The legend shall be removed upon termination of the provisions of this Section 4.

4.9. Transfer by the Investors. None of the Preferred Shareholders shall transfer any Shares directly or indirectly owned by it to any Competitors. Any Preferred Shareholder may transfer any Shares held by it (including any rights and obligations under the Transaction Documents) to any of its Affiliates without being subject to consent from any other Parties and the restrictions of other preferred rights (including but not limited to the restrictions under this Section 4.9 and any other applicable laws). If any Preferred Shareholder (the "**Selling Preferred Shareholder**") proposes to sell or transfer any Shares held by it to any person other than one of its Affiliates (provided that such transferee is not a Competitor of the Group Companies), then such Selling Preferred Shareholder shall promptly give written notice (the "**Preferred Transfer Notice**") to other Shareholders (the "**Preferred ROFR Holders**") prior to such sale or transfer. The Preferred Transfer Notice shall describe in reasonable detail the proposed sale or transfer including, without limitation, the number of Shares to be sold or transferred (the "**Offered Preferred Shares**"), the nature of such sale or transfer, the consideration to be paid, and the name and address of each prospective purchaser or transferee. Subject to Section 9 hereof, any attempt by an Investor to transfer any shares in violation of this Section 4.9 shall be void and result in the termination of the Information and Inspection Rights, the right to appoint and remove the director or other priority right of such Investor, and the Company hereby agrees it will not effect such a Transfer nor will it treat any alleged transferee as the holder of such Shares.

(a) The Preferred ROFR Holders shall have an option for a period of fifteen (15) days from receipt of the Preferred Transfer Notice (the "**Preferred Offering Period**") to elect to purchase its Pro Rata ROFR Share (as defined below) of the Offered Preferred Shares at the same price and subject to the same terms and conditions as described in the Preferred Transfer Notice. The Preferred ROFR Holders may exercise such purchase option and purchase its respective Pro Rata ROFR Share of the Offered Preferred Shares by notifying the Selling Preferred Shareholder in writing (the "**Acceptance Notice**") before expiration of the Preferred Offering Period; such notice shall indicate that the Preferred ROFR Holder accepts the price, terms and conditions set forth in the Preferred Transfer Notice and such Acceptance Notice shall be binding on the Preferred ROFR Holder.

(b) Each Preferred ROFR Holder's "**Pro Rata ROFR Share**" is equal to the product obtained by multiplying the aggregate number of the Offered Preferred Shares by a fraction, the numerator of which is the number of Ordinary Shares (on an as-converted basis) held by such Preferred ROFR Holder on the date of the Preferred Transfer Notice and the denominator of which is the total number of Ordinary Shares (on an as-converted basis) owned by all Preferred ROFR Holders at such time. A Preferred ROFR Holder shall not have a right to purchase any of the Offered Preferred Shares unless it exercises its right of first refusal within the Preferred Offering Period.

(c) Purchase Price and Payment. The purchase price for the Offered Preferred Shares to be purchased by the Preferred ROFR Holders exercising their right of first refusal will be the price set forth in the Preferred Transfer Notice. The transaction in connection with the Offered Preferred Shares purchased by the Preferred ROFR Holders shall be consummated within thirty (30) days following the date of the Preferred ROFR Holder's Acceptance Notice by wire transfer or check as directed by the Selling Preferred Shareholder.

(d) Regardless of any other provision of this Agreement, if the Preferred ROFR Holders decline in writing, or fail to deliver to the Selling Preferred Shareholder the Acceptance Notice in accordance with Section 4.9 (a) with respect to all (and not less than all) Offered Preferred Shares, or fails to close the deal in accordance with the Preferred Transfer Notice and the Acceptance Notice, the Offered Preferred Shares shall be released in its entirety from this right of first refusal to Preferred Shares which shall be deemed as forfeited by the Preferred ROFR Holders, and the Selling Preferred Shareholder shall be free to sell such Offered Preferred Shares within ninety (90) days from the expiration of Preferred Offering Period or the proposed closing date set forth in the Preferred Transfer Notice (whichever is later), as the case may be, to the third-party transferee identified in the Preferred Transfer Notice upon terms and conditions (including the purchase price) no more favorable to the purchaser than those specified in the Preferred Transfer Notice.

(e) For the avoidance of doubt, this Section 4.9 shall apply *mutatis mutandis* to any proposed Transfer of Ordinary Shares held by Tianjin Yuanjufu and Easy Benefit Investment Limited. Unless otherwise provided under Section 4.9, Tianjin Yuanjufu, Easy Benefit Investment and the Preferred Shareholders (and their respectively permitted assignees to whom its rights have been duly assigned in accordance with this Agreement) shall have right to transfer the Preferred Shares or Ordinary Shares issued or issuable upon conversion of Preferred Shares freely and without any restrictions, without prejudice to the rights of the Preferred Shareholder to purchase any Offered Shares to be transferred by any other shareholders pursuant to Section 4.2 and Section 4.3.

5. Drag-Along Right

5.1. Drag-Along Sale. Without prejudice to the provisions in Section 6 and Section 7.2, in the event that (i) the Company has not consummated an IPO or Acquisition before August 31, 2023, (ii) the Majority Series C Group Preferred Shareholders, voting as a separate class (the "**Drag Holders A**"), or the Majority Series D Preferred Shareholders, voting as a separate class (the **"Drag Holders B"**, collectively with Drag Holders A, the **"Drag Holders"**) approve a proposed Acquisition, and (iii) the implied valuation of the Company in such proposed Acquisition is no less than US$ three (3) hundred million (the **"Drag-Along Sale"**), the Drag Holders shall have the rights to, by delivery of written notice (the **"Drag-Along Notice"**), require each of the other Shareholders of the Company(the **"Dragged Holders"**), to act as follows, unless the Founders or Dragged Holders have proposed a bona fide alternative Acquisition within ten (10) days from the date of receipt of the Drag-Along Notice(a **"Qualified Alternative Sale"**), in which (x) the implied valuation of the Company shall be higher than that proposed in the Drag-Along Sale; and (y) the terms and conditions shall be generally not less favorable than those proposed in Drag-Along Sale:

(a) sell, at the same time as the Drag Holders sell to the relevant third party in the Drag-Along Sale, all of its Shares of the Company or the same percentage of its Shares of the Company as the Drag Holders sell, for the same per-share consideration (on an as converted basis) and upon the same terms and conditions as were agreed to by the Drag Holders;

(b) vote all of its Shares of the Company (i) in favor of such Drag-Along Sale (together with any related amendment or restatement to the Articles required to implement such Drag-Along Sale of the Company), (ii) against any other proposal of Acquisition (other than a Qualified Alternative Sale);

(c) not exercise any dissenters' or appraisal rights under applicable law with respect to such Drag-Along Sale; and

(d) take all actions reasonably necessary to consummate the Drag- Along Sale, including but not limited to execute any share transfer or associated agreements reasonably necessary for consummation of such Drag-Along Sale, and the delivery, at the closing of such Drag-Along Sale by way of a sale of shares, of all certificates representing the shares being sold, accompanied by share transfer forms, or affidavits with respect to lost certificates required under the applicable law.

5.2. Notwithstanding the foregoing, the Drag Holders shall promptly inform other Shareholders and the Company of their intention to propose a Drag-Along Sale in writing at least ten (10) days prior to the delivery of the Drag-Along Notice.

5.3. In the event that any Dragged Holder fails for any reason to take any of the foregoing actions under Section 5.1 or purchase the securities in the Group Companies held by the Drag Holders as set forth below, after thirty (30) days upon the receipt of the Drag-Along Notice, such Dragged Holder hereby grants an irrevocable power of attorney and proxy to any director approving the Drag-Along Sale to take all necessary actions and execute and deliver all documents deemed by such director to be reasonably necessary to effectuate the terms hereof. Notwithstanding any provision to the contrary in this Section 5, the Dragged Holders may elect not to vote or give their consent with respect to, all the securities in Group Companies directly or indirectly held by them in favor of such proposed Drag-Along Sale, but in any such event, the Dragged Holders shall be obliged to purchase all the securities in Group Companies held by the Drag Holders, under the same terms and conditions as offered in the proposed Drag-Along Sale.

5.4. All the proceeds generated from the Drag-Along Sale shall be distributed as follows:

(a) before any distribution or payment shall be made to the holders of any Ordinary Shares, each holder of Series D Preferred Shares, Series C Group Preferred Shares, Series B Preferred Shares and Series A Preferred Shares shall be entitled to receive, on parity with each other, an amount equal to one hundred percent (100%) of the applicable Deemed Issue Price (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) for each Preferred Share it holds, plus all accrued or declared but unpaid dividends thereon (collectively "**Drag-Along Preference**");

(b) after full payment of the Drag-Along Preference to all the holders of the Preferred Shares pursuant to Section 5.4(a) above, any remaining proceeds generated from the Drag-Along Sale shall be distributed on a pro rata, pari passu basis among the holders of the Preferred Shares (on an as-converted basis), together with the holders of the Ordinary Shares.

5.5. Notwithstanding anything to the contrary set forth herein, the Dragged Holders will not be required to comply with the foregoing Subsection 5.1 in connection with any proposed Drag-Along Sale of the Company (the "**Proposed Sale**"), unless:

(a) any representations and warranties to be made by such Dragged Holder (excluding the Founders, any person or entity controlled or beneficially owned by or affiliated with any Founder, or any Dragged Holder who is an employee or officer or controlling shareholder of any Group Company) in connection with the Proposed Sale are limited to representations and warranties related to authority, ownership and the ability to convey title to such Shares, including, but not limited to, representations and warranties that (i) the Dragged Holder holds all right, title and interest in and to the Shares such Dragged Holder purports to hold, free and clear of all liens and encumbrances, (ii) the obligations of the Dragged Holder in connection with the transaction have been duly authorized, if applicable, (iii) the documents to be entered into by the Dragged Holder have been duly executed by the Dragged Holder and delivered to the acquirer and are enforceable (subject to customary limitations) against the Dragged Holder in accordance with their respective terms; and (iv) neither the execution and delivery of documents to be entered into by the Dragged Holder in connection with the transaction, nor the performance of the Dragged Holder's obligations thereunder, will cause a breach or violation of the terms of any agreement to which the Dragged Holder is a party, or any law or judgment, order or decree of any court or governmental agency that applies to the Dragged Holder;

(b) such Dragged Holder is not required to agree (unless such Dragged Holder is any Key Employee, any person or entity controlled or beneficially owned by or affiliated with a Key Employee) to any restrictive covenant in connection with the Proposed Sale (including any covenant not to compete or covenant not to solicit customers, employees or suppliers of any party to the Proposed Sale);

(c) the Dragged Holder is not liable for the breach of any representation, warranty or covenant made by any other Person in connection with the Proposed Sale, other than the Company (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any shareholder of any of identical representations, warranties and covenants provided by all shareholders);

(d) equal terms of liabilities in connection with the Proposed Sale will apply to each Dragged Holder and Drag Holder who is a Preferred Shareholder;

(e) upon the consummation of the Proposed Sale, each holder of each class or series of the shares of the Company will receive the same form and same amount of consideration per share for their shares of such class or series as is received by other holders in respect of their shares of such same class or series of shares, and if any holders of any shares of the Company are given a choice as to the form of consideration to be received as a result of the Proposed Sale, all holders of such shares will be given the same option; provided however, that nothing in this Subsection 5.4(e) shall entitle any holder to receive any form of consideration that such holder would be ineligible to receive as a result of such holder's failure to satisfy any condition, requirement or limitation that is generally applicable to the Company's shareholders.

6. REDEMPTION

6.1. Redemption by the Company and Founders. Notwithstanding anything to the contrary herein, upon the occurrence of any of the following events (collectively the "**Redemption Triggering Events**", and each a "**Redemption Triggering Event**"), subject to the applicable laws of the Cayman Islands and, if so requested by the relevant holder of the Preferred Shares (each a "**Redeeming Shareholder**"), the Company and/or any Founder shall redeem or repurchase all or part of the outstanding Preferred Shares in cash out of funds legally available therefor (the "**Redemption**"):

(a) for each holder of the Preferred Shares, (i) the Company has not consummated a Qualified IPO before March 31, 2021; (ii) Yan Hai (□□) and/or Wang Sizhen (□□□) directly or indirectly participates in or owns any interest in business of molecular diagnosis outside the Group Companies which is substantially competitive with the Group Company (other than as a holder of less than five percent (5%) of the outstanding shares of a company without decision rights) and has not stopped it within sixty (60) days after the written notice issued by any holder of Series C Group Preferred Shares and/or Series D Preferred Shares; (iii) any material violation of law or act of dishonesty committed by any Group Companies or any Founders; (iv) Yan Hai (□□) and/or Wang Sizhen (□□□) resigns from the Group Companies or no longer holds any Shares of the Company directly or indirectly; (v) any change in the laws and regulations or the reinterpretation or enforcement of such laws and regulations, that causes the Control Documents invalid, illegal or unenforceable where (a) the Shareholders of the Company fail to revert to be the shareholders of the PRC Affiliate or reach an agreement with respect to any feasible alternative arrangements satisfactory to the then Shareholders of the Company, and (b) there is Material Adverse Effect on the PRC Affiliate, within six (6) months after such change, reinterpretation or abolition of any law or regulation; or (vi) the Company, the Founders or any other party terminate any Control Document or cause any Control Document to be terminated, unless otherwise approved by the Board (including the affirmative vote of the Majority Investor Directors);

(b) for VIVO and/or each holder of the Series D Preferred Shares (in addition to its rights under Subsection 6.1 (a)), the VIE structure or the Control Documents are rendered invalid, illegal or unenforceable by any change in the laws and regulations or the reinterpretation or enforcement of such laws and regulations, and/or the Company, with the approval of the Board (including the affirmative votes of Majority Investor Directors), decides to unwind the VIE structure and cause the Shareholders of the Company to revert to be the shareholders of the PRC Affiliate or such other Subsidiary or Affiliate of the Company in the PRC.

The price at which each Preferred Share shall be redeemed or repurchased (the "**Redemption Price**") shall be calculated by applying the following formula:

IP × (1+N×A) + D, and

IP = the Deemed Issue Price;

N = a fraction the numerator of which is the number of calendar days between the Original Issue Date and the relevant Redemption Date (as defined below) on which such Preferred Share is redeemed and the denominator of which is 365;

A = 8% in the case of Series C-2 Preferred Shares, or 10% in the case of other Preferred Shares;

D = all declared but unpaid dividends on each Preferred Share up to the Redemption Date, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations or mergers.

6.2. Notice. A notice of redemption (a "**Redemption Notice**") by any Redeeming Shareholder shall be given by hand or by mail to the Company at any time on or after the occurrence of Redemption Triggering Event stating the date on which the Preferred Shares shall be redeemed (the "**Redemption Date**"), which shall be no more than sixty (60) days from the date of the Redemption Notice, and which shall be no earlier than the occurrence of the Redemption Triggering Event or the expiry of a thirty-days period from the date of the Redemption Notice, whichever is later. Upon receipt of any Redemption Notice, the Company shall promptly give written notice of the redemption request to each non-requesting holder of record of the Preferred Shares who has the right to redeem its Preferred Shares pursuant to Section 6.1 above, stating the existence of such request, the Redemption Price, the Redemption Date and the mechanics of redemption. For the avoidance of doubt, the closing of the Redemption (the "**Redemption Closing**") of any series of the Preferred Shares pursuant to this Section 6 will take place within ninety (90) days following the date of the relevant Redemption Notice (the "**Redemption Period**") at the offices of the Company. Notwithstanding anything to the contrary contained herein, no other Shares of the Company shall be redeemed unless and until the Company shall have redeemed all of the Preferred Shares requested to be redeemed pursuant to this Section 6 and shall have paid all the Redemption Price for such Preferred Shares requested to be redeemed payable pursuant to this Section 6.

6.3. Insufficient Funds. If the Company and/or the Founders fail (for whatever reason) to redeem any Preferred Shares within six (6) months after the expiration of the Redemption Period, without prejudice to any other rights and remedies that the Redeeming Shareholder(s) may have and without relieving the Company or the Founder of any of its obligations to redeem the Preferred Shares, the Redeeming Shareholder(s) who holds Series D Preferred Shares and whose Preferred Shares remain not redeemed shall be entitled to require the Company, the BVI Company and the Founders to effect, and the Company, the BVI Company and the Founders shall be obligated to effect the liquidation of the Company. All proceeds generated therefrom shall be distributed in accordance with Section 7.1 below and Section 129 of the Restated Articles. If the Company and/or any Founder does not have sufficient cash or funds legally available to redeem all of the Preferred Shares required to be redeemed at any Redemption Closing, those assets or funds which are legally available shall be applied to redeem the maximum number of Preferred Shares which can be legally redeemed on a pro rata basis among the applicable Redeeming Shareholders thereof and payment of the relevant Redemption Price payable in respect thereof. With respect to the remaining Preferred Shares not redeemed due to insufficient legal funds, such Preferred Shares shall remain outstanding, and the Redeeming Shareholders holding such redeeming Preferred Shares shall remain entitled to all the rights, preferences and privileges provided in this Agreement, until such time as the Company or the Founder has sufficient legal funds to redeem such Preferred Shares.

6.4. Surrender of Certificates. Before any Redeeming Shareholder shall be entitled for redemption under the provisions of this Section 6, such Redeeming Shareholder shall surrender his or her certificate or certificates representing such Preferred Shares to be redeemed (or in the case of a repurchase by the Founder, also deliver an instrument of transfer executed by the Redeeming Shareholder) to the Company in the manner and at the place designated by the Company for that purpose, and the Redemption Price shall be payable on the Redemption Date to the order of the person whose name appears on such certificate or certificates as the owner of such shares and each such certificate shall be cancelled on the Redemption Date. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be promptly issued representing the unredeemed shares. Unless there has been a default in payment of the applicable Redemption Price, upon cancellation of the certificate representing such Preferred Shares to be redeemed, all dividends on such Preferred Shares designated for redemption on the relevant Redemption Date shall cease to accrue and all rights of the holders thereof, except the right to receive the Redemption Price thereof (including all accrued and unpaid dividend up to the relevant redemption date), without interest, shall cease and terminate and such Preferred Shares shall cease to be issued shares of the Company. If the Company fails to redeem any Preferred Shares for which Redemption is requested, then during the period from the Redemption Date through the date on which such Preferred Shares are actually redeemed and the Redemption Price is actually made, in full, such Preferred Shares shall continue to be outstanding and be entitled to all rights and preferences of Preferred Shares. After payment in full of the aggregate Redemption Price for all issued and outstanding Preferred Shares, all rights of the holders thereof as Shareholders of the Company shall cease and terminate and such Preferred Shares shall be cancelled.

6.5. Restriction on Distribution. If the Company and/or the Founders fail (for whatever reason) to redeem any Preferred Shares on its due date for Redemption then, as from such date until the date on which the same are redeemed, the Company shall not declare or pay any dividend nor otherwise make any distribution of or otherwise decrease its profits available for distribution.

6.6. To the extent permitted by law, the Company shall procure that the profits of each Subsidiary and Affiliate of the Company for the time being legally available for distribution shall be paid to it by way of dividend or otherwise if and to the extent that, but for such payment, the Company would not itself otherwise have sufficient profits available for distribution to make any redemption of Preferred Shares required to be made pursuant to this Section 6.

6.7. Notwithstanding any other provisions of this Section 6, (i) the maximum liability of any Founder under this Section 6 shall be limited to the amount equivalent to the fair market value of the Shares of the Company held by such Founder; and (ii) the Redeeming Shareholders shall first seek for redemption under the provisions of this Section 6 from the Company and only in the event that the Company does not have sufficient cash or funds legally available to redeem all of the Preferred Shares required to be redeemed, the Redeeming Shareholders may seek for redemption under the provisions of this Section 6 with respect to the remaining from the Founders other than the Company.

7. LIQUIDATION.

7.1. Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Company (each a "**Liquidation Event**"), either voluntary or involuntary, distributions to the Shareholders of the Company shall be made in the following manner:

(a) before any distribution or payment shall be made to the holders of any Series C-2 Preferred Shares, Series C Preferred Shares, Series B Preferred Shares, Series A Preferred Shares and Ordinary Shares, each holder of Series D Preferred Shares shall be entitled to receive, on parity with each other, an amount equal to one hundred percent (100%) of the Series D Issue Price, plus all dividends declared and unpaid with respect thereto (as adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) per Series D Preferred Share, then held by such holder (the "**Series D Preference Amount**"). If, upon the occurrence of any Liquidation Event, the assets of the Company shall be insufficient to make payment of the foregoing amounts in full on all Series D Preferred Shares, then such assets shall be distributed among the holders of Series D Preferred Shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon;

(b) after distribution or payment in full of the Series D Preference Amount pursuant to Section 7.1(a), before any distribution or payment shall be made to the holders of any Ordinary Shares, each holder of Series C-2 Preferred Shares, Series C Preferred Shares, Series B Preferred Shares and Series A Preferred Shares shall be entitled to receive, on parity with each other, an amount per Preferred Share equal to one hundred percent (100%) of the applicable Deemed Issue Price, plus all accrued or declared but unpaid dividends thereon (**Junior Shares Preference Amount**", collectively with the Series D Preference Amount, the "**Preference Amount**"). If, upon any Liquidation Events, the assets of the Company shall be insufficient to make payment of the foregoing amounts in full on all Series C-2 Preferred Shares, Series C Preferred Shares, Series B Preferred Shares and Series A Preferred Shares, then such assets shall be distributed among the holders of Series C-2 Preferred Shares, Series C Preferred Shares, Series B Preferred Shares and Series A Preferred Shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon;

(c) after the full Preference Amount on all outstanding Preferred Shares has been paid pursuant to Section 7.1(a) and (b) above, any remaining funds or assets of the Company legally available for distribution (together with the Preference Amount, the "**Distribution Proceeds**") to Shareholders shall be distributed on a pro rata, pari passu basis among the holders of the Preferred Shares (including the holders of Series D Preferred Shares) (on an as-converted basis), together with the holders of the Ordinary Shares.

7.2. Liquidation on Acquisition. Unless otherwise waived in writing by all Preferred Shareholders or provided under Section 5.4, each of an Acquisition (excluding the Drag-Along Sale) shall constitute and be treated as a Liquidation Event under this Section 7, and any proceeds, whether in cash or properties, resulting from any such event shall be distributed in accordance with the terms of Section 7.1.

7.3. Valuation of Properties. In the event the Company proposes to distribute assets other than cash pursuant to any Liquidation Event, the value of the assets to be distributed to the Shareholders shall be determined in good faith by the Board; provided that any Shares not subject to investment letter or similar restrictions on free marketability shall be valued as follows:

(a) If traded on a securities exchange, the value shall be determined based on the average of the security's closing prices on such exchange over the thirty (30) day period ending one (1) day prior to the distribution;

(b) If traded over-the-counter, the value shall be determined based on the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the distribution; and

(c) If there is no active public market, the value shall be the fair market value thereof as determined in good faith by the Board.

Provided further that the method of valuation of securities subject to investment letter or other restrictions on free marketability shall be adjusted to make an appropriate discount from the market value determined as above in clauses (a), (b) or (c) to reflect the fair market value thereof as determined in good faith by the Board. Subject to Section 5, the holders of at least a majority of the outstanding Preferred Shares shall have the right to challenge any determination by the Board of fair market value pursuant to this Section 7.3, in which case the determination of fair market value shall be made by an independent appraiser selected jointly by the Board and the challenging parties, the cost of such appraisal to be borne by the Company.

7.4. Notices. In the event that the Company shall propose at any time to consummate a Liquidation Event, then, in connection with each such event, subject to any necessary approval required in this Agreement and Restated Articles, the Company shall send to the Preferred Shareholders at least thirty (30) days prior written notice of the date when the same shall take place; provided, however, that the foregoing notice periods may be shortened or waived with the vote or written consent of the Preferred Shareholders.

7.5. Notwithstanding any other provision of this Section 7, the Company may at any time, out of funds legally available therefor and subject to compliance with the provisions of the applicable laws of the Cayman Islands, repurchase Ordinary Shares of the Company issued to or held by employees, officers or consultants of the Company (other than any of the Founders) or its Subsidiaries upon termination of their employment or services, pursuant to any bona fide agreement providing for such right of repurchase, whether or not dividends on the Preferred Shares shall have been declared.

7.6. Waiver of Liquidation Rights. Notwithstanding the foregoing, in the event that the Distribution Proceeds received or to be received from an Acquisition (excluding the Drag-Along Sale) is in excess of US$ 1,250,000,000, all holders of Preferred Shares shall waive the liquidation preference rights provided in Section 7.1 on such Preferred Shares, in which case, then subject to any then outstanding liquidation preference rights provided herein, all Distribution Proceeds of the Company shall be distributed ratably among the holders of Ordinary Shares and such holders of Preferred Shares on an as-converted basis.

8. REGISTRATION RIGHTS.

The holders of the Registrable Securities shall be entitled to the rights as set forth in the Exhibit C with respect to any potential public offering of Ordinary Shares of the Company (or securities representing such Ordinary Shares) in the United States, and to any analogous or equivalent rights with respect to any other offering of shares in any other jurisdiction pursuant to which the Company undertakes to publicly offer or list such securities for trading on a recognized securities exchange.

9. ASSIGNMENT AND AMENDMENT.

9.1. Assignment and Amendment. Notwithstanding anything herein to the contrary, this Agreement and the rights and obligations of the Parties hereunder shall inure to the benefit of, and be binding upon, their respective successors, assigns and legal representatives, but shall not otherwise be for the benefit of any third party. Any rights of any Investors hereunder (including, without limitation, Information Rights and Inspection Rights, Right of Participation, Right of First Refusal, Co-Sale Right, Drag-Along Rights, Redemption, Liquidation, Registration Right, appointment of directors and veto rights) are assignable (together with the related obligations) in connection with the transfer of Shares in the Company held by such Investor in accordance with this Agreement but only to the extent of such transfer, provided that, unless waived by the Board, such Investor has provided a prior written notice to the Company of its intention to make such transfer and the name and address of the assignee; and provided further, that any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement. Notwithstanding the foregoing, each of the Investors may assign the rights and obligations under this Agreement to its Affiliates without any form of consent of the other Parties, and the Company and other Parties hereto shall facilitate to effectuate such assignment upon such Investor's request, provided that (i) such transfer is made in accordance with this Agreement, and (ii) such successor shall not be the Competitor of the Group Companies and shall have obtained all necessary approval, authorization or consent with any Governmental Authority which are required to be obtained or made in connection with its shareholding in the Company. This Agreement and the rights and obligations of each other Party hereunder shall not otherwise be assigned without the mutual written consent of the other Parties except as expressly provided herein.

9.2. Amendment of Rights. Any provision in this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only by the written consent of (i) as to the Company, only by the Company; (ii) as to the holders of Preferred Shares, by the prior written approval of the holders of more than fifty percent (50%) of the then outstanding Preferred Shares (including the Majority Series D Preferred Shareholders) and their permitted assigns; provided, however, that the proposing or approving Shareholders must show bona fide business reasons that such amendment or waiver promotes the interest of the Group Companies and all Preferred Shareholders, and provided further that such amendment or waiver shall equally apply to all holders of Preferred Shares without prejudice to any particular shareholders, and provided further that any holder of Preferred Shares may waive any of its rights hereunder without obtaining the consent of any other holders of Preferred Shares or their assigns; notwithstanding anything to the contrary contained herein, none of the amendment or change of the rights, preferences, privileges or powers of any Series C Preferred Shares shall be made without the prior written consent of the holders of more than fifty percent (50%) of the then outstanding Series C Preferred Shares; and (iii) as to the holders of Ordinary Shares, by persons or entities holding a majority of the Ordinary Shares and their assigns; provided, however, that the proposing or approving Shareholders must show bona fide business reasons that such amendment or waiver promotes the interest of the Group Companies and all Ordinary Shareholders, and provided further that such amendment or waiver shall equally apply to all holders of Ordinary Shares without prejudice to any particular shareholders, and provided further that the waiver or amendment shall for bona fide business purposes and shall equally apply to all holders of Ordinary Shares without prejudice to any particular shareholders, and provided further that any holder of Ordinary Shares may waive any of its rights hereunder without obtaining the consent of any other holders of Ordinary Shares or their assigns. Any amendment or waiver effected in accordance with this Section 9.2 shall be binding upon the Company, the holders of Preferred Shares, the holders of Ordinary Shares and their respective assigns. For the sake of clarity, if an amendment or waiver affects any Investor or Ordinary Shareholder in a manner that is different from the effect thereof on all other Investors or Ordinary Shareholders, as applicable, then the written consent of such Investor or Ordinary Shareholder, as applicable, shall be required in order for such amendment or waiver to be effective and binding with respect to such Investor or Ordinary Shareholder, as applicable.

10. CONFIDENTIALITY AND NON-DISCLOSURE.

10.1. Disclosure of Terms. The terms and conditions of this Agreement, the other Transaction Documents, and all exhibits, restatements and amendments hereto and thereto (collectively, the "**Financing Terms**"), including their existence, shall be considered confidential information and shall not be disclosed by any Party hereto to any third party except in accordance with the provisions set forth below; provided that such confidential information shall not include any information that is in the public domain other than caused by the breach of the confidentiality obligations hereunder.

10.2. Press Releases, Etc. Any press release issued by the Company shall not disclose any of the Financing Terms and the final form of such press release shall be approved in advance in writing by the Investors. No other announcement regarding any of the Financing Terms in a press release, conference, advertisement, announcement, professional or trade publication, mass marketing materials or otherwise to the general public may be made without the Investors' prior written consent.

10.3. Permitted Disclosures. Notwithstanding the foregoing, any Party to this Agreement or its affiliate may disclose any of the Financing Terms to its current or bona fide prospective investors, employees, investment bankers, lenders, partners, accountants and attorneys, in each case only where such persons or entities have the need to know such information and are subject to appropriate nondisclosure obligations. Without limiting the generality of the foregoing, the Investors shall be entitled to disclose the Financing Terms for the purposes of fund reporting or inter-fund reporting or to their fund manager, other funds managed by their fund manager and their respective auditors, counsel, directors, officers, employees, shareholders or investors.

10.4. Legally Compelled Disclosure. In the event that any Party to this Agreement or its affiliate is requested or becomes legally compelled (including without limitation, pursuant to securities laws and regulations, any applicable tax, securities, or other laws and regulations of any jurisdiction or by subpoena or any requirement by governmental, judicial or regulatory body or any stock exchange) to disclose the existence of this Agreement and the Purchase Agreements, any of the exhibits attached to such agreements, or any of the Financing Terms hereof in contravention of the provisions of this Section 10, such Party (the "**Disclosing Party**") shall, to the extent legally permissible, provide the other Parties (the "**Non-Disclosing Parties**") with prompt written notice of that fact and use all reasonable efforts to seek (with the cooperation and reasonable efforts of the other Parties) a protective order, confidential treatment or other appropriate remedy. In such event, the Disclosing Party shall furnish only that portion of the information which is legally required to be disclosed and shall exercise reasonable efforts to keep confidential such information to the extent reasonably requested by any Non-Disclosing Party.

10.5. Other Information. The provisions of this Section 10 shall be in addition to, and not in substitution for, the provisions of any separate nondisclosure agreement executed by any of the Parties with respect to the transactions contemplated hereby.

10.6. Other Exceptions. The confidentiality obligations of the Parties set out in this Section 10 shall not apply to (a) information which was in the public domain or otherwise known to the relevant Party before it was furnished to it by another Party hereto or, after it was furnished to that Party, entered the public domain otherwise than as a result of (x) a breach by that Party of this Section 10 or (y) a breach of a confidentiality obligation by a third party discloser, where the breach was actually known to that relevant Party; (b) information disclosed by any director or observer of the Company to its appointer or any of its Affiliates or to any Person to whom disclosure would be permitted in accordance with the foregoing provisions of this Section 10.

10.7. Notices. All notices required under this Section 10 shall be made pursuant to Section 13.3 of this Agreement.

11. PROTECTIVE PROVISIONS.

11.1. Acts Requiring the Approval of Board of Directors. In addition to such other limitations as may be provided in the Restated Articles, any of the following acts of the Company shall require the affirmative votes of at least seventy five percent (75%) of the total number of directors of the Board (including the affirmative votes of Majority Investor Directors) (where any such action requires a resolution of the shareholders in accordance with the Companies Law (as amended) of the Cayman Islands, such resolution of the shareholders shall be obtained accordingly). For the purpose of this Section 11 the term "Company" means, the Company itself as well as any and all the subsidiaries of the Company (including but not limited to the other Group Companies), to the extent and where applicable:

(a) approval of annual business plan or investment plan;

(b) approval of annual budget;

(c) declaration or payment of dividends or other distribution on any Ordinary Shares of the Company, or on any shares of the Company's subsidiaries, as the case may be;

(d) any change or termination of the principal business of the Group Companies(including, without limitation, any change to or termination of the principal business of any direct or indirect Subsidiary of the PRC Affiliate in China) which constitutes or potentially constitutes a Material Adverse Effect on the business of such Group Company;

(e) any issuance or sale of any debt securities of the Company;

(f) except for the purpose of any *bona fide* reorganization in connection with a Qualified IPO, the liquidation, dissolution, winding up of the Company or any Acquisition;

(g) any initial public offering of any of the Shares or other equity or debt securities of the Company; determination of the underwriter, the listing venue, timing and valuation of the initial public offering of any of the Shares or other equity or debt securities of the Company;

(h) except for the purpose of any *bona fide* reorganization in connection with a Qualified IPO or for the adjustment pursuant to Article 39 (e) of the Restated Articles, (i) any action that authorizes, creates or issues any class of securities (or other securities that may be converted into such class of securities) of the Company having preferences superior to or on a parity with any series of Preferred Shares or any other securities of the Company (including, for the avoidance of doubt, the issue of any further securities within an existing class of securities of the Company), or reclassify any outstanding Shares into Shares having rights, preferences, priority or privileges senior to or on parity with Preferred Shares, (ii) any action that repurchases, redeems or retires any of the Company's voting securities, or (iii) any increase or decrease in the authorized share capital, issued share capital or registered capital, as applicable, of the Company (including any reservation of the Shares for the ESOP), or any cancellation of equity security of the Company, or any issuance, allotment or purchase of any share warrants, option rights or other securities convertible into the Company's shares, excluding for (w) any Ordinary Shares (and/or options or warrants therefor) issued or granted to employees, officers, directors, contractors, advisors or consultants of the Group Companies pursuant to the ESOP, (x) the redemption of any Preferred Shares as provided in this Agreement and the Restated Articles, (y) pursuant to contractual rights to repurchase Ordinary Shares or Preferred Shares held by employees, directors or consultants of the Company (other than any of the Founders) or its Subsidiaries upon termination of their employment or services under the ESOP as approved by the Board, or (z) pursuant to the exercise of a contractual right of first refusal held by the Company under the Transaction Documents;

(i) notwithstanding anything to the contrary, any grant of Ordinary Shares (and/or options therefor) to any contractor, advisor or consultant of the Group Companies, if such grant results that the aggregate Ordinary Shares (and/or options therefor) being granted to all the contractors, advisors and consultants during any consecutive twelve (12) months' period would exceed zero point two percent (0.2%) of the total Ordinary Shares of the Company (calculated on a fully-diluted and an as-converted basis);

(j) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, any series of Preferred Shares;

(k) any transaction (including but not limited to the termination, extension, continuation after expiry, renewal, amendment, variation or waiver of any term under agreement with respect to any transaction or series of transactions) with any related party, where the amount of such transaction would in the aggregate exceed RMB2,000,000 (or its equivalence in other currency or currencies);

(l) incurrence of debt or assumption of any loan, facility or other financial obligation from a third party, or issue, assumption, provision of guarantee, charge, lien or indemnity warranty in favor of a third party, or creation of any liability (including without limitation any off-balance-sheet liability or contingent liability) by the Company, where the amount would exceed RMB 3,000,000 individually (or its equivalence in other currency or currencies)or in the aggregate ten percent (10%) of the Group Companies' net assets value in any fiscal year;

(m) incurrence of guaranty for any other party (except any subsidiaries directly or indirectly controlled by the Company) by the Company, or establishing guarantee, lien, warranty or otherwise creating encumbrance over the assets, businesses or property rights of the Company, where the amount would exceed RMB 3,000,000 individually (or its equivalence in other currency or currencies)or in the aggregate ten percent (10%) of the Group Companies' net assets value in any fiscal year;

(n) any sale, transfer, license, charge, or other disposal of, or purchase or other acquisition of, any material assets (including any material Intellectual Property Rights) or a substantial part of the goodwill of any Group Company, where the amount would exceed RMB 5,000,000 (or its equivalence in other currency or currencies) at any time in respect of any one transaction or exceed in the aggregate ten percent (10%) of the Group Companies' net assets value in any fiscal year;

(o) appointing or deposing Yan Hai (□□) and/or Wang Sizhen (□□□) as Key Employee, the resignation of such Founder from the Group Companies on or prior to a Qualified IPO or any change to the salary and/or remuneration package of such Founder;

(p) appointment, replacement or removal of the chief executive officer, the chief financial officer, and the chief operating officer, and any other C-level executives of the Company, or any change to the salary and/or remuneration package of the foregoing persons;

(q) any amendment of the Company's Restated Articles or other charter documents of the Company;

(r) appointment and removal of the accounting firm, auditors of the Company and/or the underwriters and advisors for the initial public offering;

(s) any sale, transfer, license, charge, or other disposal of the shares held by any Founder to any person through one or a series of transactions on or prior to a Qualified IPO;

(t) any change in the equity ownership of any of the Group Companies or any termination of, amendment to or breach of any Contracts among the Group Companies designed to provide the Company with Control over, and the ability to consolidate the financial statements of, direct or indirect Subsidiaries and/or controlled entities, including but not limited to any termination, amendment or waiver of any provision under any Control Documents; any initiation, termination, suspension or settlement of any dispute arising out of or relating to any Control Document;

(u) any decision to change, terminate, waive, transfer, license, not to renew or not to apply for relevant government permits or licenses (e.g., medical institution operating licenses, permits and licenses for medical devices and other products and services) of any of the Group Companies (including, without limitation, government permits or licenses of any direct or indirect Subsidiary of the PRC Affiliate in China) which constitutes or potentially constitutes a Material Adverse Effect on the ability of such Group Company to continue to conduct its businesses in the ordinary course of business;

(v) any decision to terminate, liquidate, dissolve, reorganize, merge or consolidate any Group Company (including, without limitation, any direct or indirect Subsidiary of the PRC Affiliate in China) which constitutes or potentially constitutes a Material Adverse Effect on the business of the Group Companies as a whole;

(w) any creation, adoption or amendment of any profit-sharing scheme or any employee share option or share participation scheme or any employee incentive scheme of any Group Company, including but not limited to the ESOP; and

(x) any update of the list of the Competitors.

12. COVENANTS

12.1. Founder Covenants. The Founders and BVI Company hereby jointly and severally covenant as follows:

(a) The Founders and BVI Company shall cause the Group Companies to make commercially reasonable efforts to complete all actions contemplated under the Reorganization Memorandum;

(b) Each of the Founders and BVI Company shall cause each Group Company to use their respective reasonable best efforts to comply on a continuing basis in all material respects with all applicable laws of the jurisdiction of its incorporation as well as all requirements of the competent government authorities with respect to its conducting of business; and

(c) Commencing from Closing until the second anniversary of a Qualified IPO, Yan Hai (□□) and/or Wang Sizhen (□□□) shall do their respective reasonable best efforts to furthering the business of the Group Companies and shall not terminate the service relationship with the Group Companies.

(d) Commencing from the Closing, the Founders and/or any of their Affiliates shall not, and the Founders shall procure the Key Employees or any of their respective Affiliates not to directly or indirectly, either by himself/herself or in conjunction with or through any other Person:

(i) during the Relevant Period and Restriction Period, be engaged, invest, operate, control or participate, directly or indirectly, in any business that provides services to or engages in a business similar in substance to the business engaged by any Group Company, except as a holder of less than five percent of the outstanding shares of a company without decision rights;

(ii) during the Relevant Period and Restriction Period, provide service of any form to any entity engaged in any business that provides services to or engages in a business similar in substance to the business engaged by any Group Company;

(iii) during the Relevant Period and Restriction Period, solicit or entice away or attempt to solicit or entice from any Group Company, any employee, consultant, supplier, customer, client, representative or agent of such Group Company; or

(iv) at any time disclose to any Person, or use for any purpose other than for the benefit of the Group Company, any information concerning the business, accounts, finance, transactions or Intellectual Property Rights of any Group Company or any trade secrets or confidential information of or relating to any of the Group Companies.

12.2. Anti-dilution; Dividends. The Founders, the BVI Company and the Company hereby irrevocably and unconditionally guarantee to the holders of the Preferred Shares the proper and punctual performance by the Company of the Company's obligations under Article 39 and Article 105 of the Restated Articles. For the avoidance of doubt, the provisions under Article 39 and Article 105 of the Restated Articles shall be incorporated into this Agreement. For the avoidance of doubt, the number of aforementioned Articles may be changed due to any amendment or restatement to the Memorandum and Articles of Association of the Company as duly approved pursuant to this Agreement.

12.3. Tax Obligations. Notwithstanding anything to the contrary, in case of any direct or indirect transfer of Shares (including such transactions of the same or similar nature as determined by relevant tax authorities) pursuant to provisions in this Agreement, the Group Companies and other Parties (if being a party to such transaction) shall comply in all material respects with all applicable tax laws and regulations.

13. GENERAL PROVISIONS.

13.1. Termination and Waiver. This Agreement shall terminate upon mutual consent of the Parties hereto, and any right of a Party set forth hereunder (other than the relevant Group Company) shall cease if such Party no longer holds, directly or indirectly, any equity securities of the Company. The relevant rights and obligations contained under Sections 2.1(Information and Inspection Rights), Section 3 (Right of Participation), Section 4 (Transfer Restrictions), Section 5 (Drag-Along Right), Section 6 (Redemption), Section 7 (Liquidation) and Section 11 (Protective Provisions) shall terminate upon the consummation of a Qualified IPO. If any applicable law or any government authority (including, for the avoidance of doubt, any stock exchange) in any jurisdiction requires any Investor to waive its preferential rights hereof or contained in the Restated Articles for the purpose of achieving a Qualified IPO, such Investor may waive such preferential rights which are enjoyed by such Investor as a holder of the Preferred Shares. Each of the BVI Company, Founders, Other Ordinary Shareholders and Investors shall use its reasonable endeavours to, and shall procure each of its Affiliates to use reasonable endeavours to, cooperate with the Company and its directors, officers, employees and advisers with a view to completing a Qualified IPO before March 31, 2021, including agreeing to: (a) any amendment or termination of this Agreement, or any amendment of the Memorandum and Articles of Association, which is necessary or desirable for complying with any law, regulation or rule applicable to the Qualified IPO (including any applicable listing rules, listing decisions and guidance letters published or issued by the relevant recognised international securities exchange); and (b) any disclosure or lock-up requirement under any such law, regulation or rule. Notwithstanding the forgoing, if the filing for a Qualified IPO is revoked for any reason, this Agreement and all rights and obligations contained herein, including but not limited to Sections 2.1(Information and Inspection Rights), Section 3 (Right of Participation), Section 4 (Transfer Restrictions), Section 5 (Drag-Along Right), Section 6 (Redemption), Section 7 (Liquidation) and Section 11 (Protective Provisions), shall be revived.

13.2. Most Favoured Investor. The Founders, the BVI Company and the Group Companies jointly and severally undertake to the holder of Series D Preferred Shares that in the event (a) any Group Company has granted, issued, or provided any other investor, shareholder or Person any right, interest, benefit, privilege or protection before or at the Closing more favorable than those granted, and accruing at such time, to any holder of Series D Preferred Shares hereunder or in other Transaction Documents, or (b) upon the Closing, any investors of a subsequent round financing (together with the investors set forth in Section 13.2(a), the "**Relevant Person**") is entitled to, whether by Contract or otherwise, any right, interest, benefit, privilege or protection more favorable than those granted, and accruing at such time, to any holder of Series D Preferred Shares hereunder or in other Transaction Documents, such holder of Series D Preferred Shares shall automatically enjoy the same rights, interests, benefits, privileges and/or protections pari passu with such Relevant Persons (the "**Additional Investor Rights**"). The Parties shall promptly amend and restate this Agreement and other Transaction Documents and any other Contract to reflect such Additional Investor Rights.

13.3. Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other Party hereto, upon delivery; (b) when sent by facsimile at the number set forth in Exhibit A hereto, upon receipt of confirmation of error-free transmission; (c) seven (7) Business Days after deposit in the mail as air mail or certified mail, receipt requested, postage prepaid and addressed to the other Party hereto as set forth in Exhibit A; (d) three (3) Business Days after deposit with an international overnight delivery service, postage prepaid, addressed to the Parties as set forth in Exhibit A with next Business Day delivery guaranteed, provided that the sending Party receives a confirmation of delivery from the delivery service provider; or (e) when sent, if sent by electronic mail, during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day (subject to confirmation that the sender did not receive a message that the electronic mail was undeliverable, which may be satisfied by producing a certificate signed by an authorized and qualified representative of the sender). Each person making a communication hereunder by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication. A Party hereto may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 13.3 by giving the other Party hereto written notice of the new address in the manner set forth above.

13.4. Entire Agreement. This Agreement, the Purchase Agreements, the Restated Articles, any Ancillary Agreements, other Transaction Documents, together with all the exhibits hereto and thereto, constitute and contain the entire agreement and understanding of the Parties hereto with respect to the subject matter hereof and supersedes any and all prior negotiations, correspondence, agreements, understandings, duties or obligations between the Parties hereto respecting the subject matter hereof, including without limitation, (i) the Prior Shareholders Agreement, which agreement shall be terminated with no further force or effect upon this Agreement becoming effective; and (ii) any side letters, agreements or promises entered into by any Group Company with any existing shareholders of the PRC Affiliate with regard to the subject matter under this Agreement.

13.5. Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the laws of the Hong Kong SAR without regard to principles of conflicts of law thereunder.

13.6. Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the Parties. In such event, the Parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the Parties' intent in entering into this Agreement.

13.7. Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the Parties hereto and their permitted successors and assigns any rights or remedies under or by reason of this Agreement.

13.8. Successors and Assigns. Subject to the provisions of Section 9.1, the provisions of this Agreement shall inure to the benefit of, and shall be binding upon, the successors and permitted assigns of the Parties hereto. Other than the foregoing, a person who is not a Party to this Agreement has no right under the Contracts (Right of Third Parties) Ordinance (Cap. 623) of Hong Kong (the "**Third Party Ordinance**") to enforce any term of this Agreement but this shall not affect any right or remedy which exists or is available apart from the Third Party Ordinance. The consent of any such person not being a Party to this Agreement shall not be required for any amendment or modification to, or termination of, this Agreement.

13.9. Interpretation; Captions. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement. The captions to sections of this Agreement have been inserted for identification and reference purposes only and shall not be used to construe or interpret this Agreement. Unless otherwise expressly provided herein, all references to Sections and Exhibits herein are to Sections and Exhibits of this Agreement.

13.10. Counterparts. This Agreement may be executed (including facsimile signature) in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.11. Adjustments for Share Splits, Etc. Wherever in this Agreement there is a reference to a specific number of shares of Preferred Shares or Ordinary Shares of the Company, then, upon the occurrence of any subdivision, combination or share dividend of the Preferred Shares or Ordinary Shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of shares by such subdivision, combination or share dividend.

13.12. Aggregation of Shares. All Preferred Shares or Ordinary Shares held or acquired by affiliated entities or persons (as defined in Rule 144 under the Securities Act) shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

13.13. Shareholders Agreement to Control. If and to the extent that there are inconsistencies between the provisions of this Agreement and those of the Restated Articles, the terms of this Agreement shall prevail to the maximum extent permitted by applicable laws and in respect of the rights and obligations among the Shareholders only. The Parties agree to take all actions necessary or advisable, as promptly as practicable after the discovery of such inconsistency, to amend the Restated Articles so as to eliminate such inconsistency.

13.14. Dispute Resolution.

(a) Negotiation Between Parties. The Parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of all Parties within thirty (30) days, Section 13.14(b) shall apply.

(b) Arbitration. In the event the Parties are unable to settle a dispute between them regarding this Agreement in accordance with subsection (a) above, such dispute shall he referred to and finally settled by arbitration at the Hong Kong International Arbitration Center (the "**HKIAC**") for arbitration in Hong Kong. The arbitration shall be conducted in accordance with the HKIAC Administered Arbitration Rules in force at the time of the initiation of the arbitration, which rules are deemed to be incorporated by reference into this subsection (b).

13.15. Further Actions. Each Shareholder of the Company agrees that it shall use its best effort to enhance and increase the value and principal business of the Company.

13.16. Effective Date. This Agreement should only take effect and become binding on and enforceable against the Parties hereto subject to and upon the Closing of the Purchase Agreements provided however that in the event that any Shareholder ceases to be a shareholder of the Company, it shall no longer be bound by the provisions of this Agreement and such Shareholder's name shall be removed from any list or register of members of the Company, provided that Sections 10 (Confidentiality and Non-Disclosure), 13.5 (Governing Law) and 13.14 (Dispute Resolution) shall survive.

13.17. New Shareholders. Notwithstanding any other provision of this Agreement, any new shareholder of the Company who is not already a Party to this Agreement shall, no later than the time it becomes a shareholder of the Company, agrees in writing by signing a Deed of Adherence substantially in the form attached hereto as Exhibit B (a "**Deed of Adherence**") that it adheres to, and be bound by, the terms of this Agreement as a Party to this Agreement.

13.18. Independent Nature of Investors Obligations and Rights. The obligations of each Investor under this Agreement are several and not joint, and no Investor is responsible in any way for the performance or conduct of any other Investor in connection with the transactions contemplated hereby. Nothing contained herein and no action taken by any Investor pursuant hereto, shall be or shall be deemed to constitute a partnership, association, joint venture, or joint group with respect to the Investors. Each Investor agrees that no other Investor has acted as an agent for such Investor in connection with the transactions contemplated hereby.

— REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK —

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE COMPANY:

Genetron Holdings Limited (□□□□□(□□)□□□□)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

THE HK CO.:

Genetron Health (Hong Kong) Company Limited (□□□□□(□□)□□□□)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

THE WFOE:

Genetron (Tianjin) Co., Ltd. (□□□□□□□□□) (Seal)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

THE PRC AFFILIATE:

Genetron Health (Beijing) Co., Ltd. (□□□□□□□□□□□□□) (Seal)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE BVI COMPANY:

FHP Holdings Limited

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ Wang Sizhen

Name: Wang Sizhen

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ Yan Hai

Name: Yan Hai

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ He Weiwu

Name: He Weiwu

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Genetron Voyage Holdings Limited

By: /s/ WANG Sizhen
Name: WANG Sizhen
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Genetron United Holdings Limited

By: /s/ WANG Sizhen
Name: WANG Sizhen
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Genetron Discovery Holdings Limited

By: /s/ JIAO Yuchen
Name: JIAO Yuchen
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Genetron Alliance Holdings Limited

By: /s/ WANG Sizhen
Name: WANG Sizhen
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Tianjin Genetron Jun'an Business Management Partnership (Limited Partnership) (□□□□□□□□□□□□□□□□□□□□□□)
□Seal□

By: /s/ WANG Sizhen
Name: WANG Sizhen
Title: Authorized Signatory

Tianjin Genetron Juncheng Business Management Partnership (Limited Partnership) (□□□□□□□□□□□□□□□□□□□□□□□□)□Seal□

By: /s/ WANG Sizhen
Name: WANG Sizhen
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

HONG Kevin Ying

By: /s/ HONG Kevin Ying

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Eugene Health Limited

By: /s/ JIAO Yuchen
Name: JIAO Yuchen
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

EASY BENEFIT INVESTMENT LIMITED

By: /s/ KUNG Hung Ka
Name: KUNG Hung Ka
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

EASY BEST INVESTMENT LIMITED

By: /s/ KUNG Hung Ka
Name: KUNG Hung Ka
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

SUPERPOWER INVESTMENTS LTD.

By: /s/ Stone Shi
Name: Stone Shi
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

J&K BIOTECH INVESTMENT CO. LTD.

By: /s/ ZHU Jing
Name: ZHU Jing
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

IN Healthcare Limited

By: /s/ Yufen Zheng
Name: Yufen Zheng
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Parkland Medtech Limited

By: /s/ Xu Hang
Name: Xu Hang
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Tianjin Kangyue Business Management Partnership
(Limited Partnership) (□□□□□□□□□□□□□□□□□□□□)□Seal□

By: /s/ WU Xia
Name: WU Xia
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Tianjin Yuanjufu Business Management Partnership
(Limited Partnership)(□□□□□□□□□□□□□□□□□□□□)□Seal□

By: /s/ WEI Zhe
Name: WEI Zhe
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Tianjin Tianshu Xingfu Corporation Management L.P. (□□□□□□□□□□□□□□□□□□□□)□Seal□

By: /s/ Sun Junjie
Name: Sun Junjie
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

CICC Healthcare Investment Fund, L.P.

By: /s/ Wu Xia
Name: Wu Xia
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

ALEXANDRIA VENTURE INVESTMENTS, LLC,
a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, INC.,
a Maryland corporation, managing member

By: /s/ Aaron Jacobson
Name: Aaron Jacobson
Title: SVP - Venture Counsel

Address: 26 N. Euclid Ave
Pasadena, CA 91101

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

VIVO CAPITAL FUND IX, L.P.
By: Vivo Capital IX, LLC
By: /s/ Frank Kung

Name: Frank Kung
Title: Managing Member

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

ETP BioHealth II Fund, L.P.

By: Its General Partner: Emerging Technology Partners LLC

By: /s/ James K. Hu
Name: James K. Hu
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

GIANT PLAN LIMITED

By: /s/ WANG Hui
Name: WANG Hui
Title: Authorized Signatory

Signature Page of Amended and Restated Shareholders Agreement

Annex A

Definitions

Capitalized terms used but not otherwise defined in this Agreement shall have the meanings given to them in the Purchase Agreements.

"**Acceptance Notice**" has the meaning ascribed to it in Section 4.9(a) of this Agreement.

"**Accounting Standard**" has the meaning ascribed to it in Section 2.1(a)(i) of this Agreement.

"**Acquisition**" shall mean (i) a sale, lease, transfer or other disposition of all or substantially all of the assets of the Group Companies (taken as a whole); (ii) a sale, transfer or other disposition of more than 50% of the issued and outstanding share capital or equity interests of one or more Group Companies or more than 50% of the voting power of such Group Companies; (iii) a transfer or an exclusive licensing of all or substantially all of the Intellectual Property Rights of the Group Companies (taken as a whole); or (iv) a merger, consolidation or other business combination (the "**Combination**") of the Company with or into any other business entity in which the total shares outstanding immediately prior to such Combination continue to represent, or are converted into or exchanged for equity securities that represent, immediately following such Combination, less than 50% of the voting power of the outstanding shares of the surviving business entity.

"**Additional Investor Rights**" has the meaning ascribed to it in Section 13.2 of this Agreement.

"**Agreement**" has the meaning ascribed to it in the introductory paragraph of this Agreement.

"**Ancillary Agreements**" shall mean the various agreements, instruments or documents attached to or entered into in connection with this Agreement and Purchase Agreements.

"**AVI**" shall mean Alexandria Venture Investments, LLC.

"**Board**" or the "**Board of Directors**" has the meaning ascribed to it in Section 2.2(a) of this Agreement.

"**Business**" shall mean the business of precision oncology based on molecular information.

"**BVI Company**" has the meaning ascribed to it in introductory paragraph of this Agreement.

"**CICC**" shall mean CICC Healthcare Investment Fund, L.P..

"**Claim Notice**" has the meaning ascribed to it in Section 7(c) of Exhibit C of this Agreement.

"**Company**" has the meaning ascribed to it in introductory paragraph of this Agreement.

"**Competitor(s)**" shall mean each of the Persons set forth in Schedule 4, in each case referring to the entities operating under such trade name, trademark or trade service and including such Persons' successor companies (resulted from or surviving after any acquisition, merger, amalgamation, consolidation or other business combination or reorganization of such Person or otherwise, as appropriate) and their respective Affiliates, and the list of such Persons can be updated yearly by the Board (including the affirmative votes of Majority Investor Directors).

"**Contract**" means, a contract, agreement, understanding, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral.

"**Co-Sale Holder(s)**" has the meaning ascribed to it in Section 4.3 of this Agreement.

"**Co-Sale Notice**" has the meaning ascribed to it in Section 4.3 of this Agreement.

"**Co-Sale Pro Rata Portion**" has the meaning ascribed to it in Section 4.3(a) of this Agreement.

"**Co-Sale Right Period**" has the meaning ascribed to it in Section 4.3 of this Agreement.

"**Co-Sale Selling Shareholder**" has the meaning ascribed to it in Section 4.3 of this Agreement.

"**Deemed Issue Price**" shall mean the Series A-1 Issue Price in the case of Series A-1 Preferred Shares, the Series A-2 Issue Price in the case of Series A-2 Preferred Shares, the Series B Issue Price in the case of Series B Preferred Shares, the Series C Issue Price in the case of Series C Preferred Shares, the Series C-2 Issue Price in the case of Series C-2 Preferred Shares and the Series D Issue Price in the case of Series D Preferred Shares, as applicable and as the case may be.

"**Deed of Adherence**" has the meaning ascribed to it in Section 13.17 of this Agreement.

"**Disclosing Party**" has the meaning ascribed to it in Section10.4 of this Agreement.

The phrase "**directly or indirectly**" means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and "**direct or indirect**" has the correlative meaning.

"**Drag Holders**" has the meaning ascribed to it in Section 5.1 of this Agreement.

"**Drag-Along Notice**" has the meaning ascribed to it in Section 5.1 of this Agreement.

"**Drag-Along Sale**" has the meaning ascribed to it in Section 5.1 of this Agreement.

"**Dragged Holders**" has the meaning ascribed to it in Section 5.1 of this Agreement.

"**Drag-Along Preference"** has the meaning ascribed to it in Section 5.4(a) of this Agreement.

"**ESOP**" has the meaning ascribed to it in Section 3.3(a) of this Agreement.

"**ETP**" shall mean ETP BioHealth II Fund, L.P..

"**Exchange Act**" shall mean the U.S. Securities and Exchange Act of 1934, as amended.

"**Final Prospectus**" has the meaning ascribed to it in Section 7(d) of Exhibit C of this Agreement.

"**Financing Terms**" has the meaning ascribed to it in Section 10.1 of this Agreement.

"**First Refusal Allotment**" has the meaning ascribed to it in Section 4.2(a) of this Agreement.

"**First Refusal Expiration Notice**" has the meaning ascribed to it in Section 4.2(c) of this Agreement.

"**Form F-3**" has the meaning ascribed to it in Section 1(e) of Exhibit C of this Agreement.

"**Form S-3**" has the meaning ascribed to it in Section 1(e) of Exhibit C of this Agreement.

"**Founder**" has the meaning ascribed to it in introductory paragraph of this Agreement.

"**fully-diluted**" or any variation thereof means with respect to the capitalization of the Company, all warrants, options and convertible securities of the Company are taken into account and assumed to be exercised; "**non-diluted**" or any variation thereof means that the calculation is to be made taking into account only Shares then in issue; and "**as-converted**" or any variation thereof means that the calculation should be made assuming that all the issued and outstanding Preferred Shares have been converted into Ordinary Shares based on their respective then applicable conversion prices pursuant to the Restated Articles but not assuming exercise or conversion of any other outstanding option, warrants, or other convertible securities.

"**GIANT**" shall mean GIANT PLAN LIMITED.

"**Group Company**" or "**Group Companies**" is defined in introductory paragraph of this Agreement.

"**Holder**" has the meaning ascribed to it in Section 1(d) of Exhibit C of this Agreement.

"**HK Co.**" is defined in the introductory paragraph of this Agreement.

"**HKIAC**" has the meaning ascribed to it in Section 13.14(b) of this Agreement.

"**Information Rights**" has the meaning ascribed to it in Section 2.1(a)(vi) of this Agreement.

"**Inspection Rights**" has the meaning ascribed to it in Section 2.1(b) of this Agreement.

"**Intellectual Property**" shall mean any and all (a) patents, all patent rights and all applications therefor and all reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (b) inventions (whether patentable or not), improvements, discoveries, and industrial models, (c) registered and unregistered copyrights, copyright registrations and applications, author's rights and works of authorship (including artwork of any kind, and software of all types in whatever medium, inclusive of computer programs, source code, object code and executable code, and related documentation), (d) domain names, web sites and any part thereof, (e) technical information, know-how, trade secrets, confidential information, drawings, designs, design protocols, specifications for parts and devices, quality assurance and control procedures, research data concerning historic and current research and development efforts, databases, proprietary data, books, records, ledgers, files, documents, correspondence, lists, drawings, and specifications, creative materials, advertising and promotional materials, studies, reports, and other printed or written materials; (f) trade names, trade dress, trademarks, service marks, and registrations and applications therefor, and (g) the goodwill of the business symbolized or represented by the foregoing, customer lists and other proprietary information; (h) all other intellectual property rights and proprietary rights of any nature subsisting anywhere in the world; and (i) all copies and tangible embodiments (in whatever form or medium) of any of the foregoing.

"**Investor(s)**" are defined in introductory paragraph of this Agreement.

"**Investor Directors**" has the meaning ascribed to it in Section 2.2(a)(ii) of this Agreement.

"**IPO**" shall mean the initial public offering of the Ordinary Shares (or securities representing such Ordinary Shares) of the Company or as the case may be, the shares of the relevant entity resulting from any merger, reorganization or other arrangements made by the Company for the purposes of such public offering, which are offered directly, or indirectly by way of depository receipt, to the public on the Nasdaq Global Market System, the New York Stock Exchange, the Main Board or the Growth Enterprise Market of the Hong Kong Stock Exchange, or any other recognized regional or national securities exchange (excluding the National Equities Exchange and Quotations) acceptable to all the Investors.

"**Junior Shares Preference Amount**" has the meaning ascribed to it in Section 7.1(b) of this Agreement.

References to "**law**" shall include all applicable laws, regulations, rules and orders of any governmental authority, any common or customary law, constitution, code, ordinance, statute or other legislative measure and any regulation, rule, treaty, order, decree or judgment; and "**lawful**" shall be construed accordingly.

"**Liquidation Event**" has the meaning ascribed to it in Section 7.1 of this Agreement.

"**Majority Series C Group Preferred Shareholders**" shall mean the holders representing more than fifty percent (50%) of the Series C Group Preferred Shares then outstanding, voting as a single class on an as converted basis.

"**Majority Series D Preferred Shareholders**" shall mean the holder(s) representing more than fifty percent (50%) of the Series D Preferred Shares then outstanding, voting as a single class on an as converted basis.

"**Material Adverse Effect**" means any event, circumstance, occurrence or non-occurrence, arising or occurring, that is or would reasonably be expected to (i) have a material adverse effect on the business, operations, assets or liabilities; or (ii) result or would reasonably be expected to result in any invalidity, non-bindingness or unenforceability of this Agreement or any other agreements related in the transactions contemplated hereunder.

"**New Securities**" has the meaning ascribed to it in Section 3.3 of this Agreement.

"**Non-Disclosing Parties**" has the meaning ascribed to it in Section 10.4 of this Agreement.

"**Observer**" has the meaning ascribed to it in Section 2.2(c) of this Agreement.

"**Offered Shares**" has the meaning ascribed to it in Section 4.2 of this Agreement.

"**Offered Preferred Shares**" has the meaning ascribed to it in Section 4.9 of this Agreement.

"**Ordinary Shares**" shall mean the ordinary shares of the Company, par value US$0.00002 per share.

"**Ordinary Shareholders**" shall mean the holders of the Ordinary Shares of the Company.

"**Original Issue Date**" shall mean the Series A-1 Issue Date in the case of Series A-1 Preferred Shares, the Series A-2 Issue Date in the case of Series A-2 Preferred Shares, the Series B Issue Date in the case of Series B Preferred Shares, the Series C Issue Date in the case of Series C Preferred Shares, the Series C-2 Issue Date in the case of Series C-2 Preferred Shares and the Series D Issue Date in the case of Series D Preferred Shares, as applicable and as the case may be.

"**Other Ordinary Shareholder(s)**" has the meaning ascribed to it in the introductory paragraph of this Agreement.

"**Oversubscribing Right Participant"** has the meaning ascribed to it in Section 3.5 of this Agreement.

"**Over-subscription ROFR Holders**" has the meaning ascribed to it in Section 4.2(a) of this Agreement.

"**Participation Notice**" has the meaning ascribed to it in Section 3.4(a) of this Agreement.

"**Participation Period**" has the meaning ascribed to it in Section 3.4(a) of this Agreement.

"**Participation Rights Holder**" has the meaning ascribed to it in Section 3.1 of this Agreement.

"**Party**" or "**Parties**" is defined in the introductory paragraph of this Agreement.

"**Permitted Transferee**" has the meaning ascribed to it in Section 4.4 of this Agreement.

"**Person**" means any individual, sole proprietorship, partnership, limited partnership, limited liability company, firm, joint venture, estate, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or governmental or regulatory authority or other enterprise or entity of any kind or nature.

"**PRC**" is defined in introductory paragraph of this Agreement.

"**PRC Affiliate**" is defined in introductory paragraph of this Agreement.

"**PRC Company**" or "**PRC Companies**" is defined in introductory paragraph of this Agreement.

"**Preference Amount**" has the meaning ascribed to it in Section 7.1(b) of this Agreement.

"**Preferred Offering Period**" has the meaning ascribed to it in Section 4.9 (a) of this Agreement.

"**Preferred ROFR Holders**" has the meaning ascribed to it in Section 4.9 of this Agreement.

"**Preferred Shares**" shall mean the Company's Series D Preferred Shares, the Series C Group Preferred Shares, the Series B Preferred Shares, the Series A Preferred Shares and/or other preferred shares of the company that may be issued from time to time.

"**Preferred Shareholders**" shall mean the holders of the Preferred Shares of the Company, including each of the Preferred Shareholder's permitted assignees to whom its rights under Section 4 have been duly assigned in accordance with this Agreement.

"**Preferred Transfer Notice**" has the meaning ascribed to it in Section 4.9 of this Agreement.

"**Prior Shareholders Agreement**" has the meaning ascribed to it in the recitals of this Agreement.

"**Pro Rata ROFR Share**" has the meaning ascribed to it in Section 4.9(b) of this Agreement.

"**Pro Rata Share**" has the meaning ascribed to it in Section 3.2 of this Agreement.

"Proposed Sale" has the meaning ascribed to it in Section 5.5 of this Agreement.

"**Purchase Agreements**" has the meaning ascribed to it in the recitals of this Agreement.

"**Purchase Notice**" has the meaning ascribed to it in Section 3.4(a) of this Agreement.

"**Qualified Alternative Sale**" has the meaning ascribed to it in Section 5.1 of this Agreement.

"**Qualified IPO**" shall mean a firm commitment underwritten public offering of the Ordinary Shares (or securities representing such Ordinary Shares) of the Company on the Nasdaq Global Market System, the New York Stock Exchange, the Main Board or the Growth Enterprise Market of the Hong Kong Stock Exchange, or any other recognized regional or national securities exchange (excluding the National Equities Exchange and Quotations) acceptable to all the Investors, which has duly obtained the affirmative votes of Majority Investor Directors in accordance with Section 11.1, and in which the offering price (exclusive of underwriting commissions and expenses) reflects that the equity valuation of the Company immediately prior to such offering is not less than US$ 700,000,000 and the gross proceeds to be received by the Company from new investors are not less than US$ 80,000,000.

"**Redeeming Shareholder**" has the meaning ascribed to it in Section 6.1 of this Agreement.

"**Redemption**" has the meaning ascribed to it in Section 6.1 of this Agreement.

"**Redemption Closing**" has the meaning ascribed to it in Section 6.2 of this Agreement.

"**Redemption Date**" has the meaning ascribed to it in Section 6.2 of this Agreement.

"**Redemption Notice**" has the meaning ascribed to it in Section 6.2 of this Agreement.

"**Redemption Price**" has the meaning ascribed to it in Section 6.1 of this Agreement.

"**Redemption Triggering Event**" has the meaning ascribed to it in Section 6.1 of this Agreement.

"**Registrable Securities**" has the meaning ascribed to it in Section 1(b) of Exhibit C of this Agreement.

"**Registrable Securities then outstanding**" has the meaning ascribed to it in Section 1(c) of Exhibit C of this Agreement.

"**Restated Articles**" shall mean the Third Amended and Restated Memorandum and Articles of Association of the Company in the form attached as Exhibit A to the Purchase Agreements, as amended from time to time.

"**Relevant Period**" means in relation to the Founder, the period during which he/she is directly or indirectly a shareholder, director, officer and/or employee (either a full-time employee or a part-time employee) and/or has any direct or indirect interest (legal or beneficial) in the capital of any of the Group Companies.

"**Relevant Person**" has the meaning ascribed to it in Section 13.2 of this Agreement.

"**Reorganization**" means the reorganization of the Group Companies pursuant to the Reorganization Memorandum.

"**Reorganization Memorandum**" means the reorganization memorandum with respect to the establishment of VIE structure attached to the shareholders' meeting resolution of the PRC Affiliate on April 17, 2019.

"**Restriction Period**" means two (2) years after the expiration of the Relevant Period.

"**Request Notice**" has the meaning ascribed to it in Section 2(a) of Exhibit C of this Agreement.

"**Request Securities**" has the meaning ascribed to it in Section 2(a) of Exhibit C of this Agreement.

"**Restricted Ordinary Shareholder**" has the meaning ascribed to it in Section 4.5 of this Agreement.

"**Right of Participation**" has the meaning ascribed to it in Section 3.1 of this Agreement.

"**Right Participant**" has the meaning ascribed to it in Section 3.4(b) of this Agreement.

"**ROFR Holders**" shall have the meaning ascribed to it in Section 4.2 of this Agreement.

"**ROFR Holder's First Refusal Notice**" has the meaning ascribed to it in Section 4.2 of this Agreement.

"**ROFR Holder's First Refusal Period**" has the meaning ascribed to it in Section 4.2 of this Agreement.

"**SAT**" means the State Administration of Taxation of the PRC.

"**Second Participation Period**" has the meaning ascribed to it in Section 3.5 of this Agreement.

"**Second Participation Notice**" has the meaning ascribed to it in Section 3.5 of this Agreement.

"**Selling Preferred Shareholder**" has the meaning ascribed to it in Section 4.9 of this Agreement.

"**Selling Shareholder**" has the meaning ascribed to it in Section 4.2 of this Agreement.

"**Series A Preferred Share(s)**" shall mean the series A-1 convertible preferred shares ("**Series A-1 Preferred Shares**") and/or series A-2 convertible preferred shares ("**Series A-2 Preferred Shares**"), par value US$0.00002 per share.

"**Series A-1 Issue Date**" shall mean the date the PRC Affiliate received the onshore investment amount paid by the applicable holder of the Series A-1 Preferred Share Investors or its related parties in the case of Series A-1 Preferred Share.

"**Series A-2 Issue Date**" shall mean the date the PRC Affiliate received the onshore investment amount paid by the applicable holder of the Series A-2 Preferred Share Investors or its related parties in the case of Series A-2 Preferred Share.

"**Series A-1 Issue Price**" means US$ 0.2613 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series A-1 Preferred Shares.

"**Series A-2 Issue Price**" means US$ 0.3693 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series A-2 Preferred Shares.

"**Series B Issue Date**" shall mean the date the PRC Affiliate received the onshore investment amount paid by the applicable holder of the Series B Preferred Share Investors or its related parties in the case of Series B Preferred Share.

"**Series B Issue Price**" means US$ 0.5751 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series B Preferred Shares.

"**Series B Preferred Share(s)**" shall mean the Company's series B convertible preferred shares, par value US$0.00002 per share.

"**Series C Group Preferred Share(s)**" shall mean the Company's Series C Preferred shares and Series C-2 Preferred Shares.

"**Series C Issue Date**" shall mean the date the PRC Affiliate received the onshore investment amount paid by the applicable holder of the Series C Preferred Share Investors or its related parties in the case of Series C Preferred Share.

"**Series C Issue Price**" means US$ 0.9911 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series C Preferred Shares.

"**Series C Preferred Share(s)**" shall mean the Company's series C convertible preferred shares, par value US$0.00002 per share.

"**Series C-2 Investor**" shall mean VIVO.

"**Series C-2 Issue Date**" means the date of the first issuance of a Series C-2 Preferred Share to the applicable holder of the Series C-2 Preferred Share.

"**Series C-2 Issue Price**" means US$ 0.9865 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series C-2 Preferred Shares.

"**Series C-2 Preferred Share(s)**" shall mean the Company's series C-2 convertible preferred shares, par value US$0.00002 per share.

"**Series C-2 Purchase Agreements**" has the meaning ascribed to it in the recitals of this Agreement.

"**Series D Investor(s)**" shall mean CICC, AVI, VIVO, ETP and GIANT.

"**Series D Issue Date**" means the date of the first issuance of a Series D Preferred Share to the applicable holder of the Series D Preferred Share.

"**Series D Issue Price**" means US$ 1.4642 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series D Preferred Shares.

"**Series D Preferred Share(s)**" shall mean the Company's series D convertible preferred shares, par value US$0.00002 per share.

"**Series D Preference Amount**" has the meaning ascribed to it in Section 7.1(a) of this Agreement.

"**Series D Purchase Agreement**" has the meaning ascribed to it in the recitals of this Agreement.

"**Securities Act**" shall mean the United States Securities Act of 1933, as amended from time to time, including any successor statutes.

"**Shares**" shall mean the Ordinary Shares and the Preferred Shares.

"**Shareholders**" shall mean the Ordinary Shareholders and the Preferred Shareholders (each a "**Shareholder**"), unless the text specifically indicates otherwise.

"**Tax**" shall mean (i) in the PRC: (a) any national, provincial, municipal, or local taxes, charges, fees, levies, or other assessments, including, without limitation, all net income (including enterprise income tax and individual income withholding tax), turnover (including value-added tax, business tax, and consumption tax), resource (including urban and township land use tax), special purpose (including land value-added tax, urban maintenance and construction tax, and additional education fees), property (including urban real estate tax and land use fees), documentation (including stamp duty and deed tax), filing, recording, tariffs (including import duty and import value-added tax), and estimated and provisional taxes, charges, fees, levies, or other assessments of any kind whatsoever, (b) all interest, penalties (administrative, civil or criminal), or additional amounts imposed by any Governmental Authority in connection with any item described in clause (a) above, and (c) any form of transferee liability imposed by any Governmental Authority in connection with any item described in clauses (a) and (b) above, and (ii) in any jurisdiction other than the PRC: all similar liabilities as described in clause (i)(a) and (i)(b) above.

"**Third Party Ordinance**" has the meaning ascribed to it in Section 13.8 of this Agreement.

"**Tianjin Kangyue**" has the meaning ascribed to it in Schedule 3 of this Agreement.

"**Tianjin Yuanjufu**" has the meaning ascribed to it in Schedule 2 of this Agreement.

"**Transfer**" has the meaning ascribed to it in Section 4.1 of this Agreement.

"**Transfer Notice**" has the meaning ascribed to it in Section 4.2 of this Agreement.

"**Violation**" has the meaning ascribed to it in Section 7(a) of Exhibit C of this Agreement.

"**VIVO**" shall mean VIVO CAPITAL FUND IX, L.P..

"**VIVO Director**" has the meaning ascribed to it in Section 2.2(a)(i) of this Agreement.

"**WFOE**" is defined in introductory paragraph of this Agreement.

EXHIBIT A

Notices

EXHIBIT B

Deed of Adherence

DEED OF ADHERENCE made on the [ ] day of, [ ]

BETWEEN:

(1) Genetron Holdings Limited, a company incorporated in the Cayman Islands (the "**Company**"); and

(2) Name of New Shareholder (the "**New Shareholder**").

RECITALS:

(A) On [ ] day of _____, the Company and its Shareholders entered into a Shareholders Agreement (the "**Shareholders Agreement**") to which a form of this Deed is attached as Exhibit B.

(B) The New Shareholder wishes to [be allotted/have transferred to him/her/it] [ ] shares (the "**Shares**") in the capital of the Company [from [ ] (the "**Old Shareholder**")] and in accordance with Section [ ] of the Shareholders Agreement has agreed to enter into this Deed.

(C) The Company enters this Deed on behalf of itself and as agent for all the existing Shareholders of the Company.

NOW THIS DEED WITNESSES as follows:

1. Interpretation. In this Deed, except as the context may otherwise require, all words and expressions defined in the Shareholders Agreement shall have the same meanings when used herein.

2. Covenant. The New Shareholder hereby covenants to the Company as trustee for all other persons who are at present or who may hereafter become bound by the Shareholders Agreement, and to the Company itself to adhere to and be bound by all the duties, burdens and obligations of a Shareholder holding the same class of shares as the Shares imposed pursuant to the provisions of the Shareholders Agreement and all documents expressed in writing to be supplemental or ancillary thereto as if the New Shareholder had been an original Party to the Shareholders Agreement since the date thereof.

3. Enforceability. Each existing Shareholder and the Company shall be entitled to enforce the Shareholders Agreement against the New Shareholder, and the New Shareholder shall be entitled to all rights and benefits of the Old Shareholder (other than those that are non-assignable) under the Shareholders Agreement in each case as if the New Shareholder had been an original Party to the Shareholders Agreement since the date thereof.

4. Governing Law. THIS DEED OF ADHERENCE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF HONG KONG, EXCEPT TO THE EXTENT THAT THE COMPANIES LAW OF CAYMAN ISLANDS BY ITS TERMS IS APPLICABLE.

IN WITNESS WHEREOF, this Deed of Adherence has been executed as a deed on the date first above written.

Genetron Holdings Limited(□□□□□□□□□□□□□□)

By: _____
Name: Wang Sizhen
Title: Director

[NAME OF NEW SHAREHOLDER]

By: _____
Name:
Title:

Exhibit B

EXHIBIT C

Registration Rights

1. Definitions. For purposes of this Exhibit C:

(a) Registration. The terms "register," "registered," and "registration" refer to a registration effected by preparing and filing a registration statement under the Securities Act, and the declaration of effectiveness of such registration statement.

(b) Registrable Securities. The term "**Registrable Securities**" means: (1) Ordinary Shares of the Company issued or to be issued upon conversion of the Preferred Shares issued (A) under the Purchase Agreements and other share purchase agreements with respect to the Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series B Preferred Shares, Series C Preferred Shares and Series C-2 Preferred Shares; and (B) pursuant to the issuance of New Securities by the Company to the Investors pursuant to Section 3 hereof; (2) Ordinary Shares of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, any of the foregoing; (3) any other Ordinary Share owned or hereafter acquired by the Investors, including Ordinary Shares issued in respect of the Ordinary Shares described in (1)-(2) above upon any share split, share dividend, recapitalization or a similar event; and (4) any depositary receipts issued by an institutional depositary upon deposit of any of the foregoing. Notwithstanding the foregoing, "**Registrable Securities**" shall not include any Registrable Securities sold by a Person in a transaction in which rights under this Exhibit C are not assigned in accordance with this Agreement or any Registrable Securities sold in a public offering, whether sold pursuant to Rule 144 promulgated under the Securities Act, or in a registered offering, or otherwise.

(c) Registrable Securities Then Outstanding. The number of shares of "**Registrable Securities then outstanding**" shall mean the number of Ordinary Shares of the Company that are Registrable Securities and are then issued and outstanding or would be outstanding assuming full conversion of all Registrable Securities which are convertible into Ordinary Shares.

(d) Holder. For purposes of this Exhibit C, the term "**Holder**" means any Person who holds Registrable Securities of record, whether such Registrable Securities were acquired directly from the Company or from another Holder in a permitted transfer, to whom the rights under this Exhibit C have been duly assigned in accordance with this Agreement; provided, however, that for purposes of this Agreement, a record holder of the Preferred Shares convertible into such Registrable Securities shall be deemed to be the Holder of such Registrable Securities; and provided, further, that (i) the Company shall in no event be obligated to register the Preferred Shares and that (ii) Holders of Registrable Securities will not be required to convert their Preferred Shares into Ordinary Share in order to exercise the registration rights granted hereunder, until immediately prior to the declaration of effectiveness of the registration statement for the offering to which the registration relates.

(e) Form S-3 and Form F-3. The terms "**Form S-3**" and "**Form F-3**" means such respective form under the Securities Act as is in effect on the date hereof or any successor or comparable registration form under the Securities Act subsequently adopted by the SEC, which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

2. Demand Registration.

(a) Request by Holders. If the Company shall receive, at any time after the earlier of (i) March 31, 2021, or (ii) one hundred eighty (180) days after an IPO, a written request from the Holders of at least ten percent (10%) of the Registrable Securities, then outstanding that the Company files a registration statement under the Securities Act (other than Form F-3 or Form S-3) covering the registration of Registrable Securities pursuant to this Section 2 of Exhibit C, then the Company shall, within ten (10) Business Days after the receipt of such written request, give a written notice of such request (the "**Request Notice**") to all Holders. The Holders shall send a written notice stating the number of Registrable Securities requested to be registered and included in such registration (the "**Request Securities**") to the Company within ten (10) Business Days after receipt of the Request Notice. The Company shall thereafter use its best efforts to effect, as soon as practicable, the registration of the Request Securities, subject only to the limitations of this Section 2 of Exhibit C.

(b) Underwriting. If the Holders initiating the registration request under this Section 2 of Exhibit C (the "**Initiating Holders**") intend to distribute the Registrable Securities covered by their request by means of an underwriting, then they shall so advise the Company as a part of their request made pursuant to this Section 2 of Exhibit C and the Company shall include such information in the Request Notice referred to in Section 2(a) of Exhibit C. In the event of an underwritten offering, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such underwriting by the Holders of a majority of the Registrable Securities being registered and reasonably acceptable to the Company. Notwithstanding any other provision of this Section 2 of Exhibit C, if the underwriter(s) advise(s) the Company in writing that marketing factors require a limitation of the number of securities to be underwritten, then the Company shall so advise all Holders of Registrable Securities which would otherwise be registered and underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be reduced as required by the underwriter(s) and allocated among the Holders of Registrable Securities on a pro-rata basis according to the number of Registrable Securities then outstanding held by each Holder requesting registration (including the Initiating Holders); provided, however, that the number of shares of Registrable Securities to be included in such underwriting and registration shall not be reduced (x) by more than twenty percent (20%) and (y) unless all other securities are first entirely excluded from the underwriting and registration including all shares that are not Registrable Securities and are held by any other Person, including any Person who is an employee, officer or director of the Company or any Subsidiary of the Company. Further, if, as a result of such underwriter cutback, the Holders cannot include in the IPO at least eighty percent (80%) of the Registrable Securities that they have requested to be included therein, then such Registration shall not be deemed to constitute one of the three (3) demand Registrations to which the Holders are entitled pursuant to this Exhibit C. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by delivering a written notice to the Company and the underwriter(s), delivered at least ten (10) Business Days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For any Holder that is a partnership, the Holder and the partners and retired partners of such Holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing Persons, and for any Holder that is a corporation, the Holder and all corporations that are affiliates of such Holder, shall be deemed to be a single "Holder," and any pro-rata reduction with respect to such "Holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "Holder," as defined herein.

(c) Maximum Number of Demand Registrations. The Company shall have no obligation to effect more than three (3) registrations pursuant to this Section 2 of Exhibit C.

(d) Deferral. Notwithstanding the foregoing, if the Company shall furnish to the Holders requesting the filing of a registration statement pursuant to this Section 2 of Exhibit C, a certificate signed by the president or chief executive officer of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such registration statement to be filed, then the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders; provided, however, that the Company may not utilize this right more than once in any twelve (12) month period; provided further that during such ninety (90) day period, the Company shall not file any registration statement pertaining to the public offering of any securities of the Company.

(e) Expenses. The Company shall pay all expenses (excluding only underwriting discounts and commissions relating to the Registrable Securities sold by the Holders) incurred in connection with any registration pursuant to this Section 2 of Exhibit C, including all U.S. federal, "blue sky" and all foreign registration, filing and qualification fees, printer's and accounting fees, the fees and expenses (including disbursements) of outside counsels for the Holders and any fee charged by any depositary bank, transfer agent or share registrar. Each Holder participating in a registration pursuant to this Section 2 of Exhibit C shall bear such Holder's proportionate share (based on the total number of shares of Registrable Securities sold in such registration other than for the account of the Company) of all discounts and commissions relating to the Registrable Securities sold by the Holders. Notwithstanding the foregoing, the Company shall not be required to pay any expense of any registration proceeding begun pursuant to this Section 2 of Exhibit C if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered, unless the Holders of a majority of the Registrable Securities then outstanding agree that such registration constitutes the use by the Holders of one (1) demand registration pursuant to this Section 2 of Exhibit C (in which case such registration shall also constitute the use by all Holders of Registrable Securities of one (l) such demand registration); provided further, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business, or prospects of the Company not known to the Holders at the time of their request for such registration and have withdrawn their request for registration with reasonable promptness after learning of such material adverse change, or if the registration proceeding is terminated for any reason not specifically covered by this Section 2(e), then the Company shall be required to pay all of such expenses and such registration shall not constitute the use of a demand registration pursuant to this Section 2 of Exhibit C.

3. Piggyback Registrations. The Company shall notify all Holders of Registrable Securities in writing at least thirty (30) days prior to filing of any registration statement under the Securities Act for purposes of effecting a public offering of securities of the Company (including registration statements relating to secondary offerings of securities of the Company, but excluding registration statements relating to any registration under Section 2 of Exhibit C or Section 4 of Exhibit C of this Agreement or to any employee benefit plan or a corporate reorganization) and will afford each such Holder an opportunity to include in such registration statement all or any part of the Registrable Securities then held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by such Holder shall within ten (10) Business Days after receipt of the above-described notice from the Company, so notify the Company in writing, and in such notice shall inform the Company of the number of Registrable Securities such Holder wishes to include in such registration statement. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(a) Underwriting. If a registration statement under which the Company gives notice under this Section 3 of Exhibit C is for an underwritten offering, then the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder's Registrable Securities to be included in a registration pursuant to this Section 3 of Exhibit C shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected by the Company for such underwriting. Notwithstanding any other provision of this Agreement, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation of the number of shares to be underwritten, then the managing underwriter(s) may exclude shares from the registration and the underwriting, and the number of shares that may be included in the registration and the underwriting shall be allocated, first to the Company, and second, to each of the Holders requesting inclusion of their Registrable Securities in such registration statement on a pro-rata basis based on the total number of Registrable Securities then held by each such Holder; provided, however, that the right of the underwriter(s) to exclude shares (including Registrable Securities) from the registration and underwriting as described above shall be restricted so that (i) the number of Registrable Securities included in any such registration is not reduced below twenty-five percent (25%) of the aggregate number of Registrable Securities for which inclusion has been requested, even if this will cause the Company to reduce the number of shares it wishes to offer; and (ii) all shares that are not Registrable Securities and are held by any other Person, including any Person who is an employee, officer or director of the Company or any Subsidiary of the Company shall first be excluded from such registration and underwriting before any Registrable Securities are so excluded. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by delivering a written notice to the Company and the underwriter(s) at least ten (10) Business Days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration. For any Holder that is a partnership, the Holder and the partners and retired partners of such Holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing Persons, and for any Holder that is a corporation, the Holder and all corporations that are affiliates of such Holder, shall be deemed to be a single "Holder," and any pro-rata reduction with respect to such "Holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "Holder," as defined in this sentence.

(b) Expenses. The Company shall pay all expenses (excluding only underwriting and brokers' discounts and commissions relating to shares sold by the Holders) incurred in connection with a registration pursuant to this Section 3 of Exhibit C, including all U.S. federal, "blue sky" and all foreign registration, filing and qualification fees, printers' and accounting fees, the fees and expenses (including disbursements) of outside counsels for the Holders and any fee charged by any depositary bank, transfer agent or share registrar. For the avoidance of doubt, the Company shall pay all expenses incurred in connection with a registration pursuant to this Section 3 of Exhibit C notwithstanding the cancellation or delay of the registration proceeding for any reason.

(c) Not Demand Registration. Registration pursuant to this Section 3 of Exhibit C shall not be deemed to be a demand registration as described in Section 2 of Exhibit C above. Except as otherwise provided herein, there shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 3 of Exhibit C.

4. Form S-3 or Form F-3 Registration. After its initial public offering, the Company shall use its best efforts to qualify for registration on Form S-3 or Form F-3 or any comparable or successor form promptly and to maintain such qualification thereafter. If the Company is qualified to use Form S-3 or Form F-3, any Holder or Holders shall have a right to request in writing that the Company effect a registration on either Form S-3 or Form F-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, and upon receipt of each such request, the Company shall perform the tasks set out in paragraphs (a) and (b) below:

(a) Notice. Promptly give written notice of the proposed registration and the Holder's or Holders' request therefor, and any related qualification or compliance, to all other Holders of Registrable Securities; and

(b) Registration. As soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holders or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within twenty (20) days after the date on which the Company provides the notice contemplated by Section 4(a) of Exhibit C; provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 4 of Exhibit C:

(i) if Form S-3 or Form F-3 becomes unavailable for such offering by the Holders;

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price of less than US$1,000,000 to the public; or

(iii) if the Company has, within the six (6) month period preceding the date of such request, already effected a registration under the Securities Act other than a registration from which the Registrable Securities of Holders have been excluded (with respect to all or any portion of the Registrable Securities the Holders requested be included in such registration) pursuant to the provisions of Section 3(a) of Exhibit C.

(c) Expenses. The Company shall pay all expenses (excluding only underwriting or brokers' discounts and commissions relating to shares sold by the Holders) incurred in connection with each registration requested pursuant to this Section 4 of Exhibit C, including all U.S. federal, "blue sky" and all foreign registration, filing and qualification fees, printers' and accounting fees, the fees and expenses (including disbursements) of outside counsels for the Holders and any fee charged by any depositary bank, transfer agent or share registrar. For the avoidance of doubt, the Company shall pay all expenses incurred in connection with a registration pursuant to this Section 4 of Exhibit C notwithstanding the cancellation or delay of the registration proceeding for any reason.

(d) Maximum Frequency. Except as otherwise provided herein, there shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 4 of Exhibit C.

(e) Deferral. Notwithstanding the foregoing, if the Company shall furnish to Holders requesting the filing of a registration statement pursuant to this Section 4 of Exhibit C, a certificate signed by the president or chief executive officer of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such Form S-3 or Form F-3 registration statement to be filed, then the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the initiating Holders; provided, however, that the Company may not utilize this right more than once in any twelve (12) month period; provided further that during such ninety (90) day period, the Company shall not file any registration statement pertaining to the public offering of any securities of the Company.

(f) Not Demand Registration. Form S-3 or Form F-3 registrations shall not be deemed to be demand registrations as described in Section 2 of Exhibit C above.

(g) Underwriting. If the requested registration under this Exhibit C is for an underwritten offering, the provisions of Section 2(b) of Exhibit C shall apply.

If the Company fails to perform any of the Company's obligations set forth above in this Section 4 of Exhibit C relating to a demand registration made pursuant to Section 2 of Exhibit C, such registration shall not constitute the use of a demand registration under Section 2 of Exhibit C.

5. Obligations of the Company. Whenever required to effect the registration of any Registrable Securities under this Agreement, the Company shall, as soon as practicable:

(a) Registration Statement. Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective, and keep any such registration statement effective for a period of one (1) year or until the Holder or Holders have completed the distribution described in the registration statement relating thereto, whichever is earlier;

(b) Amendments and Supplements. Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by such registration statement;

(c) Prospectuses. Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of the Registrable Securities owned by them that are included in such registration;

(d) Blue Sky. Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(e) Deposit Agreement. If the registration relates to an offering of depositary shares or other securities representing Ordinary Shares deposited pursuant to a deposit agreement or similar facility, cause the depositary under such agreement or facility to accept for deposit under such agreement or facility all Registrable Securities requested by each Holder to be included in such registration in accordance with this Exhibit C.

(f) Underwriting. In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement in usual and customary form, with the managing underwriter(s) of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement;

(g) Notification. Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(h) Opinions and Comfort Letter. Furnish, at the request of any Holder requesting registration of Registrable Securities, on the date that such Registrable Securities are delivered to the underwriter(s) for sale, if such Registrable Securities are being sold through underwriters, or, if such Registrable Securities are not being sold through underwriters, on the date that the registration statement with respect to such Registrable Securities becomes effective, (i) opinions, each dated as of such date, of the counsels representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and reasonably satisfactory to Holders representing a majority of the Registrable Securities requested to be registered, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities and (ii) a “comfort letter” dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering and reasonably satisfactory to Holders representing a majority of the Registrable Securities requested to be registered, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities.

6. Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to Sections 2, 3 or 4 of this Exhibit C that the Holders shall furnish to the Company information regarding such Holders, the Registrable Securities held by them and the intended method of disposition of such Registrable Securities as shall reasonably be required to timely effect the Registration of their Registrable Securities.

7. Indemnification. In the event any Registrable Securities are included in a registration statement under Sections 2, 3 or 4 of this Exhibit C:

(a) By the Company. To the extent permitted by law, the Company shall indemnify and hold harmless each Holder and its Affiliates, partners, officers, directors, employee, legal counsel, agent, any underwriter (as determined in the Securities Act) for such Holder and each Person, if any, who Controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other applicable law, insofar as such losses, claims, damages, or liabilities or actions in respect thereof arise out of or are based upon any of the following statements, omissions or violations (collectively a "**Violation**"):

(i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto;

(ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or

(iii) any violation or alleged violation of the Securities Act, the Exchange Act, any federal or state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or other applicable law in connection with the offering covered by such registration statement;

and the Company shall reimburse each such Holder and its Affiliates, partners, officers, directors, employees, legal counsel, agents, underwriters or controlling Person for any legal or other expenses reasonably incurred by them, in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity contained in this Section 7(a) of Exhibit C shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed, nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, underwriter or controlling Person of such Holder.

(b) By Selling Shareholders. To the extent permitted by law, each selling Holder, on a several and not joint basis, will indemnify and hold harmless the Company, each of its directors, each of its officers who have signed the registration statement, each Person, if any, who Controls the Company, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, directors, officers, legal counsel or any Person who Controls such Holder within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, legal counsel, controlling Person, underwriter or other such Holder, partner or director, officer or controlling Person of such other Holder may become subject under the Securities Act, the Exchange Act or other applicable law, insofar as such losses, claims, damages or liabilities or actions in respect thereto arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in the Company's reasonable reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling Person, underwriter or other Holder, partner, officer, director or controlling Person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action: provided, however, that the indemnity contained in this Section 7(b) of Exhibit C shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that the total amounts payable in indemnity by a Holder under this Section 7(b) of Exhibit C plus any amount under Section 7(e) of Exhibit C in respect of any Violation shall not exceed the net proceeds received by such Holder in the registered offering out of which such Violation arises.

(c) Notice. Promptly after receipt by an indemnified party under this Section 7 of Exhibit C of notice of the commencement of any action, including any governmental action, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 7 of Exhibit C, deliver to the indemnifying party a written notice of the commencement thereof (a "**Claim Notice**") and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the Parties; provided, however, that an indemnified party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, (i) during the period from the delivery of a Claim Notice until retention of counsel by the indemnifying party; and (ii) if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential conflict of interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver a written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of liability to the indemnified party under this Section 7 of Exhibit C to the extent the indemnifying party is prejudiced as a result thereof, but the omission to deliver a written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 7 of Exhibit C.

(d) Defect Eliminated in Final Prospectus. The foregoing indemnity of the Company and Holders are subject to the condition that, insofar as they relate to any Violation made in a preliminary prospectus but eliminated or remedied in the amended prospectus on file with the SEC at the time the registration statement in question becomes effective or the amended prospectus filed with the SEC pursuant to SEC Rule 424(b) (the "**Final Prospectus**"), such indemnity shall not inure to the benefit of any Person if a copy of the Final Prospectus was timely furnished to the indemnified party and was not furnished to the Person asserting the loss, liability, claim or damage at or prior to the time such action is required by the Securities Act.

(e) Contribution. In order to provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) any Holder exercising rights under this Agreement, or any controlling Person of any such Holder, makes a claim for indemnification pursuant to this Section 7 of Exhibit C but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 7 of Exhibit C provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any such selling Holder or any such controlling Person in circumstances for which indemnification is provided under this Section 7 of Exhibit C; then, and in each such case, the Company and such Holder will contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) in such proportion so that such Holder is responsible for the portion represented by the percentage that the public offering price of its Registrable Securities offered by and sold under the registration statement bears to the public offering price of all securities offered by and sold under such registration statement, and the Company and other selling Holders are responsible for the remaining portion; provided, however, that, in any such case: (A) no such Holder will be required to contribute any amount in excess of the net proceeds received by such Holder pursuant to such registration statement; and (B) no Person or entity guilty of fraudulent misrepresentation as defined in Section 11(f) of the Securities Act will be entitled to contribution from any Person or entity who was not guilty of such fraudulent misrepresentation.

(f) Survival. The obligations of the Company and Holders under this Section 7 of Exhibit C shall survive for six (6) years after the completion of any offering of Registrable Securities in a registration statement, regardless of the expiration of any statutes of limitation or extensions of such statutes.

8. Rule 144 Reporting. With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144 or any similar or analogous rule promulgated under the Securities Act, at all times after the effective date of the first registration filed by the Company for an offering of its securities to the general public;

(b) File with the SEC, in a timely manner, all reports and other documents required of the Company under the Securities Act or the Exchange Act, at all times after the effective date of the first registration under the Securities Act filed by the Company;

(c) So long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request, (i) a written statement by the Company as to its compliance with the reporting requirements of said Rule 144 of the Securities Act, and of the Exchange Act (at any time after it has become subject to such reporting requirements, (ii) a copy of the most recent annual, interim, quarterly or other report of the Company and, (iii) such other reports and documents as a Holder may reasonably request availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration.

9. Termination of the Company's Obligations. Notwithstanding the foregoing, the Company shall have no obligations pursuant to Sections 2, 3 or 4 of this Exhibit C with respect to any Registrable Securities proposed to be sold by a Holder in a registered public offering (i) five (5) years after the consummation of a Qualified IPO, or (ii), if, in the opinion of counsel to the Company, all such Registrable Securities proposed to be sold by a Holder may then be sold under Rule 144 in one transaction without exceeding the volume limitations thereunder.

10. No Registration Rights to Third Parties. Without the prior written consent of the Holders of more than fifty percent (50%) of the Registrable Securities then outstanding, the Company covenants and agrees that it shall not grant, or cause or permit to be created, for the benefit of any Person or entity any registration rights of any kind, whether similar to the demand, "piggyback" or Form S-3 or Form F-3 registration rights described in this Exhibit C, or otherwise, relating to any shares or other securities of the Company, other than rights that are subordinate to the rights of the Holders hereunder.

11. "Market Stand-Off" Agreement. Each Holder hereby agrees that, if and to the extent requested by the lead underwriter of securities of the Company in connection with a registration relating to a specific proposed public offering (other than a registration on Form S-8 or a related or successor form relating solely to an employee benefit plan or a registration on Form S-4 or a related or successor form relating solely to a transaction under SEC Rule 145), such Holder will, subject to the following conditions, enter into a lock-up or standoff agreement in customary form (subject to the following conditions) under which such Holder agrees not to sell or otherwise transfer or dispose of any Registrable Securities or other shares of the Company owned by such Holder as of the date of such registration for up to one hundred eighty (180) days following the effective date of the related registration statement. The obligations of each Holder under this Section 11 of Exhibit C are subject to the following conditions: (i) the lockup or standoff agreement applies only to the first registration statement of the Company which covers securities to be sold on its behalf to the public in an underwritten offering, but not to Registrable Securities actually sold pursuant to such registration statement; (ii) such Holder is satisfied that all directors, officers, and holders of 1% or more of any class of securities of the Company are bound by substantially identical restrictions; (iii) the lockup or standoff agreement provides that if any securities of the Company are to be excluded or released in whole or part from such restrictions, the underwriter shall so notify each Holder within three (3) days and each Holder shall be excluded or released, in proportionate amounts to the extent of the exclusion or release with respect to any other holder of Company's securities, including any director, officer, or holder of 1% or more of any class of securities of the Company subject to such restrictions; and (iv) the lockup or standoff agreement by its terms permits transfers of Registrable Securities by any Holder to any Affiliate of such Holder during the restricted period, provided that such Affiliate executes a lock-up or standoff agreement substantively identical to that signed by the transferring Holder. The lock-up or standoff agreement shall expire no later than ninety (90) days after execution by the Holder if no underwritten public offering has occurred by the date of such execution. The Company may impose a stop-transfer restriction with respect to Registrable Securities that are that are subject to any such lockup or standoff agreement, but shall remove such restriction immediately upon the expiration or termination of such lockup or standoff agreement.

12. Public Offering Rights (Non-U.S. Offerings). If shares of the Company are offered in an underwritten public offering (whether or not a Qualified IPO) outside of the United States for the account of any Ordinary Shareholder or other shareholders, each Holder shall have the right to include a pro-rata number of shares (based on the number of shares (on an as—converted basis) then held by such Holder and all other shareholders of the Company selling in such offering) in such offering on terms and conditions no less favorable to the Holders than to any other selling shareholder.

13. Re-sale Rights. The Company shall use its best efforts to assist each Holder in the sale or disposition of its Registrable Securities after a Qualified IPO, including the prompt delivery of applicable instruction letters by the Company and legal opinions from the Company's counsels in forms reasonably satisfactory to the Holder's counsel. In the event the Company has depositary receipts listed or traded on any stock exchange or inter-dealer quotation system, the Company shall pay all costs and fees related to such depositary facility, including conversion fees and maintenance fees for Registrable Securities held by the Holders.

Exhibit C

Exhibit 5.1

21 November 2019 Our Ref: JWYL/TW/G3359.H19501

Genetron Holdings Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman
KY1-1205 Cayman Islands

Dear Sirs

GENETRON HOLDINGS LIMITED

We have acted as Cayman Islands legal advisers to Genetron Holdings Limited (the "**Company**") in connection with the Company's registration statement on Form F-1, including all amendments or supplements thereto (the "**Registration Statement**"), filed with the Securities and Exchange Commission pursuant to Rule 462(b) under the U.S. Securities Act of 1933, as amended, relating to the offering by the Company of American Depositary Shares representing the Ordinary Shares of a par value of US$0.00002 each (the "**Ordinary Shares**"). We are furnishing this opinion as exhibit 5.1 to the Registration Statement.

For the purposes of giving this opinion, we have examined and relied upon the originals, copies or translations of the documents listed in Schedule 1.

In giving this opinion we have relied upon the assumptions set out in Schedule 2, which we have not independently verified.

We are Cayman Islands Attorneys at Law and express no opinion as to any laws other than the laws of the Cayman Islands in force and as interpreted at the date of this opinion. We have not, for the purposes of this opinion, made any investigation of the laws, rules or regulations of any other jurisdiction.

Based upon the foregoing examinations and assumptions and upon such searches as we have conducted and having regard to legal considerations which we consider relevant, and subject to the qualifications set out in Schedule 3, and under the laws of the Cayman Islands, we give the following opinions in relation to the matters set out below.

1. The Company is an exempted company duly incorporated with limited liability, validly existing under the laws of the Cayman Islands and is in good standing with the Registrar of Companies in the Cayman Islands (the "**Registrar**").

2. Based on our review of the Amended and Restated M&A (as defined in Schedule 1), the authorised share capital of the Company is currently US$ 50,000 divided into 2,500,000,000 Ordinary Shares of a par value of US$0.00002 each.

3. The issue and allotment of the Ordinary Shares pursuant to the Registration Statement has been duly authorized. When allotted, issued and fully paid for as contemplated in the Registration Statement and when appropriate entries have been made in the Register of Members of the Company, the Ordinary Shares will be validly issued, allotted and fully paid, and there will be no further obligation on the holder of any of the Ordinary Shares to make any further payment to the Company in respect of such Ordinary Shares.

4. The statements under the caption "Taxation" in the prospectus forming part of the Registration Statement, to the extent that they constitute statements of Cayman Islands law, are accurate in all material respects.

We hereby consent to the use of this opinion in, and the filing hereof, as an exhibit to the Registration Statement and to the reference to our firm under the headings "Enforceability of Civil Liabilities", "Legal Matters" and elsewhere in the prospectus included in the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the Rules and Regulations of the Commission thereunder.

This opinion is limited to the matters referred to herein and shall not be construed as extending to any other matter or document not referred to herein.

This opinion shall be construed in accordance with the laws of the Cayman Islands.

Yours faithfully

/S/ WALKERS (HONG KONG)

WALKERS (HONG KONG)

SCHEDULE 1

LIST OF DOCUMENTS EXAMINED

1. The Certificate of Incorporation dated [9 April 2018], the Third Amended and Restated Memorandum and Articles of Association as adopted on [date], the Fourth Amended and Restated Memorandum and Articles of Association as conditionally adopted by special resolution on [date] and effective upon the commencement of the trading of the Company's American Depositary Shares on the New York Stock Exchange (the "**Amended and Restated M&A**"), the Register of Members, Register of Directors and the Register of Mortgages and Charges of the Company, copies of which have been provided to us by its registered office in the Cayman Islands (together the "**Company Records**").
2. A Certificate of Good Standing dated 15 October 2019 in respect of the Company issued by the Registrar (the "**Certificate of Good Standing**").
3. The Cayman Online Registry Information System (CORIS), the Cayman Islands' General Registry's online database, searched on [date].
4. A copy of executed written resolutions of the Board of Directors of the Company dated [date], and a copy of executed written resolutions of the shareholders of the Company dated [date] (the "**Resolutions**").
5. A certificate from a director of the Company, a copy of which is attached hereto (the "**Director's Certificate**").
6. The Registration Statement.

SCHEDULE 2

ASSUMPTIONS

1. The originals of all documents examined in connection with this opinion are authentic. All documents purporting to be sealed have been so sealed. All copies are complete and conform to their originals. Any translations are a true translation of the original document they purport to translate.
2. The Company Records are complete and accurate and all matters required by law and the Memorandum and Articles to be recorded therein are completely and accurately so recorded.
3. The Contents of the Director's Certificate are true and accurate as at the date of this opinion and there is no information not contained in the Director's Certificate that will in any way affect this opinion.
4. The conversion of the any shares in the capital of the Company will be effected via legally available means under Cayman law.

SCHEDULE 3

QUALIFICATIONS

1. Our opinion as to good standing is based solely upon receipt of the Certificate of Good Standing issued by the Registrar. The Company shall be deemed to be in good standing under section 200A of the Companies Law on the date of issue of the certificate if all fees and penalties under the Companies Law have been paid and the Registrar has no knowledge that the Company is in default under the Companies Law.

2. We accept no responsibility for any liability in relation to any opinion which was given in reliance on the Director's Certificate.

Genetron Holdings Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

20 November 2019

Walkers (Hong Kong)
15/F Alexandra House
18 Chater Road
Central
Hong Kong

Dear Sirs,

Genetron Holdings Limited (the "Company") – Director's Certificate

I, Sizhen Wang, being a director of the Company, am aware that you are being asked to provide a legal opinion (the "**Opinion**") in relation to certain aspects of Cayman Islands law. Capitalised terms used in this certificate have the meaning given to them in the Opinion. I hereby certify that:

1. the third amended and restated memorandum and articles of association of the Company as adopted by special resolution passed on [date] remain in full force and effect and are otherwise unamended;

2. the written resolutions of the shareholders dated 20 November 2019 were executed (and where by a corporate entity such execution has been duly authorised if so required) by and on behalf of all shareholders in the manner prescribed in the articles of association of the Company, the signatures and initials thereon are those of a person or persons in whose name the resolutions have been expressed to be signed, are in full force and effect at the date hereof and have not been amended, varied or revoked in any respect;

3. the written resolutions of the board of directors dated 20 November 2019 were executed by all the directors in the manner prescribed in the articles of association of the Company, the signatures and initials thereon are those of a person or persons in whose name the resolutions have been expressed to be signed, are in full force and effect at the date hereof and have not been amended, varied or revoked in any respect; and

4. there is no contractual or other prohibition (other than as arising under Cayman Islands law) binding on the Company prohibiting it from issuing and allotting the Ordinary Shares.

I confirm that you may continue to rely on this Certificate as being true and correct on the day that you issue the Opinion unless I have previously notified you personally to the contrary.

[Signature Page to Follow]

Signature: /s/ Sizhen Wang

Sizhen Wang
Director

Exhibit 10.1

GENETRON HOLDINGS LIMITED

RULES OF THE 2019 GENETRON HEALTH
SHARE INCENTIVE PLAN

Committee' Adoption:	July 2, 2019
Expiry Date:	July 1, 2029

Table of Contents

1 Definitions

In these rules:

"**Adoption Date**" means July 2, 2019, being the date on which the Plan was adopted by the Company;

"**Award**" means an RSU, Restricted Shares or an Option;

"**Award Agreement**" means the agreement referred to in rule 2.4;

"**Award Date**" means the date on which an Award is granted by deed under rule 2.2 (Terms of Awards);

"**Change of Control**" means the occurrence of any one or more of the following events:

(a) approval by shareholders of the Company (or, if no shareholder approval is required, by the Board alone) of the complete dissolution or liquidation of the Company;

(b) any person becomes the beneficial owner as defined under the Exchange Act Rule 13d-3, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's outstanding securities entitled to vote generally in the election of directors or appoints a majority of the Board;

(c) the consummation of (i) a merger or consolidation of the Company or any of its subsidiaries with any other corporation or entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or, if applicable, the ultimate parent thereof) at least 50% of the combined voting power of the securities of the Company or such surviving entity or parent outstanding immediately after such merger or consolidation or (ii) any sale, lease, exchange or other transfer to any person of assets of the Company and/or any of its subsidiaries, in one transaction or a series of related transactions, having an aggregate fair market value of more than 50% of the fair market value of the Company and its subsidiaries immediately prior to such transaction(s); or

(d) any analogous situation as determined by the Committee solely at its discretion; provided that, in the case of each of (a) and (b), a Change of Control shall not be deemed to have occurred until the Committee has determined by resolution of the Committee that such event has occurred; provided further that change of control will not occur for purposes of Awards that are subject to Section 409A of the Code unless the event also constitutes a change of control under 409A of the Code;

"**Code**" means the Internal Revenue Code of 1986 of the United States, as amended;

"**Committee**" means, subject to rule 7.6, the board of directors of the Company or the management committee of the Company to be established by the board of directors unless otherwise resolved by the board of directors;

"**Company**" means Genetron Holdings Limited;

"**Control**" means the possession, direct or indirect, of the power to direct, or cause the direction of, the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise;

"**Dividend Equivalent**" means an amount equal to the ordinary dividends payable on the number of Vested Shares between the Award Date and Vesting (or, in the case of Options, the date of exercise);

"**Employee**" means a person who has Employment Relationship with the Company or a Related Entity;

"**Employment Relationship**" means labor or employment relationship between the employee and the Company or a Related Entity;

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended;

"**Final Lapse Date**" means the tenth anniversary of the Award Date of an Option or any earlier date set under rule 2.2 (Terms of Awards);

"**Grant**" means the offer of the grant of an Award made in accordance with this Plan;

"**Grantor**" means, in respect of an Award, the Company or any other entity which grants that Award or has agreed to satisfy it;

"**Grantee**" means any Participant who accepts a Grant in accordance with the terms of the Plan, or (where the context so permits) any person who is entitled to any Award in consequence of the death of the original Grantee;

"**Group**" means the Company and its Related Entities;

"**Leaving employment**" has the meaning given in rule 6.4;

"**Listing**" means a firm commitment underwritten public offering of the Shares of the Company (or depositary receipts or depositary shares thereof) on the Stock Exchange;

"**Listing Rules**" means the rules governing the Listing of securities on the Stock Exchange as amended from time to time;

"**Normal Vesting Date**" means the date set by the Committee for Vesting of an Award under rule 2.2 (Terms of Awards);

"**Option**" means a right to acquire Shares granted under the Plan on payment of the Option Price or a Phantom Option;

"**Option Price**" means the amount (if any) payable on the exercise of an Option, as specified under rule 2.2.7;

"**Participant**" means a person holding an Award or their personal representatives;

"**Performance Condition**" means a condition set for Vesting of an Award under rule 2.3;

"**Phantom Option**" means an Option which will always be satisfied with a cash payment as described in rule 4.7;

"**Phantom RSU**" means an RSU which will always be satisfied with a cash payment as described in rule 4.7;

"**Plan**" means these rules known as "The 2019 Genetron Health Share Incentive Plan", as changed from time to time;

"**Related Entity**" means any entity that, directly or indirectly, Controls the Company or is Controlled by the Company through shareholding relationship or contractual arrangements, or is under common Control with the Company (directly or indirectly), or in which the Company has a significant equity interest, as determined by the Committee

"**Restricted Shares**" means Shares held in the name of or for the benefit of a Participant until Vesting on the basis set out in the Award Agreement;

"**Restricted Share Price**" means the amount payable before grant of any Restricted Shares as determined under rule 2.2.7;

"**RSU**" means a restricted stock unit which is a conditional right, granted under the Plan, to acquire Shares following Vesting or a Phantom RSU;

"**Shares**" means ordinary shares in the share capital of the Company, or if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares forming part of the ordinary equity share capital of the Company of such nominal amount as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction;

"**Stock Exchange**" means the Stock Exchange of Hong Kong Limited, the New York Stock Exchange or the Nasdaq Stock Market;

"**Transfer Restrictions**" means any restriction on transfer in securities imposed by regulation, statute, order, directive or any code adopted by the Company as varied from time to time;

"**Vesting**" means, subject to the rest of these rules:

(a) in relation to an Option, the Option becoming exercisable;

(b) in relation to an RSU, the Participant becoming entitled to have Shares issued or transferred to them; and

(c) in relation to Restricted Shares, means the restrictions set out in the Award Agreement ceasing to have effect as described in rule 4.5 (Consequences of Vesting for Restricted Shares).

2 Granting Awards

2.1 Eligibility

The Committee may decide that an Award will be granted to:

2.1.1 any Employee or director of the Group; or

2.1.2 any consultant, adviser or other person who provides services to the Group,

selected by the Committee.

Unless the Committee considers that special circumstances exist, an Award may not be granted to a person who, on the Award Date, has given or received notice of termination of employment or engagement, whether or not such termination is or would be lawful.

2.2 Terms of Awards

When granting an Award, the Committee will determine the following in relation to the Award:

2.2.1 whether the Award is:

(i) an RSU;

(ii) an Option;

(iii) a Phantom Option;

(iv) a Phantom RSU;

(v) an award of Restricted Shares,

or a combination of these;

2.2.2 the number of Shares subject to the Award or the basis on which the number of Shares subject to the Award will be calculated;

2.2.3 the terms of any Performance Condition specified under rule 2.3;

2.2.4 the Normal Vesting Date(s) and, if there is more than one, the number of Shares to which each Normal Vesting Date relates or how that will be determined;

2.2.5 whether the Participant is entitled to receive any Dividend Equivalent and, if so, the basis on which it will be determined;

2.2.6 the Award Date;

2.2.7 in the case of Restricted Shares, the Restricted Share Price (which shall in no circumstances be less than the par value of the Restricted Shares unless such Restricted Shares are already in issue and have already been fully paid for at or above par value);

2.2.8 in the case of an Option:

(i) the Option Price (which shall in no circumstances be less than the par value of the Shares acquired on the exercise of the Option unless such Shares are already in issue and have already been fully paid for at or above par value); and

(ii) the Final Lapse Date.

2.3 Performance Conditions

When granting an Award, the Committee may make its Vesting or exercise conditional on the satisfaction of one or more conditions which may be linked to the performance of the Participant, the Group or business unit in which the Participant works or any other factor.

A Performance Condition must be specified at the Award Date but the Committee may waive or change a Performance Condition in accordance with its terms or if anything happens which causes the Committee reasonably to consider it appropriate to do so. If no Performance Conditions are specified at the Award Date, a negative statement to that effect must be provided.

2.4 Award Agreements

2.4.1 An Award will only be effective once the Participant has signed an Award Agreement. If the Participant does not sign the Award Agreement by the deadline and in the manner specified by the Committee for the Award, the Award will be deemed to have never been granted.

2.4.2 The terms of the Award Agreement will be determined by the Committee but will be consistent with these rules.

2.4.3 In the case of an award of Restricted Shares, the Award Agreement must provide that, to the extent that the Award lapses under the Plan, the Shares shall be surrendered to or repurchased by the Company and the Participant will immediately transfer his interest in the Shares, for no consideration or nominal consideration, to any person (which may include the Company, where permitted) specified by the Committee.

2.4.4 By signing the Award Agreement, the Participant agrees to be bound by these rules (as amended from time to time) and the terms set for the Award under rule 2.2 as if they had formed part of the Award Agreement.

2.5 Procedure on grant of Restricted Shares

2.5.1 The Participant must, in relation to an Award of Restricted Shares:

(i) sign the Award Agreement; and

(ii) sign any documentation, including a power of attorney or blank stock transfer form or any tax elections requested by the Committee to give effect to the Award; and

(iii) pay the Restricted Share Price or make arrangements for its payment which are satisfactory to the Committee.

2.5.2 If the Participant does not do all these things in the manner and by the date(s) specified by the Committee, the Award will lapse at the end of that period.

2.5.3 On (or as soon as reasonably practicable after) the date on which the Participant has complied with all their obligations under rule 2.5.1, the Grantor will procure that the relevant number of Shares are issued or transferred to the Participant or to another person to be held for the benefit of the Participant under the terms of the Plan on such basis as the Committee may specify.

2.5.4 The Grantor may retain the share certificates or other documents of title relating to any Restricted Shares.

3 Before Vesting

3.1 Rights

3.1.1 A Participant is not entitled to vote, to receive dividends or to have any other rights of a shareholder in respect of Shares subject to an Option or RSU until the Shares are issued or transferred to the Participant.

3.1.2 Except to the extent specified in the Award Agreement, a Participant will have all rights of a shareholder in respect of Restricted Shares until the Award lapses.

3.2 Transfer Restrictions

No right of interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Group, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Group. This rule 3.2 does not apply:

3.2.1 to the transmission of an Award on the death of a Participant to the personal representatives; or

3.2.2 to the assignment of an Award, with the prior written consent of the Committee, subject to any terms and conditions the Committee impose.

3.3 Adjustment of Awards

3.3.1 If there is:

(i) a variation in the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital;

(ii) a demerger (in whatever form);

(iii) a special dividend or distribution; or

(iv) any other corporate event which might affect the current or future value of any Award;

the Committee may adjust the description, number and/or class of Shares or securities subject to an RSU or Option and/or the Option Price

3.3.2 Subject to the Award Agreement, the Participant will have the same rights as any other shareholders in respect of Restricted Shares where there is a variation or other event of the sort described in rule 3.3.1. Any shares, securities or rights allotted to a Participant as a result of such an event will be:

(i) treated as if they were awarded to the Participant under the Plan in the same way and at the same time as the Restricted Shares in respect of which the rights were conferred; and

(ii) subject to the rules of the Plan and the terms of the Award Agreement.

3.4 Repayment of Restricted Share Price on lapse

The Grantor will repay the Restricted Share Price to the Participant if an Award of Restricted Shares lapses. If it lapses in part, a pro-rata portion of the Restricted Share Price will be repaid.

4 Vesting

4.1 Timing of Vesting

Subject to rule 4.2 (Delayed Vesting), an Award will normally Vest on the latest of:

4.1.1 the date on which the Committee determines the extent to which any Performance Condition has been met;

4.1.2 any Normal Vesting Date; and

4.1.3 the first date on which Vesting is not prevented by a Transfer Restriction.

However, the Committee may in its sole discretion, at any time, decide that the Award will Vest on any earlier date and/or waive any Performance Condition.

4.2 Delayed Vesting

Vesting is delayed in respect of a Participant's Award, or any part of it, if any of the following circumstances apply on the anticipated date of Vesting:

4.2.1 if the Participant is subject to any Disciplinary Action;

4.2.2 if the Participant's employment has terminated or is about to terminate in circumstances where it is not clear whether the Award should lapse under rule 6; or

4.2.3 the Committee consider that it is necessary or appropriate to defer Vesting.

In these cases, Vesting will not occur unless and until the Committee determine that the Award should Vest.

"**Disciplinary Action**" for the purpose of this rule 4.2 (Delayed Vesting), means any enquiry or investigation by the Group into the conduct, capability or performance of a Participant that may potentially lead to disciplinary action being taken against that Participant, and/or any disciplinary procedure (whether in accordance with any relevant contractual obligation, policy or otherwise) that has been commenced by any member of the Group against a Participant;

4.3 Consequences of Vesting for RSUs

As soon as reasonably practicable following Vesting of an RSU, the Grantor will arrange (subject to rules 4.7, 4.8, 6.3 and 9.5) for the number of Shares in respect of which the Award has Vested to be issued or transferred to, or to the order of, the Participant.

4.4 Consequences of Vesting for Options

4.4.1 A Participant may only exercise an Option to the extent it has Vested.

4.4.2 To validly exercise an Option, the Participant must give notice in writing, in any form prescribed by the Committee, to the Grantor or any person nominated by the Grantor and pay any Option Price or make arrangements reasonably satisfactory to the Committee for its payment.

4.4.3 As soon as reasonably practicable following the valid exercise of an Option, the Grantor will arrange (subject to rules 4.7, 4.8, 6.3 and 9.5) for the number of Shares in respect of which the Option has been exercised to be issued or transferred to, or to the order of, the Participant.

4.4.4 The Option will lapse, at the latest, on the close of business on the Final Lapse Date.

4.4.5 If an Option becomes exercisable or lapses under more than one provision of the rules of the Plan, the provision resulting in the shortest exercise period or the earliest lapse will prevail.

4.5 Consequences of Vesting for Restricted Shares

With effect from the date of Vesting, the restrictions referred to in rule 2.4.3 and contained in the Award Agreement will cease to have effect. Rule 4.8 will apply to any tax and social security contributions payable on Vesting.

If the Restricted Shares are not held by the Participant, the Grantor will arrange for them to be transferred to or to the order of the Participant.

4.6 Dividend Equivalent

An RSU may include the right to receive a Dividend Equivalent which may be paid in cash or Shares (as determined from time to time by the Committee). Dividend Equivalents will be paid to the Participant as soon as practicable after Vesting or, in the case of Options, exercise.

4.7 Cash alternative

The Committee may in its sole discretion decide on exercise of an Option or Vesting of an RSU that no Shares will be issued or transferred but that, instead, the Participant will be paid a cash amount equal to the market value of the Shares which would otherwise be issued or transferred on the date of exercise or Vesting (as the case may be), less the Option Price, in the case of an Option.

A Phantom Option or a Phantom Award will always be satisfied in this way.

4.8 Tax

4.8.1 The Participant will be responsible for all tax, social security contributions or other levies arising out of or in connection with an Award and indemnifies the Group against any liability they may have to pay or withhold such liabilities.

4.8.2 Without limiting this, the Group, the Grantor, any employing company or trustee of any employee benefit trust may withhold such amount and make such arrangements as it considers necessary to meet any such liability to taxation or social security contributions in respect of Awards. These arrangements may include:

(i) reducing the number of Shares or the amount of cash to which the Participant would otherwise be entitled under the Plan;

(ii) selling Shares on behalf of the Participant and retaining the proceeds to meet the liability;

(iii) to the extent lawful, deducting the amount of the liability from any payment of salary or bonus or any other payment due to the Participant.

4.8.3 The Participant will be responsible for obtaining his or her own tax advice agrees not to take (or omit to take) any action in connection with any Award in reliance on any statement as to the tax treatment of any Award made (or purported to be made) by or on behalf of the Group. No member of the Group will be responsible for the tax treatment or any change in the tax treatment of any Award.

4.8.4 To the extent that the Committee determines that any Award may become subject to Section 409A of the Code, the Award shall incorporate the terms and conditions required by Section 409A of the Code. In the event that following the Adoption Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Adoption Date), the Committee may adopt such amendments to the Scheme or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to:

(i) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award; or

(ii) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

5 Reduction or clawback of Awards

5.1 Reduction

Notwithstanding anything else in these rules, if any of the events specified in rule 5.3 occurs the Committee may, at any time before an Award has Vested or been exercised and in its sole discretion, decide that:

5.1.1 the number of Shares subject to any Award will be reduced;

5.1.2 the Award will lapse (at a time they determine);

5.1.3 the delivery of the Shares will be delayed until any action or investigation is completed; and/or

5.1.4 additional conditions will be imposed on the Vesting or exercise of the Award.

5.2 Clawback

Notwithstanding anything else in these rules, if any of the events specified in rule 5.3 occurs the Committee may, at any time within the period of one year after an Award has Vested or been exercised and in its sole discretion, decide that the Participant:

5.2.1 must transfer to or to the order of the Company a number of Shares which is equal to (or less than) the number of Shares issued or transferred to them pursuant to the Award; and/or

5.2.2 pay to or to the order of the Company an amount representing the value of the Shares acquired under the Award; and/or

5.2.3 pay to or to the order of the Company an amount equal to any cash payment made to them pursuant to the Award.

5.3 Events giving rise to reduction or clawback

The events are:

5.3.1 The Participant has left employment and the Committee exercises its discretion under rule 6 to allow the Award not to lapse in full but facts emerge which, if known, would have caused the Committee to exercise its discretion differently (or not exercise it).

5.3.2 There is a financial irregularity such as misstatement of accounts.

5.3.3 Any member of the Group is found guilty of any offence for which the Participant is wholly or partly responsible or accountable.

5.3.4 The Participant breaches on any restrictions on competing with or soliciting clients or Employees from the Group, whether under the Participant’s engagement or any arrangements made in connection with leaving employment.

5.3.5 Results announced for any financial year before Vesting have subsequently appeared materially financially inaccurate or misleading as determined by the Committee.

5.3.6 Any error or a material misstatement has resulted in an overpayment or over-allocation to the Participant, whether in the form of Awards under the Plan or otherwise.

5.3.7 The Participant's behaviour has fallen below that which would have been expected and the Committee determine that this has resulted in material reputational damage to the Group.

6 Leaving employment and death

6.1 General rule

Subject to rule 6.2, an Award will lapse on the date the Participant leaves employment, whether or not it has vested.

6.2 Exceptions

6.2.1 Where rule 6.1 applies, the Committee may in its sole discretion decide that:

(i) the Award will lapse to a lesser extent than specified in rule 6.1 (and continue in effect as to the balance); and/or

(ii) the Award will Vest or become exercisable on the date of leaving (or such later date as the Committee may specify); and/or

(iii) Vesting or exercise of the Award will be subject to such additional conditions as the Committee may specify; and/or

(iv) the Award will lapse on such date as the Committee may specify.

6.2.2 An Award of Restricted Shares which has Vested will not lapse if the Participant leaves employment.

6.3 Death

If a Participant dies, their Awards will Vest on the date of death to the extent determined by the Committee at the date of death and will lapse as to the balance.

The Grantor will only arrange for Shares to be issued or transferred, or cash paid to the personal representatives of a deceased Participant if they have produced such evidence as the Committee may require of their status as such. The receipt of any person who has produced such evidence will discharge the Grantor from any obligation to the Participant or their estate.

6.4 General

6.4.1 A Participant will only be treated as "**leaving employment**" when they are no longer an Employee or director of the Group or a consultant, adviser or other person who provides services to the Group.

6.4.2 Unless the Committee decide otherwise, a Participant will be treated as leaving employment on the date on which they give or receive notice terminating their office or employment or other arrangement under which they provide services, whether or not such termination is or would be lawful.

7 Change of Control

7.1 Application

This rule applies if a Change of Control occurs and a Participant's Awards are not converted, assumed, or replaced by a successor.

7.2 Vesting or Awards

7.2.1 Subject to rule 7.4, where this rule applies, the Award will Vest to the extent determined by the Committee, having regard to any Performance Condition and amount of time to run to the Normal Vesting Date.

7.2.2 Except to the extent that the Committee determines otherwise, the Award will lapse to the extent it does not Vest.

7.2.3 The Committee will make its determination and any determination under this rule 7 before the offer or privatisation becomes or is declared unconditional or the meeting(s) of shareholders (as the case may be).

7.3 Period for exercise of Options

An Option which Vests under rule 7.2 or which had already Vested on the date of the event by virtue of which this rule 7 applies, will be exercisable for a period of one month starting on the date of that event, after which it will lapse to the extent not exercised.

7.4 Exchange of awards

The Committee may decide that any Award will be automatically exchanged for an equivalent award over or in relation to shares in any company which acquires control of the Company or any affiliate.

The equivalent Award will Vest, become exercisable and lapse at the same time(s) and subject to the same conditions as the original Award but:

7.4.1 the Committee may waive or amend any Performance Condition; and

7.4.2 any reference to 'the Company' will be to the company which acquires control of the Company or, if different, the company whose shares are subject to the equivalent award.

To the extent that an Award is exchanged under this rule 7.4, it will not Vest under rule 7.2.

Restricted Shares will be cancelled or transferred in consideration of the grant of an equivalent award of Restricted Shares. The Participant will do all things necessary to facilitate the exchange.

7.5 Commencement of winding-up of the Company

Notwithstanding anything to the contrary, no Restricted Shares or Shares of the Company shall be issued or transferred upon and from commencement of winding up of the Company and all related Participant's Awards shall lapse immediately before commencement of winding up of the Company.

7.6 Definitions

In this rule 7, "**Committee**" means those people who were members of the Committee immediately before the event by virtue of which this rule applies.

8 Changing the Plan and termination

8.1 Power to amend

The Committee may in its sole discretion at any time change the Plan in any way, including any Performance Condition or other terms of an Award already granted (even if such amendment is to the detriment of the Participant).

8.2 Termination

The Plan will terminate on the tenth anniversary of Listing or such earlier date as the Committee may determine. No further Awards may be granted after termination but termination will not affect Awards previously granted.

9 General

9.1 Terms of employment

9.1.1 This rule 9.1 applies during and after the employment of a Participant and after the termination, whether or not the termination is lawful.

9.1.2 Nothing in the rules or the operation of the Plan forms part of the contract of employment of a Participant. The rights and obligations arising from the employment relationship between the Participant and the employer are separate from, and are not affected by, the Plan. Participation in the Plan does not create any right to, or expectation of, continued employment.

9.1.3 No Participant or eligible Employee has a right to participate in the Plan. Participation in the Plan or the grant of Awards on a particular basis in any year does not create any right to or expectation of participation in the Plan or the grant of Awards on the same basis, or at all, in any future year.

9.1.4 The terms of the Plan do not entitle the Participant to the exercise of any discretion in the Participant's favour.

9.1.5 The Participant will have no claim or right of action in respect of any decision, omission or discretion, which may operate to the disadvantage of the Participant even if it is unreasonable, irrational, capricious, arbitrary or might be regarded as being in breach of the duty of trust and confidence (and/or any other implied duty) between the Participant and the employer.

9.1.6 No Participant has any right to compensation for any loss in relation to the Plan, including any loss in relation to:

(i) any loss or reduction of rights or expectations under the Plan in any circumstances (including lawful or unlawful termination of employment);

(ii) any exercise of a discretion or a decision taken in relation to an Award or to the Plan, or any failure to exercise a discretion or take a decision;

(iii) the operation, suspension, termination or amendment of the Plan.

9.2 Committee' decisions final and binding

The decision of the Committee on the interpretation of the Plan or in any dispute relating to an Award or matter relating to the Plan will be final and conclusive.

9.3 Documents sent to shareholders

The Company is not required to send to Participants copies of any documents or notices normally sent to the holders of its Shares.

9.4 Costs

The Company will pay the costs of introducing and administering the Plan. The Company may ask a Participant's employer to bear the costs in respect of an Award to that Participant.

9.5 Consents

All allotments, issues and transfers of Shares will be subject to any necessary consents under any relevant enactments or regulations for the time being in force in any country. The Participant is responsible for complying with any requirements to obtain or avoid the necessity for any such consent.

9.6 Share rights

Shares issued to satisfy Awards under the Plan will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment. Where Shares are transferred to a Participant, including a transfer out of treasury, the Participant will be entitled to all rights attaching to the Shares by reference to a record date on or after the transfer date. The Participant will not be entitled to rights before that date.

9.7 Data protection

By participating in the Plan the Participant consents to the holding and processing of personal information provided by the Participant to the Group, trustee or third party service provider, for all purposes relating to the operation of the Plan. These include, but are not limited to:

9.7.1 administering and maintaining Participant records;

9.7.2 providing information to the Group, trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;

9.7.3 providing information to future purchasers or merger partners of the Company, the Participant's employing company, or the business in which the Participant works;

9.7.4 transferring information about the Participant to a country or territory outside the Participant's home country that may not provide the same statutory protection for the information as that country.

The Participant is entitled, on payment of a fee, to a copy of the personal information held about him or her in connection with the Plan. If anything is inaccurate the Participant has the right to have it corrected.

9.8 Notices

9.8.1 Any information or notice to a person who is or will be eligible to be a Participant under or in connection with the Plan may be posted, or sent by electronic means, in such manner to such address as the Company considers appropriate, including publication on any intranet.

9.8.2 Any information or notice to the Company or other duly appointed agent under or in connection with the Plan may be sent by post or transmitted to it at its registered office or such other place, and by such other means, as the Committee or duly appointed agent may decide and notify Participants.

9.8.3 Notices sent by post will be deemed to have been given on the second day after the date of posting. However, notices sent by or to a Participant who is working overseas will be deemed to have been given on the seventh day after the date of posting. Notices sent by electronic means, in the absence of evidence to the contrary, will be deemed to have been received on the day after sending.

9.9 Governing law and jurisdiction

The Plan and any Award operate subject to the memorandum and articles of association of the Company and any applicable law to which the Company is subject. The Plan and any Award granted hereunder shall be governed by and construed in accordance with the laws of the State of New York.

Exhibit 10.2

GENETRON HOLDINGS LIMITED

RULES OF THE 2019 GENETRON HEALTH
SHARE INCENTIVE SCHEME

Committee' Adoption:	November 20, 2019
Expiry Date:	November 19, 2029

Table of Contents

1 Definitions

In these rules:

"**Adoption Date**" means November 20, 2019, being the date on which the Scheme was adopted by the Company;

"**Award**" means an RSU, Restricted Shares or an Option;

"**Award Agreement**" means the agreement referred to in rule 2.4;

"**Award Date**" means the date on which an Award is granted by deed under rule 2.2 (Terms of Awards);

"**Change of Control**" means the occurrence of any one or more of the following events:

(a) approval by shareholders of the Company (or, if no shareholder approval is required, by the Board alone) of the complete dissolution or liquidation of the Company;

(b) any person becomes the beneficial owner as defined under the Exchange Act Rule 13d-3, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's outstanding securities entitled to vote generally in the election of directors or appoints a majority of the Board;

(c) the consummation of (i) a merger or consolidation of the Company or any of its subsidiaries with any other corporation or entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or, if applicable, the ultimate parent thereof) at least 50% of the combined voting power of the securities of the Company or such surviving entity or parent outstanding immediately after such merger or consolidation or (ii) any sale, lease, exchange or other transfer to any person of assets of the Company and/or any of its subsidiaries, in one transaction or a series of related transactions, having an aggregate fair market value of more than 50% of the fair market value of the Company and its subsidiaries immediately prior to such transaction(s); or

(d) any analogous situation as determined by the Committee solely at its discretion; provided that, in the case of each of (a) and (b), a Change of Control shall not be deemed to have occurred until the Committee has determined by resolution of the Committee that such event has occurred; provided further that change of control will not occur for purposes of Awards that are subject to Section 409A of the Code unless the event also constitutes a change of control under 409A of the Code;

"**Code**" means the Internal Revenue Code of 1986 of the United States, as amended;

"**Committee**" means, subject to rule 7.6, the board of directors of the Company or the management committee of the Company to be established by the board of directors unless otherwise resolved by the board of directors;

"**Company**" means Genetron Holdings Limited;

"**Control**" means the possession, direct or indirect, of the power to direct, or cause the direction of, the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise;

"**Dividend Equivalent**" means an amount equal to the ordinary dividends payable on the number of Vested Shares between the Award Date and Vesting (or, in the case of Options, the date of exercise);

"**Employee**" means a person who has Employment Relationship with the Company or a Related Entity;

"**Employment Relationship**" means labor or employment relationship between the employee and the Company or a Related Entity;

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended;

"**Final Lapse Date**" means the tenth anniversary of the Award Date of an Option or any earlier date set under rule 2.2 (Terms of Awards);

"**Grant**" means the offer of the grant of an Award made in accordance with this Scheme;

"**Grantor**" means, in respect of an Award, the Company or any other entity which grants that Award or has agreed to satisfy it;

"**Grantee**" means any Participant who accepts a Grant in accordance with the terms of the Scheme, or (where the context so permits) any person who is entitled to any Award in consequence of the death of the original Grantee;

"**Group**" means the Company and its Related Entities;

"**Leaving employment"** has the meaning given in rule 6.4;

"**Listing**" means a firm commitment underwritten public offering of the Shares of the Company (or depositary receipts or depositary shares thereof) on the Stock Exchange;

"**Listing Rules**" means the rules governing the Listing of securities on the Stock Exchange as amended from time to time;

"**Normal Vesting Date**" means the date set by the Committee for Vesting of an Award under rule 2.2 (Terms of Awards);

"**Option**" means a right to acquire Shares granted under the Scheme on payment of the Option Price or a Phantom Option;

"**Option Price**" means the amount (if any) payable on the exercise of an Option, as specified under rule 2.2.8;

"**Participant**" means a person holding an Award or their personal representatives;

"**Performance Condition"** means a condition set for Vesting of an Award under rule 2.3;

"**Phantom Option"** means an Option which will always be satisfied with a cash payment as described in rule 4.7;

"**Phantom RSU"** means an RSU which will always be satisfied with a cash payment as described in rule 4.7;

"**Scheme**" means these rules known as "The 2019 Genetron Health Share Incentive Scheme", as changed from time to time;

"**Related Entity**" means any entity that, directly or indirectly, Controls the Company or is Controlled by the Company through shareholding relationship or contractual arrangements, or is under common Control with the Company (directly or indirectly), or in which the Company has a significant equity interest, as determined by the Committee

"**Restricted Shares**" means Shares held in the name of or for the benefit of a Participant until Vesting on the basis set out in the Award Agreement;

"**Restricted Share Price**" means the amount payable before grant of any Restricted Shares as determined under rule 2.2.7;

"**RSU**" means a restricted stock unit which is a conditional right, granted under the Scheme, to acquire Shares following Vesting or a Phantom RSU;

"**Shares**" means ordinary shares in the share capital of the Company, or if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares forming part of the ordinary equity share capital of the Company of such nominal amount as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction;

"**Stock Exchange**" means the Stock Exchange of Hong Kong Limited, the New York Stock Exchange or the Nasdaq Stock Market;

"**Transfer Restrictions**" means any restriction on transfer in securities imposed by regulation, statute, order, directive or any code adopted by the Company as varied from time to time;

"**Vesting**" means, subject to the rest of these rules:

(a) in relation to an Option, the Option becoming exercisable;

(b) in relation to an RSU, the Participant becoming entitled to have Shares issued or transferred to them; and

(c) in relation to Restricted Shares, means the restrictions set out in the Award Agreement ceasing to have effect as described in rule 4.5 (Consequences of Vesting for Restricted Shares).

2 Granting Awards

2.1 Eligibility

The Committee may decide that an Award will be granted to:

2.1.1 any Employee or director of the Group; or

2.1.2 any consultant, adviser or other person who provides services to the Group,

selected by the Committee.

Unless the Committee considers that special circumstances exist, an Award may not be granted to a person who, on the Award Date, has given or received notice of termination of employment or engagement, whether or not such termination is or would be lawful.

2.2 Terms of Awards

When granting an Award, the Committee will determine the following in relation to the Award:

2.2.1 whether the Award is:

(i) an RSU;

(ii) an Option;

(iii) a Phantom Option;

(iv) a Phantom RSU;

(v) an award of Restricted Shares,

or a combination of these;

2.2.2 the number of Shares subject to the Award or the basis on which the number of Shares subject to the Award will be calculated;

2.2.3 the terms of any Performance Condition specified under rule 2.3;

2.2.4 the Normal Vesting Date(s) and, if there is more than one, the number of Shares to which each Normal Vesting Date relates or how that will be determined;

2.2.5 whether the Participant is entitled to receive any Dividend Equivalent and, if so, the basis on which it will be determined;

2.2.6 the Award Date;

2.2.7 in the case of Restricted Shares, the Restricted Share Price (which shall be determined by the Board and shall in no circumstances be less than the par value of the Restricted Shares unless such Restricted Shares are already in issue and have already been fully paid for at or above par value);

2.2.8 in the case of an Option:

(i) the Option Price (which shall be determined by the Board and shall in no circumstances be less than the par value of the Shares acquired on the exercise of the Option unless such Shares are already in issue and have already been fully paid for at or above par value); and

(ii) the Final Lapse Date.

2.3 Performance Conditions

When granting an Award, the Committee may make its Vesting or exercise conditional on the satisfaction of one or more conditions which may be linked to the performance of the Participant, the Group or business unit in which the Participant works or any other factor.

A Performance Condition must be specified at the Award Date but the Committee may waive or change a Performance Condition in accordance with its terms or if anything happens which causes the Committee reasonably to consider it appropriate to do so. If no Performance Conditions are specified at the Award Date, a negative statement to that effect must be provided.

2.4 Award Agreements

2.4.1 An Award will only be effective once the Participant has signed an Award Agreement. If the Participant does not sign the Award Agreement by the deadline and in the manner specified by the Committee for the Award, the Award will be deemed to have never been granted.

2.4.2 The terms of the Award Agreement will be determined by the Committee but will be consistent with these rules.

2.4.3 In the case of an award of Restricted Shares, the Award Agreement must provide that, to the extent that the Award lapses under the Scheme, the Shares shall be surrendered to or repurchased by the Company and the Participant will immediately transfer his interest in the Shares, for no consideration or nominal consideration, to any person (which may include the Company, where permitted) specified by the Committee.

2.4.4 By signing the Award Agreement, the Participant agrees to be bound by these rules (as amended from time to time) and the terms set for the Award under rule 2.2 as if they had formed part of the Award Agreement.

2.5 Procedure on grant of Restricted Shares

2.5.1 The Participant must, in relation to an Award of Restricted Shares:

(i) sign the Award Agreement; and

(ii) sign any documentation, including a power of attorney or blank stock transfer form or any tax elections requested by the Committee to give effect to the Award; and

(iii) pay the Restricted Share Price or make arrangements for its payment which are satisfactory to the Committee.

2.5.2 If the Participant does not do all these things in the manner and by the date(s) specified by the Committee, the Award will lapse at the end of that period.

2.5.3 On (or as soon as reasonably practicable after) the date on which the Participant has complied with all their obligations under rule 2.5.1, the Grantor will procure that the relevant number of Shares are issued or transferred to the Participant or to another person to be held for the benefit of the Participant under the terms of the Scheme on such basis as the Committee may specify.

2.5.4 The Grantor may retain the share certificates or other documents of title relating to any Restricted Shares.

3 Before Vesting

3.1 Rights

3.1.1 A Participant is not entitled to vote, to receive dividends or to have any other rights of a shareholder in respect of Shares subject to an Option or RSU until the Shares are issued or transferred to the Participant.

3.1.2 Except to the extent specified in the Award Agreement, a Participant will have all rights of a shareholder in respect of Restricted Shares until the Award lapses.

3.2 Transfer Restrictions

No right of interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Group, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Group. This rule 3.2 does not apply:

3.2.1 to the transmission of an Award on the death of a Participant to the personal representatives; or

3.2.2 to the assignment of an Award, with the prior written consent of the Committee, subject to any terms and conditions the Committee impose.

3.3 Adjustment of Awards

3.3.1 If there is:

(i) a variation in the equity share capital of the Company, including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital;

(ii) a demerger (in whatever form);

(iii) a special dividend or distribution; or

(iv) any other corporate event which might affect the current or future value of any Award;

the Committee may adjust the description, number and/or class of Shares or securities subject to an RSU or Option and/or the Option Price

3.3.2 Subject to the Award Agreement, the Participant will have the same rights as any other shareholders in respect of Restricted Shares where there is a variation or other event of the sort described in rule 3.3.1. Any shares, securities or rights allotted to a Participant as a result of such an event will be:

(i) treated as if they were awarded to the Participant under the Scheme in the same way and at the same time as the Restricted Shares in respect of which the rights were conferred; and

(ii) subject to the rules of the Scheme and the terms of the Award Agreement.

3.4 Repayment of Restricted Share Price on lapse

The Grantor will repay the Restricted Share Price to the Participant if an Award of Restricted Shares lapses. If it lapses in part, a pro-rata portion of the Restricted Share Price will be repaid.

4 Vesting

4.1 Timing of Vesting

Subject to rule 4.2 (Delayed Vesting), an Award will normally Vest on the latest of:

4.1.1 the date on which the Committee determines the extent to which any Performance Condition has been met;

4.1.2 any Normal Vesting Date; and

4.1.3 the first date on which Vesting is not prevented by a Transfer Restriction.

However, the Committee may in its sole discretion, at any time, decide that the Award will Vest on any earlier date and/or waive any Performance Condition.

4.2 Delayed Vesting

Vesting is delayed in respect of a Participant's Award, or any part of it, if any of the following circumstances apply on the anticipated date of Vesting:

4.2.1 if the Participant is subject to any Disciplinary Action;

4.2.2 if the Participant's employment has terminated or is about to terminate in circumstances where it is not clear whether the Award should lapse under rule 6; or

4.2.3 the Committee consider that it is necessary or appropriate to defer Vesting.

In these cases, Vesting will not occur unless and until the Committee determine that the Award should Vest.

"**Disciplinary Action**" for the purpose of this rule 4.2 (Delayed Vesting), means any enquiry or investigation by the Group into the conduct, capability or performance of a Participant that may potentially lead to disciplinary action being taken against that Participant, and/or any disciplinary procedure (whether in accordance with any relevant contractual obligation, policy or otherwise) that has been commenced by any member of the Group against a Participant;

4.3 Consequences of Vesting for RSUs

As soon as reasonably practicable following Vesting of an RSU, the Grantor will arrange (subject to rules 4.7, 4.8, 6.3 and 9.5) for the number of Shares in respect of which the Award has Vested to be issued or transferred to, or to the order of, the Participant.

4.4 Consequences of Vesting for Options

4.4.1 A Participant may only exercise an Option to the extent it has Vested.

4.4.2 To validly exercise an Option, the Participant must give notice in writing, in any form prescribed by the Committee, to the Grantor or any person nominated by the Grantor and pay any Option Price or make arrangements reasonably satisfactory to the Committee for its payment.

4.4.3 As soon as reasonably practicable following the valid exercise of an Option, the Grantor will arrange (subject to rules 4.7, 4.8, 6.3 and 9.5) for the number of Shares in respect of which the Option has been exercised to be issued or transferred to, or to the order of, the Participant.

4.4.4 The Option will lapse, at the latest, on the close of business on the Final Lapse Date.

4.4.5 If an Option becomes exercisable or lapses under more than one provision of the rules of the Scheme, the provision resulting in the shortest exercise period or the earliest lapse will prevail.

4.5 Consequences of Vesting for Restricted Shares

With effect from the date of Vesting, the restrictions referred to in rule 2.4.3 and contained in the Award Agreement will cease to have effect. Rule 4.8 will apply to any tax and social security contributions payable on Vesting.

If the Restricted Shares are not held by the Participant, the Grantor will arrange for them to be transferred to or to the order of the Participant.

4.6 Dividend Equivalent

An RSU may include the right to receive a Dividend Equivalent which may be paid in cash or Shares (as determined from time to time by the Committee). Dividend Equivalents will be paid to the Participant as soon as practicable after Vesting or, in the case of Options, exercise.

4.7 Cash alternative

The Committee may in its sole discretion decide on exercise of an Option or Vesting of an RSU that no Shares will be issued or transferred but that, instead, the Participant will be paid a cash amount equal to the market value of the Shares which would otherwise be issued or transferred on the date of exercise or Vesting (as the case may be), less the Option Price, in the case of an Option.

A Phantom Option or a Phantom Award will always be satisfied in this way.

4.8 Tax

4.8.1 The Participant will be responsible for all tax, social security contributions or other levies arising out of or in connection with an Award and indemnifies the Group against any liability they may have to pay or withhold such liabilities.

4.8.2 Without limiting this, the Group, the Grantor, any employing company or trustee of any employee benefit trust may withhold such amount and make such arrangements as it considers necessary to meet any such liability to taxation or social security contributions in respect of Awards. These arrangements may include:

(i) reducing the number of Shares or the amount of cash to which the Participant would otherwise be entitled under the Scheme;

(ii) selling Shares on behalf of the Participant and retaining the proceeds to meet the liability;

(iii) to the extent lawful, deducting the amount of the liability from any payment of salary or bonus or any other payment due to the Participant.

4.8.3 The Participant will be responsible for obtaining his or her own tax advice agrees not to take (or omit to take) any action in connection with any Award in reliance on any statement as to the tax treatment of any Award made (or purported to be made) by or on behalf of the Group. No member of the Group will be responsible for the tax treatment or any change in the tax treatment of any Award.

4.8.4 To the extent that the Committee determines that any Award may become subject to Section 409A of the Code, the Award shall incorporate the terms and conditions required by Section 409A of the Code. In the event that following the Adoption Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Adoption Date), the Committee may adopt such amendments to the Scheme or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to:

(i) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award; or

(ii) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

5 Reduction or clawback of Awards

5.1 Reduction

Notwithstanding anything else in these rules, if any of the events specified in rule 5.3 occurs the Committee may, at any time before an Award has Vested or been exercised and in its sole discretion, decide that:

5.1.1 the number of Shares subject to any Award will be reduced;

5.1.2 the Award will lapse (at a time they determine);

5.1.3 the delivery of the Shares will be delayed until any action or investigation is completed; and/or

5.1.4 additional conditions will be imposed on the Vesting or exercise of the Award.

5.2 Clawback

Notwithstanding anything else in these rules, if any of the events specified in rule 5.3 occurs the Committee may, at any time within the period of one year after an Award has Vested or been exercised and in its sole discretion, decide that the Participant:

5.2.1 must transfer to or to the order of the Company a number of Shares which is equal to (or less than) the number of Shares issued or transferred to them pursuant to the Award; and/or

5.2.2 pay to or to the order of the Company an amount representing the value of the Shares acquired under the Award; and/or

5.2.3 pay to or to the order of the Company an amount equal to any cash payment made to them pursuant to the Award.

5.3 Events giving rise to reduction or clawback

The events are:

5.3.1 The Participant has left employment and the Committee exercises its discretion under rule 6 to allow the Award not to lapse in full but facts emerge which, if known, would have caused the Committee to exercise its discretion differently (or not exercise it).

5.3.2 There is a financial irregularity such as misstatement of accounts.

5.3.3 Any member of the Group is found guilty of any offence for which the Participant is wholly or partly responsible or accountable.

5.3.4 The Participant breaches on any restrictions on competing with or soliciting clients or Employees from the Group, whether under the Participant’s engagement or any arrangements made in connection with leaving employment.

5.3.5 Results announced for any financial year before Vesting have subsequently appeared materially financially inaccurate or misleading as determined by the Committee.

5.3.6 Any error or a material misstatement has resulted in an overpayment or over-allocation to the Participant, whether in the form of Awards under the Scheme or otherwise.

5.3.7 The Participant's behaviour has fallen below that which would have been expected and the Committee determine that this has resulted in material reputational damage to the Group.

6 Leaving employment and death

6.1 General rule

Subject to rule 6.2, an Award will lapse on the date the Participant leaves employment, whether or not it has vested.

6.2 Exceptions

6.2.1 Where rule 6.1 applies, the Committee may in its sole discretion decide that:

(i) the Award will lapse to a lesser extent than specified in rule 6.1 (and continue in effect as to the balance); and/or

(ii) the Award will Vest or become exercisable on the date of leaving (or such later date as the Committee may specify); and/or

(iii) Vesting or exercise of the Award will be subject to such additional conditions as the Committee may specify; and/or

(iv) the Award will lapse on such date as the Committee may specify.

6.2.2 An Award of Restricted Shares which has Vested will not lapse if the Participant leaves employment.

6.3 Death

If a Participant dies, their Awards will Vest on the date of death to the extent determined by the Committee at the date of death and will lapse as to the balance.

The Grantor will only arrange for Shares to be issued or transferred, or cash paid to the personal representatives of a deceased Participant if they have produced such evidence as the Committee may require of their status as such. The receipt of any person who has produced such evidence will discharge the Grantor from any obligation to the Participant or their estate.

6.4 General

6.4.1 A Participant will only be treated as "**leaving employment**" when they are no longer an Employee or director of the Group or a consultant, adviser or other person who provides services to the Group.

6.4.2 Unless the Committee decide otherwise, a Participant will be treated as leaving employment on the date on which they give or receive notice terminating their office or employment or other arrangement under which they provide services, whether or not such termination is or would be lawful.

7 Change of Control

7.1 Application

This rule applies if a Change of Control occurs and a Participant's Awards are not converted, assumed, or replaced by a successor.

7.2 Vesting or Awards

7.2.1 Subject to rule 7.4, where this rule applies, the Award will Vest to the extent determined by the Committee, having regard to any Performance Condition and amount of time to run to the Normal Vesting Date.

7.2.2 Except to the extent that the Committee determines otherwise, the Award will lapse to the extent it does not Vest.

7.2.3 The Committee will make its determination and any determination under this rule 7 before the offer or privatisation becomes or is declared unconditional or the meeting(s) of shareholders (as the case may be).

7.3 Period for exercise of Options

An Option which Vests under rule 7.2 or which had already Vested on the date of the event by virtue of which this rule 7 applies, will be exercisable for a period of one month starting on the date of that event, after which it will lapse to the extent not exercised.

7.4 Exchange of awards

The Committee may decide that any Award will be automatically exchanged for an equivalent award over or in relation to shares in any company which acquires control of the Company or any affiliate.

The equivalent Award will Vest, become exercisable and lapse at the same time(s) and subject to the same conditions as the original Award but:

7.4.1 the Committee may waive or amend any Performance Condition; and

7.4.2 any reference to 'the Company' will be to the company which acquires control of the Company or, if different, the company whose shares are subject to the equivalent award.

To the extent that an Award is exchanged under this rule 7.4, it will not Vest under rule 7.2.

Restricted Shares will be cancelled or transferred in consideration of the grant of an equivalent award of Restricted Shares. The Participant will do all things necessary to facilitate the exchange.

7.5 Commencement of winding-up of the Company

Notwithstanding anything to the contrary, no Restricted Shares or Shares of the Company shall be issued or transferred upon and from commencement of winding up of the Company and all related Participant's Awards shall lapse immediately before commencement of winding up of the Company.

7.6 Definitions

In this rule 7, "**Committee**" means those people who were members of the Committee immediately before the event by virtue of which this rule applies.

8 Changing the Scheme and termination

8.1 Power to amend

The Committee may in its sole discretion at any time change the Scheme in any way, including any Performance Condition or other terms of an Award already granted (even if such amendment is to the detriment of the Participant).

8.2 Termination

The Scheme will terminate on the tenth anniversary of Listing or such earlier date as the Committee may determine. No further Awards may be granted after termination but termination will not affect Awards previously granted.

9 General

9.1 Terms of employment

9.1.1 This rule 9.1 applies during and after the employment of a Participant and after the termination, whether or not the termination is lawful.

9.1.2 Nothing in the rules or the operation of the Scheme forms part of the contract of employment of a Participant. The rights and obligations arising from the employment relationship between the Participant and the employer are separate from, and are not affected by, the Scheme. Participation in the Scheme does not create any right to, or expectation of, continued employment.

9.1.3 No Participant or eligible Employee has a right to participate in the Scheme. Participation in the Scheme or the grant of Awards on a particular basis in any year does not create any right to or expectation of participation in the Scheme or the grant of Awards on the same basis, or at all, in any future year.

9.1.4 The terms of the Scheme do not entitle the Participant to the exercise of any discretion in the Participant's favour.

9.1.5 The Participant will have no claim or right of action in respect of any decision, omission or discretion, which may operate to the disadvantage of the Participant even if it is unreasonable, irrational, capricious, arbitrary or might be regarded as being in breach of the duty of trust and confidence (and/or any other implied duty) between the Participant and the employer.

9.1.6 No Participant has any right to compensation for any loss in relation to the Scheme, including any loss in relation to:

(i) any loss or reduction of rights or expectations under the Scheme in any circumstances (including lawful or unlawful termination of employment);

(ii) any exercise of a discretion or a decision taken in relation to an Award or to the Scheme, or any failure to exercise a discretion or take a decision;

(iii) the operation, suspension, termination or amendment of the Scheme.

9.2 Committee' decisions final and binding

The decision of the Committee on the interpretation of the Scheme or in any dispute relating to an Award or matter relating to the Scheme will be final and conclusive.

9.3 Documents sent to shareholders

The Company is not required to send to Participants copies of any documents or notices normally sent to the holders of its Shares.

9.4 Costs

The Company will pay the costs of introducing and administering the Scheme. The Company may ask a Participant's employer to bear the costs in respect of an Award to that Participant.

9.5 Consents

All allotments, issues and transfers of Shares will be subject to any necessary consents under any relevant enactments or regulations for the time being in force in any country. The Participant is responsible for complying with any requirements to obtain or avoid the necessity for any such consent.

9.6 Share rights

Shares issued to satisfy Awards under the Scheme will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment. Where Shares are transferred to a Participant, including a transfer out of treasury, the Participant will be entitled to all rights attaching to the Shares by reference to a record date on or after the transfer date. The Participant will not be entitled to rights before that date.

9.7 Data protection

By participating in the Scheme the Participant consents to the holding and processing of personal information provided by the Participant to the Group, trustee or third party service provider, for all purposes relating to the operation of the Scheme. These include, but are not limited to:

9.7.1 administering and maintaining Participant records;

9.7.2 providing information to the Group, trustees of any employee benefit trust, registrars, brokers or third party administrators of the Scheme;

9.7.3 providing information to future purchasers or merger partners of the Company, the Participant's employing company, or the business in which the Participant works;

9.7.4 transferring information about the Participant to a country or territory outside the Participant's home country that may not provide the same statutory protection for the information as that country.

The Participant is entitled, on payment of a fee, to a copy of the personal information held about him or her in connection with the Scheme. If anything is inaccurate the Participant has the right to have it corrected.

9.8 Notices

9.8.1 Any information or notice to a person who is or will be eligible to be a Participant under or in connection with the Scheme may be posted, or sent by electronic means, in such manner to such address as the Company considers appropriate, including publication on any intranet.

9.8.2 Any information or notice to the Company or other duly appointed agent under or in connection with the Scheme may be sent by post or transmitted to it at its registered office or such other place, and by such other means, as the Committee or duly appointed agent may decide and notify Participants.

9.8.3 Notices sent by post will be deemed to have been given on the second day after the date of posting. However, notices sent by or to a Participant who is working overseas will be deemed to have been given on the seventh day after the date of posting. Notices sent by electronic means, in the absence of evidence to the contrary, will be deemed to have been received on the day after sending.

9.9 Governing law and jurisdiction

The Scheme and any Award operate subject to the memorandum and articles of association of the Company and any applicable law to which the Company is subject. The Scheme and any Award granted hereunder shall be governed by and construed in accordance with the laws of the State of New York.

Exhibit 10.3

FORM OF INDEMNIFICATION AGREEMENT

GENETRON HOLDINGS LIMITED

This Indemnification Agreement (this "**Agreement**"), made and entered into as of the day of , 2019, by and between Genetron Holdings Limited, an exempted company with limited liability under the laws of Cayman Islands (the "**Company**") and ("**Indemnitee**").

W I T N E S S E T H:

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors or executive officers unless they are provided with adequate protection through insurance or adequate indemnification against risks of claims and actions against them arising out of their service to and activities on behalf of the corporation.

WHEREAS, the Board of Directors of the Company (the "**Board**") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities.

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons.

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future.

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified.

WHEREAS, this Agreement is a supplement to and in furtherance of the Third Amended and Restated Memorandum and Articles of Association of the Company (as may from time to time be supplemented and amended) (the "**Memorandum and Articles**") and any resolutions adopted pursuant thereto and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

WHEREAS, Indemnitee does not regard the protection available under the Amended and Restated Memorandum and Articles and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director of the Company without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and take on additional service for or on behalf of the Company on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

ARTICLE 1
CERTAIN DEFINITIONS

(a) As used in this Agreement:

"**Change of Control**" means any one of the following circumstances occurring after the date hereof: (i) there shall have occurred an event required to be reported with respect to the Company in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item or any similar schedule or form) under the Exchange Act, regardless of whether the Company is then subject to such reporting requirement; (ii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) shall have become, without prior approval of the Company's Board by approval of at least two-thirds of the Continuing Directors, the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding voting securities (provided that, for purposes of this clause (ii), the term "person" shall exclude (x) the Company, (y) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (z) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company); (iii) there occurs a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity; (iv) all or substantially all the assets of the Company are sold or disposed of in a transaction or series of related transactions; (v) the approval by the stockholders of the Company of a complete liquidation of the Company; or (vi) the Continuing Directors cease for any reason to constitute at least a majority of the members of the Board.

"**Continuing Director**" means (i) each director on the Board on the date hereof or (ii) any new director whose election or nomination for election by the Company's stockholders was approved according to the Memorandum and Articles.

"**Corporate Status**" means the status of a person who is or was a director, officer, trustee, general partner, managing member, fiduciary, board of directors' committee member, employee or agent of the Company or of any other Enterprise.

"**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

"**Enterprise**" means (i) the Company, (ii) any of the Company's subsidiaries and affiliates, and (iii) any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, board of directors' committee member, employee or agent.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Expenses**" means all direct and indirect costs (including attorneys' fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses) reasonably incurred in connection with (i) prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or (ii) establishing or enforcing a right to indemnification under this Agreement, the Memorandum and Articles, applicable law or otherwise. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent. For the avoidance of doubt, Expenses, however, shall not include any Liabilities.

"**Independent Counsel**" means a law firm, or a member of a law firm, that is experienced in matters of corporate law and neither currently is, nor in the five years previous to its selection or appointment has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement or of other indemnitees under similar indemnification agreements) or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

"**Liabilities**" means any losses or liabilities, including any judgments, fines, penalties and amounts paid in settlement, arising out of or in connection with any Proceeding (including all interest, assessments and other charges paid or payable in connection with or in respect of any such judgments, fines, penalties or amounts paid in settlement).

"**Proceeding**" means any threatened, pending or completed action, derivative action, suit, claim, counterclaim, cross claim, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether civil (including intentional and unintentional tort claims), criminal, administrative or investigative, including any appeal therefrom, and whether instituted by or on behalf of the Company or any other party, or any inquiry or investigation that Indemnitee in good faith believes might lead to the institution of any such action, suit or other proceeding hereinabove listed in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of any Corporate Status of Indemnitee, or by reason of any action taken (or failure to act) by him or her or of any action (or failure to act) on his or her part while serving in any Corporate Status.

(b) For the purposes of this Agreement:

References to "Company" shall include, in addition to the resulting or surviving corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that if Indemnitee is or was a director, officer, employee, or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, then Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

Reference to "other enterprise" shall include employee benefit plans; references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to any of the Company's subsidiaries, affiliates, an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

Reference to “including” shall mean “including, without limitation,” regardless of whether the words “without limitation” actually appear, references to the words “herein,” “hereof” and “hereunder” and other words of similar import shall refer to this Agreement as a whole and not to any particular paragraph, subparagraph, section, subsection or other subdivision.

ARTICLE 2
SERVICES BY INDEMNITEE

Section 2.01. *Services By Indemnitee.* Indemnitee hereby agrees to serve or continue to serve as *[for directors]* a director of the Company, for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is removed/*[for officers]* an officer of the Company until such time as Indemnitee’s employment is terminated for any reason.

ARTICLE 3
INDEMNIFICATION

Section 3.01. *General.* (a) The Company hereby agrees to and shall indemnify Indemnitee and hold Indemnitee harmless from and against any and all Expenses and Liabilities, in either case, actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf by reason of Indemnitee’s Corporate Status, to the fullest extent permitted by applicable law. The Company’s indemnification obligations set forth in this Section 3.01 shall apply (i) in respect of Indemnitee’s past, present and future service in any Corporate Status and (ii) regardless of whether Indemnitee is serving in any Corporate Status at the time any such Expense or Liability is incurred.

For purposes of this Agreement, the meaning of the phrase “to the fullest extent permitted by applicable law” shall include, but not be limited to:

(i) to the fullest extent permitted by any provision of the Companies Law (2018 Revision), as amended or supplemented or otherwise modified from time to time (the “**Companies Law**”) or the corresponding provision of any successor statute, and

(ii) to the fullest extent authorized or permitted by any amendments to or replacements of the Companies Law adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

(b) *Witness Expenses*. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his or her Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection therewith.

(c) *Expenses as a Party Where Wholly or Partly Successful*. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law, to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding, but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall, to the fullest extent permitted by applicable law, indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. All such indemnification against Expenses shall be offset by the amount of cash, if any, received by the Indemnitee resulting from his/her success therein. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 3.02. *Exclusions.* Notwithstanding any provision of this Agreement and unless Indemnitee ultimately is successful on the merits with respect to any such claim, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law, regardless of whether the securities are subject to the requirements of such provisions; or (ii) any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act);

(b) except as otherwise provided in Sections 6.01(e), prior to a Change of Control, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law;

(c) to the extent that Indemnitee is indemnified and actually received such payment other than pursuant to this Agreement;

(d) in connection with a judicial action by or in the right of the Company, in respect of any claim, issue or matter as to which the Indemnitee shall have been adjudicated by final judgment in a court of law to be liable for fraud or willful default in the performance of his duty to the Company unless and only to the extent that any court in which such action was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnification for such Expenses as such court shall deem proper; or

(e) for any judgment, fine or penalty which the Company is prohibited by applicable law from paying as indemnification.

ARTICLE 4
ADVANCEMENT OF EXPENSES; DEFENSE OF CLAIMS

Section 4.01. *Advances.* Notwithstanding any provision of this Agreement to the contrary, the Company shall advance any Expenses actually and reasonably incurred by Indemnitee in connection with any Proceeding within 30 business days after the receipt by the Company of each statement in writing requesting such advance from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay such amounts and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements in writing to the Company to support the advances claimed. Any excess of the advanced Expenses over the actual Expenses will be promptly repaid to the Company. To the extent Indemnitee has not requested any advanced payment of Expenses from the Company, Indemnitee shall be entitled to receive reimbursement for the Expenses incurred in connection with a Proceeding from the Company as soon as practicable after Indemnitee makes a written request to the Company for reimbursement.

Section 4.02. *Repayment of Advances or Other Expenses.* Indemnitee agrees that Indemnitee shall reimburse the Company for all Expenses advanced by the Company pursuant to Section 4.01, in the event and only to the extent that it shall be determined by final judgment or other final adjudication under the provisions of any applicable law (as to which all rights of appeal therefrom have been exhausted or lapsed) that Indemnitee is not entitled to be indemnified by the Company for such Expenses.

Section 4.03. *Defense of Claims.* The Company will be entitled to participate in the Proceeding at its own expense. Upon the delivery of written notice by the Company to Indemnitee, the Company shall be entitled to assume the defense of any Proceeding with counsel consented to by Indemnitee (such consent not to be unreasonably withheld), except for such Proceeding brought by the Company or as to which the Indemnitee has reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee. After delivery of such notice, consent to such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of counsel subsequently incurred by Indemnitee with respect to such Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in respect of any Proceeding at Indemnitee's expense and (ii) if (A) the employment of counsel by Indemnitee has been previously authorized in writing by the Company or (B) Indemnitee shall have reasonably concluded upon the advice of counsel that there is a conflict of interest between the Company and Indemnitee in the conduct of the defense of such Proceeding, then in each such case the fees and expenses of Indemnitee's counsel shall be at the Company's expense. Neither party to this Agreement shall settle any Proceeding in any manner that would impose any Expense, judgment, fine, damages, penalty or limitation on Indemnitee without the other party's written consent. Neither the Company nor Indemnitee shall unreasonably withhold its consent to any proposed settlement.

ARTICLE 5 PROCEDURES FOR NOTIFICATION OF AND DETERMINATION OF ENTITLEMENT TO INDEMNIFICATION

Section 5.01. *Notification; Request For Indemnification.* (a) As soon as reasonably practicable after receipt by Indemnitee of written notice that he is a party to or a participant (as a witness or otherwise) in any Proceeding or of any other matter in respect of which Indemnitee intends to seek indemnification or advancement of Expenses hereunder, Indemnitee shall provide to the Company written notice thereof, including the nature of and the facts underlying the Proceeding. The omission by Indemnitee to so notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise.

(b) As a condition precedent to an Indemnitee's right to obtain indemnification under this Agreement, Indemnitee shall deliver to the Company a written request for indemnification, including therewith such information as is reasonably available to Indemnitee and reasonably necessary to determine Indemnitee's entitlement to indemnification hereunder and such information as reasonably requested by the Company. Such request(s) may be delivered from time to time and at such time(s) as Indemnitee deems appropriate in his or her sole discretion. Indemnitee's entitlement to indemnification shall be determined according to Section 5.02 of this Agreement and applicable law.

Section 5.02. *Determination of Entitlement.* (a) Where there has been a written request by Indemnitee for indemnification pursuant to Section 5.01(b), then as soon as is reasonably practicable (but in any event not later than 60 days) after final disposition of the relevant Proceeding, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (i) if a Change of Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change of Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee. If it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) business days after such determination. Indemnitee shall reasonably cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification).

(b) If entitlement to indemnification is to be determined by Independent Counsel pursuant to Section 5.02(a)(ii), such Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. If entitlement to indemnification is to be determined by Independent Counsel pursuant to Section 5.02(a)(i)(C) (or if Indemnitee requests that such selection be made by the Board), such Independent Counsel shall be selected by the Company in which case the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) business days after such written notice of selection shall have been received, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. If, within 20 days after the submission by Indemnitee of a written request for indemnification pursuant to Section 5.01(b) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 5.02(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 6.01(a) of this Agreement, the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) The Company agrees to pay the reasonable fees and expenses of any Independent Counsel serving under this Agreement.

Section 5.03. *Presumptions and Burdens of Proof; Effect of Certain Proceedings.* (a) In making any determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 5.01(b) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of any person, persons or entity to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by any person, persons or entity that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) If the person, persons or entity empowered or selected under Section 5.02 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within the sixty (60) day period referred to in Section 5.02(a), the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification , absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; *provided*, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is in good faith reliance on the records or books of account of any Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of such Enterprise in the course of their duties, or on the advice of legal counsel for such Enterprise or on information or records given or reports made to such Enterprise by an independent certified public accountant or by an appraiser or other expert selected by such Enterprise. The provisions of this Section 5.03(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any other director, trustee, partner, managing member, fiduciary, officer, agent or employee of any Enterprise shall not be imputed to Indemnitee for purposes of determining any right to indemnification under this Agreement.

ARTICLE 6
REMEDIES OF INDEMNITEE

Section 6.01. *Adjudication or Arbitration*. (a) In the event of any dispute between Indemnitee and the Company hereunder as to entitlement to indemnification or advancement of Expenses (including where (i) a determination is made pursuant to Section 5.02 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 4.01 of this Agreement, (iii) payment of indemnification pursuant to Section 3.01 of this Agreement is not made within ten (10) business days after a determination has been made that Indemnitee is entitled to indemnification, (iv) no determination as to entitlement to indemnification is timely made pursuant to Section 5.02 of this Agreement and no payment of indemnification is made within ten (10) business days after entitlement is deemed to have been determined pursuant to Section 5.03(b)) or (v) a contribution payment is not made in a timely manner pursuant to Section 8.04 of this Agreement, then Indemnitee shall be entitled to an adjudication by a court of his or her entitlement to such indemnification, contribution or advancement. Alternatively, in such case, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by the Hong Kong International Arbitration Centre. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 5.02(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 6.01 shall be conducted in all respects as a *de novo* trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 6.01 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 5.02(a) of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 6.01, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 4.02 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 5.02(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 6.01, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 6.01 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against all Expenses and, if requested by Indemnitee, shall (within ten (10) business days after the Company's receipt of such written request) advance such Expenses to Indemnitee, which are reasonably incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee for (i) indemnification or advances of Expenses by the Company (or otherwise for the enforcement, interpretation or defense of his or her rights) under this Agreement or any other agreement, including any other indemnification, contribution or advancement agreement, or any provision of the Memorandum and Articles now or hereafter in effect or (ii) recovery or advances under any directors' and officers' liability insurance policy maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, contribution, advancement or insurance recovery, as the case may be.

ARTICLE 7
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Section 7.01. *D&O Liability Insurance.* To the extent that the Company maintains a policy or policies of insurance ("**D&O Liability Insurance**") providing liability insurance for directors and officers of the Company in their capacities as such (and for any capacity in which any director or officer of the Company serves any other Enterprise at the request of the Company), in respect of acts or omissions occurring while serving in such capacity, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any other director or officer under such policy or policies.

Section 7.02. *Evidence of Coverage.* Upon request by Indemnitee, the Company shall provide copies of all policies of D&O Liability Insurance obtained and maintained in accordance with Section 7.01 of this Agreement. The Company shall promptly notify Indemnitee of any changes in such insurance coverage.

ARTICLE 8
MISCELLANEOUS

Section 8.01. *Non-exclusivity of Rights.* The rights of indemnification, contribution and advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled to under applicable law, the Memorandum and Articles, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

Section 8.02. *Insurance and Subrogation.* (a) If, at the time the Company receives notice of a claim hereunder, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies. The failure or refusal of any such insurer to pay any such amount shall not affect or impair the obligations of the Company under this Agreement.

(b) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(c) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided) hereunder if and to the extent that Indemnitee has actually received such payment under any insurance policy or other indemnity provision.

Section 8.03 The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, board of directors' committee member, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such Enterprise.

Section 8.04. *Contribution.* To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s). The relative fault of the Company on the one hand and of the Indemnitee on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses. The Company agrees that it would not be just and equitable if contribution pursuant to this Section 8.04 were determined by pro rata allocation or any other method of allocation which does not take account of the foregoing equitable considerations.

Section 8.05. *Amendment.* This Agreement may not be modified or amended except by a written instrument executed by or on behalf of each of the parties hereto. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit, restrict or reduce any right of Indemnitee under this Agreement in respect of any act or omission, or any event occurring, prior to such amendment, alteration or repeal. To the extent that a change in applicable law, whether by statute or judicial decision limits rights with respect to indemnification, contribution or advancement of Expenses, it is the intent of the parties hereto that the rights with respect to indemnification, contribution or advancement of Expenses in effect prior to such change shall remain in full force and effect to the extent permitted by applicable law.

Section 8.06. *Waivers.* The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term only by a writing signed by the party against which such waiver is to be asserted. Unless otherwise expressly provided herein, no delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

Section 8.07. *Entire Agreement.* This Agreement and the documents referred to herein constitute the entire agreement between the parties hereto with respect to the matters covered hereby, and any other prior or contemporaneous oral or written understandings or agreements with respect to the matters covered hereby are superseded by this Agreement, provided that this Agreement is a supplement to and in furtherance of the Memorandum and Articles and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 8.08. *Severability.* If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 8.09. *Notices.* All notices, requests, demands and other communications under this Agreement shall be in writing (which may be by facsimile transmission). All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding business day in the place of receipt. The address for notice to a party is as shown on the signature page of this Agreement, or such other address as any party shall have given by written notice to the other party as provided above.

Section 8.10. *Binding Effect.* (a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

(b) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, and executors, administrators, personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all, or a substantial part of the business or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(c) The indemnification, contribution and advancement of Expenses provided by, or granted pursuant to this Agreement shall continue during the period Indemnitee is an officer and/or a director of the Company or is or was serving at the request of the Company and shall continue thereafter so long as Indemnitee shall be subject to any Proceeding by reason of his former or current capacity at the Company or any other enterprise at the Company's request, whether or not he is acting or serving in any such capacity at the time any Expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall inure to the benefit of the heirs, executors, administrators, legatees and assigns of such Indemnitee.

Section 8.11. *Governing Law.* This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, Cayman laws, without regard to its conflict of laws rules.

Section 8.12. *Consent to Jurisdiction.* Except with respect to any arbitration commenced by Indemnitee pursuant to Section 6.01(a) of this Agreement, each of the parties to this Agreement irrevocably agrees that the courts of the Cayman Islands shall have nonexclusive jurisdiction to hear and determine any claim, suit, action or proceeding, and to settle any disputes, which may arise out of or are in any way related to or in connection with this Agreement, and, for such purposes, irrevocably submits to the nonexclusive jurisdiction of such courts.

Section 8.13. *Headings.* The Article and Section headings in this Agreement are for convenience of reference only, and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

Section 8.14. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 8.15. *U.S. Federal Preemption*. Notwithstanding the foregoing, both the Company and Indemnitee acknowledge that in certain instances, U.S. federal law or public policy may override applicable law and prohibit the Company from indemnifying its directors and officers under this Agreement or otherwise. Such instances include, but are not limited to, the U.S. Securities and Exchange Commission's (the "SEC") prohibition on indemnification for liabilities arising under certain U.S. federal securities laws. Indemnitee also understands and acknowledges that the Company has undertaken or may be required in the future to undertake with the SEC to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify Indemnitee.

Section 8.16. *No Employment Rights*. Nothing in this Agreement is intended to create in Indemnitee any right to continued employment with the Company.

Section 8.17. *Use of Certain Terms.* As used in this Agreement, the words "herein," "hereof," and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular paragraph, subparagraph, section, subsection, or other subdivision. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered to be effective as of the date first above written.

GENETRON HOLDINGS LIMITED

By: _____
Name:
Title:

Address:
Facsimile:
Attention:

With a copy to:

Address:
Facsimile:
Attention:

INDEMNITEE

_____

Address:
Facsimile:

With a copy to:

Address:
Facsimile:
Attention:

Exhibit 10.4

EMPLOYMENT AGREEMENT

This Employment Agreement (the "**Agreement**"), dated as of [MONTH DATE], [YEAR] (the "Effective Date"), is entered between Genetron Holdings Limited, a company incorporated in the Cayman Islands (the "**Company**") and [NAME] (the "**Executive**").

WHEREAS, the Company and the Executive wish to enter into an employment agreement whereby the Executive will be employed by the Company in accordance with the terms and conditions stated below;

NOW, THEREFORE, the parties hereby agree as follows:

ARTICLE 1
EMPLOYMENT, DUTIES AND RESPONSIBILITIES

Section 1.01. *Employment.* The Executive shall serve as the [TITLE] of the Company. The Executive hereby accepts such employment and agrees to devote substantially all of the Executive's time and efforts to promoting the interests of the Company.

Section 1.02. *Duties and Responsibilities.* Subject to the supervision of and direction by the Board of Directors of the Company, the Executive shall perform such duties as are similar in nature to those duties and services customarily associated with the positions set forth above.

Section 1.03. *Base of Operation.* The Executive's principal base of operation for the performance of his duties and responsibilities under this Agreement shall be the offices of the Company in Beijing, the People's Republic of China ("**PRC**"), and at such other places as shall from time to time be reasonably necessary to fulfill the Executive's obligations hereunder.

ARTICLE 2
TERM

Section 2.01. *Term.* (a) The term of this Agreement (the "**Term**") shall be specified in a separate agreement between the Executive and the Company's designated subsidiary or affiliated entity (together with any confidentiality, non-solicitation and non-compete agreement between the Executive and the Company's designated subsidiary or affiliate entity, the "**PRC Agreements**"), unless renewed or extended by the agreement of the parties hereto.

(b) The Executive represents and warrants to the Company that neither the execution and delivery of this Agreement nor the performance of the Executive's duties hereunder violates or will violate the provisions of any other agreement to which the Executive is a party or by which the Executive is bound.

(c) If the PRC Agreements are terminated pursuant to the terms therein, the employment between the Executive and the Company pursuant to this Agreement shall also be terminated unless mutually agreed by both parties.

ARTICLE 3
COMPENSATION AND EXPENSES

Section 3.01. *Salary And Benefits.* The Executive's salary and benefits shall be determined by the Company and shall be specified in the PRC Agreements. Unless otherwise provided in the PRC Agreements, the Executive's salary and benefits are subject to annual review and adjustment by the Company.

Section 3.02 *Expenses.* The Company will reimburse the Executive for reasonable documented business-related expenses incurred by the Executive in connection with the performance of the Executive's duties hereunder during the Term, subject, however, to the Company's policies relating to business-related expenses as in effect from time to time during the Term.

Section 3.03. *Stock Incentive Plan.* The Executive shall be entitled to participate during the Term in the share incentive plans of the Company, and any successors thereto, subject to the terms and provisions of such plans and the execution of the award agreements and other related agreements between the Company and the Executive.

Section 3.04 *Payer of Compensation.* All compensation, salary, benefits and remuneration in this Agreement may be paid by the Company or any of its subsidiaries or affiliated entities, as decided by the Company in its sole discretion.

ARTICLE 4
EXCLUSIVITY, NON-COMPETE, CONFIDENTIALITY AND NON-SOLICITATION

Section 4.01. *Exclusivity.* The Executive agrees to perform his duties, responsibilities and obligations hereunder efficiently and to the best of his ability. The Executive agrees that the Executive will devote substantially all of the Executive's working time, care and attention and best efforts to such duties, responsibilities and obligations throughout the Term. The Executive agrees that all of his activities as an employee of the Company shall be in conformity with all present and future policies, rules and regulations and directions of the Company not inconsistent with this Agreement.

Section 4.02. *Intellectual Property.* The Executive agrees that Intellectual Property under this Agreement is the sole and exclusive property of the Company and further agrees to assign to the Company the ownership of all right, title and interest in Intellectual Property, including any Intellectual Property conceived, created, and otherwise obtained by the Executive (i) during the Term relating to the work he performs within the scope of such Executive's employment with the Company, (ii) within twelve (12) months after the Executive retires or ends employment with the Company under the circumstances that such Intellectual Property relates to such Executive's employment scope with the Company, and (iii) by using the resources of the Company during the Term. During the Executive's employment with the Company and within twelve (12) months after his employment with the Company terminates, the Executive has the obligation to inform the Company of any Intellectual Property within ten days of its creation and the Executive has the obligation to assist the Company in its patent, copyright or trademark application related to the Intellectual Property.

"Intellectual Property" means any and all intellectual property in any form or stage of development, including but not limited to any intellectual property as specified in the PRC Agreements, any idea, concept, design, invention, method, process, system, model, software, know-how and any other subject matter, material or information that qualifies and/or is considered by the Company to qualify for patent, copyright, trademark, trade secret, or any other protection under the laws of PRC, the United States or Cayman Islands providing or creating intellectual property rights.

Section 4.03. *Non-Compete, Confidentiality and Non-Solicitation.*

(a) Non-compete. During the Executive's employment with the Company and for twenty-four (24) months after his employment with the Company terminates for any reason, the Executive will not (i) directly or indirectly be employed or self-employed in, engage in or own or hold any interest in (whether as an officer, principal, director, employee, partner, shareholder, affiliate, agent, advisor, consultant, or otherwise) any business (including companies and entities located in the PRC (including, for the purpose of this section, Hong Kong, Macau and Taiwan) as specified in the PRC Agreements) that is in direct or indirect competition, or would compete, with any businesses conducted by the Company, its subsidiaries or its affiliated entities (the "**Group**"), or (ii) engage in other activities that may cause conflicts with the interests of the Company.

(b) Confidentiality. Throughout the course of the Executive's employment with the Company and within twenty-four (24) months after the termination of this Agreement, the Executive shall keep in strict confidence all non-public information relating to the business, financial condition and other aspects of the Company, including but not limited to trade secrets, business methods, products, processes, procedures, development or experimental projects, plans, service providers, suppliers, customers and users, Intellectual Property, information technology and any other information which is material to the Company's business operations or is specified in the PRC Agreements, and except as authorized by the Company in writing, may not disclose or provide to any person, firm, corporation or entity such non-public information, and may not use such non-public information for any purpose other than to fulfill his responsibilities in the best interest of the Company. The Executive shall also comply with the Company's corporate policies, the PRC Agreements and any other agreements on confidentiality that the Executive may enter into with the Group. This provision and such other confidentiality policies and agreements are hereinafter collectively referred to as the "**Confidentiality Terms.**"

(c) Non-Solicitation. During the Executive's employment with the Company and for twenty-four (24) months after the Executive's employment with the Company terminates for any reason, the Executive will not, directly or indirectly, solicit, encourage or assist or attempt to solicit, encourage or assist (either in his or her own name or on behalf of any other party) any person who, within a period of one year preceding the termination of the Executive's employment with the Company, is a customer, supplier, agent, employee or consultant of the Group, to terminate its relationship with the Group.

ARTICLE 5
TERMINATION

Section 5.01. *Termination by Company.* The Company shall have the right to terminate the Executive's employment at any time with "Cause" without any advance notice. For purposes of this Agreement, "**Causes**" shall have the meanings ascribed to them in the PRC Agreements. For purposes of this Section 5.01, no act or failure to act, on the part of the Executive shall be deemed "**willful**" unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the act or omission of the Executive was in the best interest of the Company. The Company may also terminate the Executive's employment at any time with or without Cause by giving a 30 days' prior written notice.

Section 5.02. *Termination by the Executive.* The Executive shall have the right to terminate this Agreement at any time by giving a 30 days' advance notice in writing pursuant to the terms hereof. During the probation period, where applicable, the Executive may terminate this Agreement by giving three days' prior written notice to the Company. If the Executive terminates the employment under this Section, the Company is not obliged to pay to the Executive any financial compensation for such termination.

Section 5.03. *Death.* In the event the Executive passes away during the Term, this Agreement shall automatically terminate, such termination to be effective on the date of the Executive's death.

Section 5.04. *Effect of Termination.* (a) In the event of termination of the Executive's employment, whether before or after the Term, by either party for any reason, or by reason of the Executive's death or disability, the Company shall pay to the Executive (or his beneficiary in the event of his death) any base salary or other compensation earned but not paid to the Executive prior to the effective date of such termination. All other benefits due the Executive following the Executive's termination of employment shall be determined in accordance with the plans, policies and practices of the Company.

(b) In the event of termination of the Executive's employment by the Company other than for Cause, the Company shall pay to the Executive any additional amount as provided by applicable law.

ARTICLE 6
MISCELLANEOUS

Section 6.01. *Benefit Assignment; Assignment; Beneficiary.* This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns, including, without limitation, any corporation or person which may acquire all or substantially all of the Company's assets or business, or with or into which the Company may be consolidated or merged. This Agreement shall also inure to the benefit of, and be enforceable by, the Executive and the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amount would still be payable to the Executive hereunder if the Executive had continued to live, all such amounts shall be paid in accordance with the terms of this Agreement to the Executive's beneficiary, devisee, legatee or other designee, or if there is no such designee, to the Executive's estate.

Section 6.02. *Notices.* Any notice required or permitted hereunder shall be in writing and shall be sufficiently given if personally delivered or if sent by registered or certified mail, national overnight courier, or email. In the case of the Company, to the office or email account of the Head of Human Resource Department; and in the case of the Executive, to the address or email account appearing on the employment records of the Company, from time to time. Any notice given hereunder shall be deemed to have been given at the time of receipt thereof by the person to whom such notice is given.

Section 6.03. *Entire Agreement; Amendment.* This Agreement and the PRC Agreements contain the entire agreement of the parties hereto with respect to the terms and conditions of the Executive's employment during the Term and supersede any and all prior agreements and understandings, whether written or oral, between the parties hereto with respect to the employment of the Executive. For the avoidance of doubt, in case of any conflict between this Agreement and the PRC Agreements as to the Executive's compensation, the term of the Executive's employment with the Company, the Intellectual Property, the Executive's non-compete, confidentiality and non-solicitation obligations, and the termination of Executive's employment, the PRC Agreements shall prevail. This Agreement may not be changed or modified except by an instrument in writing signed by both of the parties hereto.

Section 6.04. *Waiver.* The waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a continuing waiver or as a consent to or waiver of any subsequent breach hereof.

Section 6.05. *Headings.* The article and section headings herein are for convenience of reference only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

Section 6.06. *Governing Law.* This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the PRC.

Section 6.07. *Agreement To Take Actions.* Each party hereto shall execute and deliver such documents, certificates, agreements and other instruments, and shall take such other actions, as may be reasonably necessary or desirable in order to perform his, her or its obligations under this Agreement or to effectuate the purposes hereof.

Section 6.08. *Arbitration.* Any dispute between the parties hereto respecting the meaning and intent of this Agreement or any of its terms and provisions shall be submitted to arbitration in Hong Kong, in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules then in effect, and the arbitration determination resulting from any such submission shall be final and binding upon the parties hereto. The arbitrator shall have no authority to award reasonable attorney's fees to any party in any dispute subject to this Section 6.08. Judgment upon any arbitration award may be entered in any court of competent jurisdiction.

Section 6.09. *Survivorship.* The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

Section 6.10. *Severability.* The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision or provisions of this Agreement, which shall remain in full force and effect.

Section 6.11. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

Section 6.12. *Corporate Authorization.* The Company hereby represents that the execution, delivery and performance by the Company of this Agreement are within the corporate powers of the Company, and that the Chairman of its Board of Directors has the requisite authority to bind the Company hereby.

Section 6.13. *Withholding.* All payments to the Executive hereunder shall be subject to withholding to the extent required by applicable law.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement as of the date first above written.

GENETRON HOLDINGS LIMITED

By: _____
Name:
Title:

EXECUTIVE

_____
Name:
Title:

Exhibit 10.5

SHARES PURCHASE AGREEMENT

THIS SHARES PURCHASE AGREEMENT (the "**Agreement**") is made and entered into as of July 2, 2019 by and among:

1. Genetron Holdings Limited (□□□□□□□□□□□□□□), an exempted company with limited liability organized and existing under the laws of the Cayman Islands (the "**Company**");

2. Genetron Health(Hong Kong) Company Limited (□□□□□(□□)□□□□), a company organized and existing under the laws of Hong Kong (the "**HK Co.**");

3. Genetron (Tianjin) Co., Ltd. (□□□□□□□□□□), a wholly foreign owned enterprise organized and existing under the laws of the People's Republic of China (the "**PRC**", for the purpose of this Agreement only, excluding Hong Kong Special Administrative Region, Macaw Special Administrative Region and Taiwan) (the "**WFOE**");

4. Genetron Health (Beijing) Co., Ltd. (□□□□□□□□□□□□□□), a limited liability company organized and existing under the laws of PRC (the "**PRC Affiliate**");

5. Each of the persons as set forth in Schedule 1-1 attached hereto (the "**Founders**" and each, a "**Founder**").

6. The entity as set forth in Schedule 1-2 attached hereto (the "**BVI Company**").; and

7. Each of the entities as set forth in Schedule 2 attached hereto (the "**Investors**" and each, an "**Investor**").

The Company, the HK Co., the WFOE, the PRC Affiliate and all their direct or indirect subsidiaries are referred to collectively herein as the "**Group Companies**", and each a "**Group Company**".

RECITALS

A. The Company desires to issue and sell to the Investors, and the Investors desire to purchase from the Company certain number of Ordinary Shares and Preferred Shares on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

AGREEMENT TO PURCHASE AND SELL SHARES

SECTION 1.01 Agreement to Purchase and Sell Purchased Shares.

Subject to the terms and conditions set forth herein, the Company agrees to issue and sell to each of the Investors, and each of the Investors shall severally and not jointly, purchase from the Company that number of Ordinary Shares and/or Preferred Shares (the "**Purchased Shares**") as set forth opposite such Investor's name on Schedule 2, at the aggregate purchase price set forth opposite such Investor's name in Schedule 2 (the "**Purchase Price**") upon the Closing (as defined in the Section 2.01 below), and having the rights, privileges and restrictions as set forth in the Second Amended and Restated Memorandum and Articles of Association of the Company attached hereto as Exhibit A (the "**Restated Articles**"), the Shareholders Agreement to be entered into at the Closing and attached hereto as Exhibit B (the "**Shareholders Agreement**"), and the subscriptions details attached hereto as Schedule 2. The ordinary shares of the Company issuable upon conversion of the applicable Purchased Shares will be hereinafter referred to as the "**Conversion Shares**".

SECTION 1.02 Transfer of Funds.

Each of the Investors shall pay their respective Purchase Price by wire transfer of United States dollars (for the avoidance of doubt, the amount of such US dollars shall be calculated and determined in accordance with the foreign exchange rate as quoted by the People's Bank of China on the day such payment is remitted, namely, the intermediate ratio of USD/CNY exchange) in immediately available funds to a designated account of the Company as soon as practicable after the Closing but in no event later than twenty (20) business days or at such other time as the Company and the Investors may mutually agree in writing after all the following conditions have been satisfied or waived by the relevant Investors: (i) the Company shall have delivered wire transfer instructions to such Investor, (ii) with respect to Tianjin Kangyue (as defined in Schedule 2), Tianjin Yuanjufu (as defined in Schedule 2) and Parkland Medtech Limited, the PRC Affiliate shall have duly completed the registration regarding the reduction of registered capital of □□□□□□□□□□□□□□□□, □□□□□□□□□□□□□□□□□□□□□□□□□□□□□□ and□□□□□□□□□□□in PRC Affiliate with State Administration for Market Regulation or its local counterparts, (iii) with respect to Tianjin Kangyue, □□□□□□□□□□□□□□□□□□□□□□□□□□□□□□ shall have received RMB 3 million from the PRC Affiliate or other Person as its total consideration of capital reduction, (iv) with respect to Genetron Jun'an (as defined in Schedule 2), Genetron Juncheng (as defined in Schedule 2), Tianjin Kangyue, Tianjin Yuanjufu and Tianjin Tianshu (as defined in Schedule 2) (collectively the "**ODI Investors**"), such ODI Investors shall have completed the registration and other procedures required under applicable PRC laws relating to the overseas direct investment ("**ODI Registration**"), including filing with National Development and Reform Commission or its local counterparts regarding overseas direct investment project, registration with Ministry of Commerce or its local counterparts regarding enterprise established through overseas direct investment and foreign exchange registration and purchasing with commerce bank with foreign exchange business as authorized by State Foreign Exchange Bureau or its local counterparts.

SECTION 1.03 Post-Investment Capitalization Structure.

Following the full issue and sale of the Purchased Shares, the post-investment capitalization structure of the Company on an as-converted and fully-diluted basis shall be as set forth in Schedule 3.

ARTICLE II

CLOSINGS; DELIVERY

SECTION 2.01 Closing.

The closing of the issuance and sale of the Purchased Shares shall take place remotely via the exchange of documents and signatures as soon as practicable after all the closing conditions as set forth in Article VI and Article VII hereof have been satisfied or waived (other than those conditions to be satisfied at the Closing, but subject to the satisfaction or otherwise written waiver thereof at the Closing), or at such other time and place as the Company and the Investors may mutually agree in writing (the "**Closing**", and the date for Closing is defined as the "**Closing Date**"). For the avoidance of doubt, each Investor has the right, at its sole discretion, to proceed with the Closing under the terms and conditions hereof, and each Investor's decision to proceed with the Closing shall be independent from that of each other Investor.

SECTION 2.02 Delivery.

At the Closing, in addition to any items the delivery of which is made an express condition to the Investors' obligations at the Closing pursuant to Article VI, the Company shall, and the Founders shall cause the Company to, deliver to each of the Investors (i) a copy of updated register of members of the Company showing such Investor as the holder of Purchased Shares purchased by such Investor hereunder, certified as true by the registered agent of the Company, (ii) a copy of updated register of directors of the Company, showing the appointment of the new directors, certified as true by the registered agent of the Company, (iii) a copy or copies of duly issued share certificate or certificates issued in the name of such Investor representing the class, series and number of Purchased Shares purchased by such Investor pursuant to Section 1 hereunder, duly signed for and on behalf of the Company (the original of which shall be delivered to the Investors within five (5) business days after the Closing); and (iv) a copy of the good standing certificate with respect to the Company dated not more than thirty (30) days prior to Closing.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE SELLER PARTIES

The Group Companies, the BVI Company and the Founders (collectively, the "**Seller Parties**" and individually, a "**Seller Party**") hereby jointly and severally represent and warrant to the Investors, as of the date hereof and as of the Closing, that each of the statements as follows is true, correct and complete.

SECTION 3.01 Organization, Standing.

Each Seller Party (to the extent not a natural Person) is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the laws of the place of its incorporation or establishment and has all requisite power and authority to own its properties and assets and to carry on its business as now conducted and as proposed to be conducted, and to perform each of its obligations hereunder and under any agreement contemplated hereunder to which it is a party. Each of the Seller Parties is not in receivership or liquidation; no steps have been taken to enter into liquidation; and no petition has been presented for winding up any Seller Parties; and there are no grounds on which a petition or application might be based for the winding up or appointment of a receiver of any Seller Parties.

SECTION 3.02 Capitalization.

The authorized share capital of the Company consists of the following:

(a) Ordinary Shares. Immediately prior to the Closing, a total of 2,328,917,000 authorized ordinary shares, par value US$ 0.00002 per share, of the Company (the "**Ordinary Shares**"), of which 5 shares are issued and outstanding.

(b) Preferred Shares. Immediately prior to the Closing, (i) a total of 47,600,000 authorized series A-1 preferred shares, par value US$ 0.00002 per share, of the Company, of which none was issued and outstanding (the "**Series A-1 Preferred Shares**"); (ii) a total of 19,760,000 authorized series A-2 preferred shares, par value US$ 0.00002 per share, of the Company, of which none was issued and outstanding (the "**Series A-2 Preferred Shares**", collectively with Series A-1 Preferred Shares, the "**Series A Preferred Shares**"); (iii) a total of 43,363,500 authorized series B preferred shares, par value US$ 0.00002 per share, of the Company, of which none was issued and outstanding (the "**Series B Preferred Shares**"); (iv) a total of 60,359,500 authorized series C preferred shares, par value US$ 0.00002 per share, of the Company, of which none was issued and outstanding (the "**Series C Preferred Shares**", collectively with Series A Preferred Shares and Series B Preferred Shares, the "**Preferred Shares**").

(c) Options, Reserved Shares. The Company has reserved enough Ordinary Shares for issuance upon the conversion of Preferred Shares. Except for (i) the conversion privileges of the Preferred Shares, (ii) the 33,961,500 Ordinary Shares reserved for issuance to employees pursuant to the Company's employee share option plans (the "**ESOP**") to be approved by the board of directors of the Company (the "**Board of Directors**"), and (iii) the preemptive rights provided in the Shareholders Agreement, there are no options, warrants, conversion privileges, agreements or rights of any kind with respect to the issuance or purchase of the shares of any Group Company. Apart from the exceptions noted in this Section 3.02(c), the Shareholders Agreement and Control Documents (as defined in the Section 6.10 below), no shares (including the Purchased Shares and Conversion Shares) of any Group Company's outstanding share capital, registered capital, or shares issuable upon exercise or exchange of any outstanding options or other shares issuable by any Group Company, are subject to any preemptive rights, rights of first refusal or other rights of any kind to purchase such shares (whether in favor of any Group Company or any other person).

SECTION 3.03 Due Authorization.

All corporate action on the part of the Seller Parties (excluding PRC Affiliate's direct or indirect subsidiaries) and, as applicable, their respective officers, directors and shareholders necessary for (i) the authorization, execution and delivery of, and the performance of the obligations of the Seller Parties (excluding PRC Affiliate's direct or indirect subsidiaries) under this Agreement and the Shareholders Agreement and the various agreements, instruments or documents attached to or entered into in connection with this Agreement (collectively, "**Ancillary Agreements**", and collectively with this Agreement, the Shareholders Agreement, the "**Transaction Documents**"), the Restated Articles, the certificate of incorporation or other equivalent corporate charter documents of any of the Group Companies (collectively with the Restated Articles, the "**Constitutional Documents**") and (ii) the authorization, issuance, reservation for issuance and delivery of all of the Purchased Shares being sold under this Agreement and of the Conversion Shares has been taken or will be taken prior to the Closing. Each of the Transaction Documents and the Constitutional Documents is or will, upon its execution be a valid and binding obligation of each Seller Parties (excluding PRC Affiliate's direct or indirect subsidiaries) enforceable in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

SECTION 3.04 Valid Issuance of Purchased Shares.

The Purchased Shares are, and Conversion Shares when issued, sold and delivered in accordance with the terms of this Agreement will be, duly and validly issued, fully paid and non-assessable and will be free of any Encumbrance (as defined below), other than any Encumbrances arising under the Restated Articles, the Shareholders Agreement and other Transaction Documents. "**Encumbrance**" means any claim, mortgage, lien, pledge, option, charge, security interest, encumbrance or other similar right of any third parties, whether voluntarily incurred or arising by operation of law, and includes any agreement to grant any of the foregoing in the future. The issuance of the Purchased Shares is and will be in full compliance with the requirements of all applicable securities laws and regulations including, to the extent applicable, the registration and prospectus delivery requirements of the Securities Act, or in compliance with applicable exemptions therefrom, and all other provisions of applicable securities laws and regulations.

SECTION 3.05 Litigation.

There is no action, suit, proceeding, claim, arbitration or investigation pending or currently threatened against any Group Company.

SECTION 3.06 Compliance with Laws; Consents and Permits.

None of any Group Company is or has been in violation of any material respect of any applicable statute, rule, regulation, order or restriction of any domestic or foreign government or any instrumentality or agency thereof regarding to the conduct of its business or the ownership of its properties. All consents, licenses, permits, approvals, orders, authorizations or registrations, qualifications, designations, declarations or filings by or with any governmental authority and any third party which are required to be obtained or made by each Group Company in connection with the consummation of the transactions contemplated hereunder shall have been obtained or made prior to and shall be fully effective as of the Closing (if it occurs).

SECTION 3.07 Disclosure.

No representation or warranty by any Seller Party in this Agreement or in any Transaction Document and no information or materials provided by any Seller Party to the Investors in connection with the negotiation or execution of this Agreement or any agreement contemplated hereby contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading.

SECTION 3.08 Approvals.

Each approval, authorization or consent which is required to be obtained by each Group Company (excluding PRC Affiliate's direct or indirect subsidiaries) in connection with the consummation of the transactions contemplated under this Agreement and the other Transaction Documents will have been obtained prior to and be effective as of the Closing.

SECTION 3.09 Non-Contravention.

The execution, delivery and performance by each Seller Party of and compliance with this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby will not result in (i) any violation, breach or default, or be in conflict with or constitute, with or without the passage of time or the giving of notice or both, a default under (a) the constitutional documents of such Seller Party, (b) any term or provision of any material contract to which such Seller Party is a party or by which it may be bound, or (c) any applicable law, (ii) the creation or imposition of any encumbrance upon, or with respect to, any of the properties or rights of any Seller Party with Material Adverse Effect on the Company or its business (except for such encumbrance created by the Transaction Documents), or (iii) any termination, modification, cancellation, or suspension of any right of, or any augmentation or acceleration of any obligation of, any Seller Party. "**Material Adverse Effect**" means any event, circumstance, occurrence or non-occurrence, arising or occurring, that is or would reasonably be expected to (i) have a material adverse effect on the business, operations, assets or liabilities; or (ii) result or would reasonably be expected to result in any invalidity, non-bindingness or unenforceability of this Agreement or any other agreements related in the transactions contemplated hereunder.

SECTION 3.10 Circular 37 Registrations.

Each of the Founders, who is a "domestic resident" (as defined in Circular 37) has duly obtained the foreign exchange registration with the competent local branch of the State Administration of Foreign Exchange in respect of his/her beneficial ownership of the holding company which holds the equity interest of the Company as required under Circular 37.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE INVESTORS

Each of the Investors hereby severally and not jointly represents and warrants to the Company as follows:

SECTION 3.11 Authorization.

Such Investor has all requisite power, authority and capacity to enter into this Agreement, and the Shareholders Agreement, and to perform its obligations under this Agreement, and the Shareholders Agreement. This Agreement has been duly authorized, executed and delivered by such Investor. This Agreement and the Shareholders Agreement, when executed and delivered by such Investor, will constitute valid and legally binding obligations of such Investor, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

SECTION 3.12 Purchase for Own Account.

The Purchased Shares and the Conversion Shares will be acquired for such Investor's own account, not as a nominee or agent, and not with a view to or in connection with the sale or distribution of any part thereof.

ARTICLE V

COVENANTS OF THE SELLER PARTIES

The Seller Parties hereby jointly and severally covenant to the Investors as follows:

SECTION 4.01 Availability of Ordinary Shares.

At all times there shall be made available, free of any Encumbrances, for issuance and delivery upon conversion of the Purchased Shares such number of Ordinary Shares or other shares in the share capital of the Company as are from time to time issuable upon conversion of the Purchased Shares from time to time, and will take all steps necessary to increase its authorized share capital to provide for sufficient number of Ordinary Shares issuable upon conversion of the Purchased Shares.

SECTION 4.02 File of Articles.

Within five (5) business days following the Closing, the Restated Articles together with the special or written shareholders resolution on approving its adoption shall have been duly filed with the Registrar of Companies in the Cayman Islands, with the evidence duly delivered to the Investors.

SECTION 4.03 Reorganization.

The Seller Parties shall make commercially reasonable efforts to complete and cause completed all actions contemplated under the reorganization memorandum approved by the then shareholders of the PRC Affiliate.

SECTION 4.04 Compliance with Laws.

The Group Companies shall, and each of the Seller Parties shall cause the Group Companies to, use their respective reasonable best efforts to conduct their respective business as now conducted and as proposed to be conducted in all material respects in compliance with all applicable laws on a continuing basis, including but not limited to the laws regarding foreign investments, corporate registration and filing, import and export, customs administration, foreign exchange, advertisement, intellectual property rights, taxation, labor and social welfare, welfare funds, social benefits, medical benefits, insurance, retirement benefits, and pensions or the like.

SECTION 4.05 Key Persons' Service Term.

Without prior written consent of each Investor, Wang Sizhen (□□□) and Yan Hai (□□) (collectively the "**Key Persons**", and each a "**Key Person**") covenant not to resign from the Group Companies voluntarily within five (5) years ("**Minimum Service Term**") since October 10, 2017. If any Key Person resigns voluntarily with the prior consent of each Investor, the shares of the Company directly or indirectly held by such Key Person shall be redeemed by the Company in any way legally permitted at certain redemption price mutually agreed by the Company, such Key Person, and the Investors, and the number of shares to be redeemed of such Key Person is equal to the product obtained by multiplying (x) the aggregate number of the shares in the Company directly or indirectly by such Key Person by (y) a fraction, the numerator of which is the number of the month(s) remaining to be served for by such Key Person and the denominator of which is the total number of the month(s) of the Minimum Service Term.

SECTION 4.06 Transfer of Intellectual Properties.

Any intellectual property obtained or owned by any Founder that is material to the Group Companies' business operation shall, to the maximum extent permitted by the applicable laws and as soon as practical, be transferred to the Group Companies with no compensation.

SECTION 4.07 Non-Competition.

Key Persons covenant not to, directly or indirectly, own or participate in business of molecular diagnosis outside the Group Companies which is substantially competitive with the Group Companies' business (other than as a holder of less than five percent (5%) of the outstanding capital stock of a company without decision rights).

SECTION 4.08 Accounting Standards.

The Group Companies shall establish and maintain generally accepted accounting standards which comply with all applicable laws.

SECTION 4.09 Use of Proceeds

Solely with respect to Tianjin Yuanjufu, the Purchase Price paid by Tianjin Yuanjufu shall be used exclusively for the purpose of repurchasing the equity interest held by □□□□□□□□□□□□□□□□ in the PRC Affiliate.

SECTION 4.10 Use of Investors' Name or Logo.

Without the prior written consent of any Investor, and whether or not such Investor is then the shareholders of the Company, none of the Group Companies nor their shareholders (excluding the Investors) shall use, publish or reproduce the names of any Investor or any similar names, trademarks or logos in any of their marketing, advertising or promotion materials or otherwise for any marketing, advertising or promotional purposes in relation to any Group Company or the transactions contemplated hereunder, except for (i) the fact of the equity investments and shareholding in the Group Companies by the Investors (and in any such case shall not disclose the aggregate or individual investment amounts, pricing or ownership percentage, or any of the term of this Agreement, the Shareholders Agreement or any of the Ancillary Agreements); or (ii) required by the competent laws or regulatory authority.

ARTICLE VI

CONDITIONS OF INVESTORS' OBLIGATIONS AT CLOSING

The obligations of each Investor to consummate the Closing under Section 2.01 of this Agreement are subject to the fulfillment, to the satisfaction of such Investor (or waiver thereof by such Investor) on or prior to the Closing Date, of the following conditions:

SECTION 5.01 Representations and Warranties True and Correct.

The representations and warranties made by the Seller Parties in Article III hereof shall be true and correct and complete when made, and shall be true and correct and complete as of the Closing Date with the same force and effect as if they had been made on and as of such date, subject to changes contemplated by this Agreement.

SECTION 5.02 Performance of Obligations.

Each Founder and each Group Company shall have performed and complied with all agreements, obligations and conditions that are required by the Transaction Documents to be performed or complied with by it on or before the Closing.

SECTION 5.03 Proceedings and Documents.

All corporate and other proceedings in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions shall be satisfactory in substance and form to the Investors, and the Investors shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

SECTION 5.04 Approvals, Consents and Waivers.

Each Group Company (excluding PRC Affiliate's direct or indirect subsidiaries) shall have obtained any and all approvals, consents and waivers necessary for consummation of the transactions contemplated by this Agreement, including, but not limited to, (i) all permits, authorizations, approvals, consents or permits of any governmental authority or regulatory body, (ii) resolutions approved by the shareholders and boards of directors of each Group Company (excluding PRC Affiliate's direct or indirect subsidiaries) or its shareholders (if applicable), and (iii) the waiver by the existing shareholders of the Company of any anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection with the issuance of the Purchased Shares at the Closing.

SECTION 5.05 Amendment to Constitutional Documents.

The Restated Articles shall have been duly adopted by the Company by all necessary corporate actions of its board of directors and its shareholders.

SECTION 5.06 Register of Members.

Each of the Investors shall have received a copy of the Company's register of members, certified by the registered agent of the Company as true and complete as of the date of the Closing, updated to show such Investor as the holder of the Purchased Shares purchased by such Investor hereunder as of the Closing.

SECTION 5.07 Appointment of Directors and Board Observer.

The Company shall have taken all necessary corporate action such that (i) immediately prior to the Closing their respective board of directors shall have four (4) members, which members shall be He Weiwu, Yan Hai, Wang Sizhen, and Wu Xia, and evidence thereof shall have been delivered to each Investor;(ii) SUPERPOWER INVESTMENTS LTD. shall be entitled to appoint an observer to the board of directors of the Company.

SECTION 5.08 Execution of Transaction Documents.

The Company shall have delivered to the Investors the Transaction Documents, duly executed by the Company and all other parties thereto (except for the Investors).

SECTION 5.09 Execution of Director Indemnification Agreement.

The Company shall have delivered to Tianjin Kangyue a director indemnification agreement in the form attached hereto as Exhibit C, duly executed by the Company, Tianjin Kangyue and Wu Xia.

SECTION 5.10 Execution of Control Documents.

The Company shall have caused a set of Control Documents in the form as set forth in Exhibit D to be entered into between the WFOE, the PRC Affiliate, and all the then shareholders of the PRC Affiliate, which, once taking effect according to the terms and conditions therein, will enable WFOE to exercise effective control over the PRC Affiliate and its subsidiaries (the "**Control Documents**"): (i) Exclusive Option Agreement; (ii) Equity Pledge Agreement; (iii) Exclusive Business Cooperation Agreement; (iv) Power of Attorney and (v) Spousal Consent.

SECTION 5.11 Legal Opinion.

The Company shall have delivered to each Investor a legal opinion in form and substance to the satisfaction of each Investor issued by the Cayman Islands counsel of the Company, dated as of the Closing Date.

ARTICLE VII

CONDITIONS TO THE COMPANY'S OBLIGATIONS AT THE CLOSING

The obligations of the Company under this Agreement at the Closing with respect to the Investors are subject to the fulfillment, on or prior to the Closing Date of the following conditions:

SECTION 7.01 Representations and Warranties.

The representations and warranties of the Investors contained in Article IV hereof shall be true and correct as of the Closing Date.

SECTION 7.02 Execution of Transaction Documents.

The Investors shall have executed and delivered to the Company the Transaction Documents to which it is a party.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01 Governing Law.

This Agreement shall be governed by and construed exclusively in accordance with the laws of the Hong Kong SAR without regard to principles of conflicts of law thereunder.

SECTION 8.02 Successors and Assigns.

Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto whose rights or obligations hereunder are affected by such amendments. This Agreement and the rights and obligations therein may not be assigned by the Seller Parties without the written consent of the Investors. Notwithstanding the foregoing, Tianjin Kangyue shall be entitled to assign the rights and obligations under this Agreement to its affiliates, affiliated partnerships or funds managed by or affiliated with it or any of their respective directors, officers or partners without prior written notice to other parties, provided that such successor shall not be the Competitor of the Group Companies and shall have obtained all necessary approval, authorization or consent with any governmental authority which are required to be obtained or made in connection with its shareholding in the Company, and the Company and other Parties hereto shall facilitate to effectuate such assignment upon Tianjin Kangyue's request and shall waive any rights of first refusal, preemptive rights and all similar rights in connection with such assignment, provided such assignee agrees in writing to be subject to the terms of this Agreement and other Transaction Documents as if it were an Investor hereunder or thereunder. For the purpose of this Agreement, **"Competitor"** means, any person who is engaged in the business of molecular diagnosis, which is directly or indirectly competitive with the Group Companies.

SECTION 8.03 Entire Agreement.

This Agreement, the Shareholders Agreement, any Ancillary Agreements, and the schedules and exhibits hereto and thereto, which are hereby expressly incorporated herein by this reference constitute the entire understanding and agreement between the parties with regard to the subjects hereof and thereof; provided, however, that nothing in this Agreement or related agreements shall be deemed to terminate or supersede the provisions of any investment, confidentiality and nondisclosure agreements executed by the parties hereto prior to the date hereof, which agreements shall continue in full force and effect until terminated in accordance with their respective terms.

SECTION 8.04 Termination.

This Agreement may be terminated prior to the Closing by mutual written Consent of the parties.

SECTION 8.05 Notices.

Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party, upon delivery; (b) when sent by facsimile at the number set forth in Exhibit E hereto, upon receipt of confirmation of error-free transmission; (c) seven (7) business days after deposit in the mail as air mail or certified mail, receipt requested, postage prepaid and addressed to the other party as set forth in Exhibit E; or (d) three (3) business days after deposit with an overnight delivery service, postage prepaid, addressed to the parties as set forth in Exhibit E with next business day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider.

Each person making a communication hereunder by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication. A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section by giving, the other parties written notice of the new address in the manner set forth above.

SECTION 8.06 Amendments.

Any term of this Agreement may be amended only with the written consent of the Seller Parties and the Investors.

SECTION 8.07 Delays or Omissions.

No delay or omission to exercise any right, power or remedy accruing to any Seller Party or Investor, upon any breach or default of any party hereto under this Agreement, shall impair any such right, power or remedy of such Seller Party or Investor, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring; nor shall any waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Seller Party or Investor of any breach of default under this Agreement or any waiver on the part of any Seller Party or Investor of any provisions or

conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, or by law or otherwise afforded to the Seller Parties and the Investors shall be cumulative and not alternative.

SECTION 8.08 Interpretation; Titles and Subtitles.

This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to Sections and Exhibits herein are to Sections and Exhibits of this Agreement. As used in this Agreement, the words “include” and “including”, and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation”.

SECTION 8.09 Counterparts.

This Agreement may be executed (including facsimile signature) in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

SECTION 8.10 Severability.

If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the parties. In such event, the parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the parties’ intent in entering into this Agreement.

SECTION 8.11 Confidentiality and Non-Disclosure.

The parties hereto agree to be bound by the confidentiality and non-disclosure provisions of the Shareholders Agreement, which shall mutatis mutandis apply.

SECTION 8.12 Further Assurances.

Each party shall from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required to effect the transactions contemplated by this Agreement.

SECTION 8.13 Dispute Resolution.

Any dispute, controversy, difference or claim arising out of or relating to this Agreement, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or

relating to it shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (the "**HKIAC**") under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted. The law of this arbitration clause shall be Hong Kong law. The seat of arbitration shall be Hong Kong. The number of arbitrators shall be three (3). The arbitration proceedings shall be conducted in English.

SECTION 8.14 Adjustments for Share Splits, Etc.

Wherever in this Agreement there is a reference to a specific number of shares of a class or series of shares of the Company, then, upon the occurrence of any subdivision, combination or share dividend of such shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of shares by such subdivision, combination or share dividend.

SECTION 8.15 Indemnification.

The Seller Parties shall jointly and severally indemnify, defend and hold harmless the Investors, and their affiliates, directors, officers, employees, agents, successors and assigns (each, an "**Indemnified Person**") from and against any loss suffered or incurred by the Indemnified Person as a result of or based upon or arising from any inaccuracy in or breach or non-performance of any of the representations, warranties, covenants or agreements made by any Seller Party in or pursuant to the Transaction Documents or any fraud or willful misconduct for any Seller Party in connection with the transactions contemplated by the Transaction Documents. This Section 8.15 shall survive any termination of this Agreement.

SECTION 8.16 Independent Nature of Investors' Obligations and Rights.

The obligations of each Investor under this Agreement and the other Transaction Documents are several and not joint, and no Investor is responsible in any way for the performance or conduct of any other Investor in connection with the transactions contemplated hereby. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor pursuant hereto or thereto, shall be or shall be deemed to constitute a partnership, association, joint venture, or joint group with respect to the Investors. Each Investor agrees that no other Investor has acted as an agent for such Investor in connection with the transactions contemplated hereby.

SECTION 8.17 No Third Parties' Rights.

A person who is not a party to this Agreement has no right under the Contracts (Right of Third Parties) Ordinance (Cap. 623) of Hong Kong (the "**Third Party Ordinance**") to enforce any term of this Agreement but this shall not affect any right or remedy which exists or is available apart from the Third Party Ordinance. The consent of any such person not being a party to this Agreement shall not be required for any amendment or modification to, or termination of, this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE COMPANY:

Genetron Holdings Limited (□□□□□□□□□□□□□□)
/s/ Seal of Genetron Holdings Limited

/s/ Genetron Holdings Limited
By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

THE HK CO.:

Genetron Health (Hong Kong) Company Limited
(□□□□□(□□)□□□□)
/s/ Seal of Genetron Health (Hong Kong) Company Limited

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

THE WFOE:

Genetron (Tianjin) Co., Ltd. (□□□□□□□□□)□Seal□
/s/ Seal of Genetron (Tianjin) Co., Ltd.

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

THE PRC AFFILIATE:

Genetron Health (Beijing) Co., Ltd. (□□□□□□□□□□□□□□)
□Seal □
/s/ Seal of Genetron Health (Beijing) Co., Ltd.

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE BVI COMPANY:

FHP Holdings Limited

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ Wang Sizhen

Name: Wang Sizhen

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ Yan Hai

Name: Yan Hai

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ He Weiwu

Name: He Weiwu

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

EASY BENEFIT INVESTMENT LIMITED

By: /s/ Kung Hung Ka
Name: Kung Hung Ka
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

EASY BEST INVESTMENT LIMITED

By: /s/ Kung Hung Ka
Name: Kung Hung Ka
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

SUPERPOWER INVESTMENTS LTD.

By: /s/ Stone Shi
Name: Stone Shi
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

CrowdBees Holdings Limited

By: /s/ Cai Cong
Name: Cai Cong
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

J&K BIOTECH INVESTMENT CO. LTD.

By: /s/ Zhu Jing
Name: Zhu Jing
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

IN Healthcare Limited

By: /s/ Zheng Yufen
Name: Zheng Yufen
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Parkland Medtech Limited

By: /s/ Xu Hang
Name: Xu Hang
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Genetron Discovery Holdings Limited
/s/ Seal of Genetron Discovery Holdings Limited

By: /s/ Jiao Yuchen
Name: JIAO Yuchen
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Genetron Alliance Holdings Limited
/s/ Seal of Genetron Alliance Holdings Limited

By: /s/ Wang Sizhen
Name: WANG Sizhen
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Tianjin Genetron Jun'an Business Management Partnership (Limited Partnership)
□□□□□□□□□□□□□□□□□□□□ Seal□
/s/ Seal of Tianjin Genetron Jun'an Business Management Partnership (Limited Partnership)

By: /s/ Wang Sizhen
Name: WANG Sizhen□□□□
Title: Authorized Signatory

Tianjin Genetron Juncheng Business Management Partnership (Limited Partnership)
□□□□□□□□□□□□□□□□□□□□ Seal□
/s/ Seal of Tianjin Genetron Juncheng Business Management Partnership (Limited Partnership)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Tianjin Kangyue Business Management Partnership (Limited Partnership)
□□□□□□□□□□□□□□□□□□ □Seal□
/s/ Seal of Tianjin Kangyue Business Management Partnership (Limited Partnership)

By: /s/ Wu Xia
Name: Wu Xia
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Tianjin Yuanjufu Business Management Partnership (Limited Partnership)
□□□□□□□□□□□□□□□□□□ □Seal□
/s/ Seal of Tianjin Yuanjufu Business Management Partnership (Limited Partnership)

By: /s/ Wei Zhe
Name: WEI Zhe
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Tianjin Tianshu Xingfu Corporation Management L.P.
□□□□□□□□□□□□□□□□□□□□ □Seal□
/s/ Seal of Tianjin Tianshu Xingfu Corporation Management L.P.

By: /s/ Sun Junjie
Name: Sun Junjie
Title: Authorized Signatory

Exhibit 10.6

SHARE REPURCHASE AGREEMENT

This **SHARE REPURCHASE AGREEMENT** (this "**Agreement**") is made and entered into as of October 1, 2019 by and between Genetron Holdings Limited (□□□□□(□□)□□□□), an exempted company organized and existing under the laws of the Cayman Islands (the "**Company**"), and EASY BENEFIT INVESTMENT LIMITED, a company organized and existing under the laws of the British Virgin Islands (the "**Seller**").

WHEREAS, the Seller is the shareholder of the Company, which holds certain number of shares of the Company.

WHEREAS, the Company proposes to repurchase 2,355,500 series A-1 preferred shares of a par value US$0.00002 each of the Company (the "**Series A-1 Preferred Shares**") and 2,216,000 series A-2 preferred shares of a par value US$0.00002 each of the Company (collectively, the "**Repurchased Shares**") from the Seller, and the Seller desires to sell the Repurchased Shares to the Company under the terms and conditions of this Agreement.

WHEREAS, the Company, VIVO CAPITAL FUND IX, L.P. (the "**VIVO**") and other parties thereto have entered into a Series C-2 Preferred Shares Purchase Agreement dated October 1, 2019 (the "**Series C-2 Preferred Shares Purchase Agreement**"), under which VIVO has agreed to purchase from the Company, and the Company has agreed to sell to VIVO, certain number of Series C-2 Preferred Shares (as defined in the Series C-2 Preferred Shares Purchase Agreement) of the Company.

In consideration of the foregoing recitals and the mutual promises hereinafter set forth, the sufficiency and adequacy of which consideration the parties hereby acknowledge, the parties hereto, intending to be legally bound, agree as follows:

1. Sale and Repurchase. At the day before the Closing (as defined in the Series C-2 Preferred Shares Purchase Agreement) and subject to the terms and conditions hereof (the "**Repurchase Closing**"), the Company shall purchase from the Seller, and the Seller shall sell, assign, convey and deliver to the Company the Repurchased Shares, at an aggregate purchase price of US$4,509,865 (the "**Repurchase Price**").

2. Repurchase Closing.

(a) At the Repurchase Closing, the Company shall update the register of members and cancel the Repurchased Shares. At the Repurchase Closing, the Seller shall surrender the share certificates representing the Repurchased Shares to the Company for cancellation, and the Company shall deliver substitute share certificates to the Seller to evidence remaining Series A-1 Preferred Shares owned by the Seller.

(b) Within twenty (20) days after the Repurchase Closing, but no later than November 30, 2019, the Repurchase Price shall be paid by the Company to the bank account as designated in advance by the Seller.

(c) Notwithstanding the foregoing, the Company shall be entitled to deduct the Holdback Amount (as defined below) from the Repurchase Price paid to the Seller as applicable in accordance with Section 5(a) hereof.

3. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Company at the date of this Agreement and as at the Repurchase Closing as follows:

(a) This Agreement has been duly executed and delivered and constitutes the valid and binding obligations of the Seller. The execution, delivery and performance of this Agreement and the transfer of the Repurchased Shares by the Seller have been duly authorized by all necessary action of the Seller.

(b) The Seller is the sole record and beneficial owner of the Repurchased Shares, free and clear of all liens, security interests, pledges, encumbrances and restrictions of every character whatsoever.

(c) The Seller has not otherwise offered, sold, transferred or otherwise disposed of, or pledged, granted a security interest in or lien on, or otherwise encumbered, any of the Repurchased Shares.

4. Representations and Warranties of the Company. The Company hereby represents and warrants to the Seller that all corporate action on the part of the Company necessary for the authorization of this Agreement and the performance of all obligations of the Company hereunder at the Repurchase Closing has been taken. Upon its execution and delivery, this Agreement will be valid and binding obligations of the Company, enforceable in accordance with its terms.

5. Covenants.

(a) The Seller hereby agrees and acknowledges that it will file any and all tax reports and timely pay any tax due required under the applicable laws before the Repurchase Closing (including but not limited to the Announcement of the SAT on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-Resident Enterprises promulgated by the SAT in February 3, 2015 (2015□2□3□□□□□□□□□□□□□□□□□□□□□□□□□□□□)(the "**Announcement 7**")) in connection with the transaction contemplated by this Agreement, and the Company shall have no obligations to pay or withhold any tax of any nature that is required by the applicable laws to be paid by the Seller (or its affiliates) in connection with the transaction contemplated by this Agreement. The Seller shall provide a copy of (i) the full set of its application or reporting documents and materials submitted to the relevant tax authorities in connection with the transaction contemplated by this Agreement, together with all proof or confirmation of submission or delivery and return receipts, as promptly as reasonably practicable after each relevant submission and (ii) the corresponding acknowledgements from the tax authorities as promptly as reasonably practicable after the receipt of such acknowledgements.

If the Seller has not made such filing and payment before the Repurchase Closing, the Company shall be entitled to deduct an amount equal to 10% of the Repurchase Price of the Seller (the "**Holdback Amount**") before paying the Repurchase Price to the Seller, and shall be entitled to, at the costs of the Seller, make the filling and pay the tax due required under Announcement 7 in connection with the transaction contemplated by this Agreement on behalf of the Seller. If the Holdback Amount is not enough to cover the costs incurred and tax paid, the Company shall be entitled to claim compensation/reimbursement from the Seller. If the Holdback Amount exceeds the costs incurred and tax paid, the Company shall refund the rest to the Seller. The Seller shall provide to the Company on the date hereof all the documentation necessary for the said filing.

(b) The Seller shall indemnify the Company for any failure to withhold claims brought by any applicable governmental tax bureau or authority, and for any losses, damages, and costs incurred by it as a result of the failure by the Seller (or its affiliates) to fulfill any tax obligations as required by the applicable laws, including without limitation any taxes, late payment fees, penalties or fines imposed by any tax authorities in any applicable jurisdiction (including People's Republic of China), in connection with the transaction contemplated by this Agreement.

6. Further Assurances. Each party shall execute and deliver such additional instruments, documents and other writings as may be reasonably requested by the other party, before or after the Repurchase Closing, in order to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

7. Governing Law and Dispute Resolution. This Agreement shall be governed in all respects by the laws of Hong Kong, without giving effect to the principles of conflicts of laws thereunder. The parties shall first make their endeavors to settle any dispute arising from the interpretation and performance hereof through friendly negotiations. Should the dispute fail to be settled within sixty (60) days from the commencement of friendly negotiations or a longer time limit as may be mutually agreed by the parties, any party may submit the dispute to Hong Kong International Arbitration Center ("**HKIAC**"). The arbitration tribunal shall apply the HKIAC Administered Arbitration Rules, as in effect at the time of the arbitration. The arbitration tribunal shall consist of three arbitrators. The language to be used in the arbitral proceedings shall be English. The award of the arbitration tribunal shall be final and binding upon the parties. The cost of arbitration shall be borne by the losing party.

8. Entire Agreement. This Agreement and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regards to the subjects hereof and no party shall be liable or bound to any other in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein and therein.

9. Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

10. Amendment. This Agreement may be amended or modified only upon the written consent of the Company and the Seller.

11. Termination. This Agreement may be terminated as between the Company on one hand and the Seller on the other hand (i) by mutual written consent of the Company and the Seller, (ii) by the Company if the Closing (as defined in the Series C-2 Preferred Shares Purchase Agreement) has not occurred after the signing of this Agreement. In the event of termination, this Agreement shall be *void ab initio* and of no further force and effect.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have executed the SHARE REPURCHASE AGREEMENT as of the date set forth in the first paragraph hereof.

Genetron Holdings Limited (□□□□□(□□)□□□□)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

[Signature Page to Share Repurchase Agreement]

IN WITNESS WHEREOF, the parties hereto have executed the SHARE REPURCHASE AGREEMENT as of the date set forth in the first paragraph hereof.

EASY BENEFIT INVESTMENT LIMITED

By: /s/ KUNG Hung Ka
Name: KUNG Hung Ka
Title: Authorized Signatory

[Signature Page to Share Repurchase Agreement]

Exhibit 10.7

SHARE REPURCHASE AGREEMENT

This **SHARE REPURCHASE AGREEMENT** (this "**Agreement**") is made and entered into as of October 1, 2019 by and between Genetron Holdings Limited (□□□□□(□□)□□□□), an exempted company organized and existing under the laws of the Cayman Islands (the "**Company**"), and Parkland Medtech Limited, an exempted company organized and existing under the laws of the Cayman Islands (the "**Seller**").

WHEREAS, the Seller is the shareholder of the Company, which holds 8,400,000 series A-1 preferred shares of a par value US$0.00002 each of the Company (the "**Series A-1 Preferred Shares**").

WHEREAS, the Company proposes to repurchase 840,000 Series A-1 Preferred Shares (the "**Repurchased Shares**") from the Seller, and the Seller desires to sell the Repurchased Shares to the Company under the terms and conditions of this Agreement.

WHEREAS, the Company, VIVO CAPITAL FUND IX, L.P. (the "**VIVO**") and other parties thereto have entered into a Series C-2 Preferred Shares Purchase Agreement dated October 1, 2019 (the "**Series C-2 Preferred Shares Purchase Agreement**"), under which VIVO has agreed to purchase from the Company, and the Company has agreed to sell to VIVO, certain number of Series C-2 Preferred Shares (as defined in the Series C-2 Preferred Shares Purchase Agreement) of the Company.

In consideration of the foregoing recitals and the mutual promises hereinafter set forth, the sufficiency and adequacy of which consideration the parties hereby acknowledge, the parties hereto, intending to be legally bound, agree as follows:

1. Sale and Repurchase. At the day before the Closing (as defined in the Series C-2 Preferred Shares Purchase Agreement) and subject to the terms and conditions hereof (the "**Repurchase Closing**"), the Company shall purchase from the Seller, and the Seller shall sell, assign, convey and deliver to the Company the Repurchased Shares, at an aggregate purchase price of US$ 828,675 (the "**Repurchase Price**").

2. Repurchase Closing.

(a) At the Repurchase Closing, the Company shall update the register of members and cancel the Repurchased Shares. At the Repurchase Closing, the Seller shall surrender the share certificate representing the Repurchased Shares to the Company for cancellation, and the Company shall deliver substitute share certificate to the Seller to evidence remaining Series A-1 Preferred Shares owned by the Seller.

(b) Within twenty (20) days after the Repurchase Closing, the Repurchase Price shall be paid by the Company to the bank account as designated in advance by the Seller.

(c) Notwithstanding the foregoing, the Company shall be entitled to deduct the Holdback Amount (as defined below) from the Repurchase Price paid to the Seller as applicable in accordance with Section 5 hereof.

3. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Company at the date of this Agreement and as at the Repurchase Closing as follows:

(a) This Agreement has been duly executed and delivered and constitutes the valid and binding obligations of the Seller. The execution, delivery and performance of this Agreement and the transfer of the Repurchased Shares by the Seller have been duly authorized by all necessary action of the Seller.

(b) The Seller is the sole record and beneficial owner of the Repurchased Shares, free and clear of all liens, security interests, pledges, encumbrances and restrictions of every character whatsoever.

(c) The Seller has not otherwise offered, sold, transferred or otherwise disposed of, or pledged, granted a security interest in or lien on, or otherwise encumbered, any of the Repurchased Shares.

4. Representations and Warranties of the Company. The Company hereby represents and warrants to the Seller that all corporate action on the part of the Company necessary for the authorization of this Agreement and the performance of all obligations of the Company hereunder at the Repurchase Closing has been taken. Upon its execution and delivery, this Agreement will be valid and binding obligations of the Company, enforceable in accordance with its terms.

5. Covenants. The Seller and the Company hereby agree that the Company shall be entitled to deduct an amount equal to 10% of the Repurchase Price of the Seller (the “**Holdback Amount**”) before paying the Repurchase Price to the Seller, and shall be entitled to, at the costs of the Seller, make the filling and pay the tax due as required under the Announcement of the SAT on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-Resident Enterprises promulgated by the SAT in February 3, 2015 (2015□2□3□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□) in connection with the transaction contemplated by this Agreement on behalf of the Seller. If the Holdback Amount is not enough to cover the costs incurred and tax paid, the Company shall be entitled to claim compensation/reimbursement from the Seller. If the Holdback Amount exceeds the costs incurred and tax paid, the Company shall refund the rest to the Seller. The Seller shall provide to the Company on the date hereof all the documentation necessary for the said filing.

6. Further Assurances. Each party shall execute and deliver such additional instruments, documents and other writings as may be reasonably requested by the other party, before or after the Repurchase Closing, in order to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

7. Governing Law and Dispute Resolution. This Agreement shall be governed in all respects by the laws of Hong Kong, without giving effect to the principles of conflicts of laws thereunder. The parties shall first make their endeavors to settle any dispute arising from the interpretation and performance hereof through friendly negotiations. Should the dispute fail to be settled within sixty (60) days from the commencement of friendly negotiations or a longer time limit as may be mutually agreed by the parties, any party may submit the dispute to Hong Kong International Arbitration Center (“**HKIAC**”). The arbitration tribunal shall apply the HKIAC Administered Arbitration Rules, as in effect at the time of the arbitration. The arbitration tribunal shall consist of three arbitrators. The language to be used in the arbitral proceedings shall be English. The award of the arbitration tribunal shall be final and binding upon the parties. The cost of arbitration shall be borne by the losing party.

8. Entire Agreement. This Agreement and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regards to the subjects hereof and no party shall be liable or bound to any other in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein and therein.

9. Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

10. Amendment. This Agreement may be amended or modified only upon the written consent of the Company and the Seller.

11. Termination. This Agreement may be terminated as between the Company on one hand and the Seller on the other hand (i) by mutual written consent of the Company and the Seller, (ii) by the Company if the Closing (as defined in the Series C-2 Preferred Shares Purchase Agreement) has not occurred after the signing of this Agreement. In the event of termination, this Agreement shall be *void ab initio* and of no further force and effect, and the Seller shall return to the Company the amount having been actually received from the Company and the Company shall deliver to the Seller a share certificate representing 840,000 Series A-1 Preferred Shares within 60 days upon the termination.

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IN WITNESS WHEREOF, the parties hereto have executed the SHARE REPURCHASE AGREEMENT as of the date set forth in the first paragraph hereof.

Genetron Holdings Limited (□□□□□(□□)□□□□)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

[Signature Page to Share Repurchase Agreement]

IN WITNESS WHEREOF, the parties hereto have executed the SHARE REPURCHASE AGREEMENT as of the date set forth in the first paragraph hereof.

Parkland Medtech Limited

By: /s/ Xu Hang
Name: Xu Hang
Title: Authorized Signatory

[Signature Page to Share Repurchase Agreement]

Exhibit 10.8

SHARE REPURCHASE AGREEMENT

This **SHARE REPURCHASE AGREEMENT** (this "**Agreement**") is made and entered into as of October 1, 2019 by and between Genetron Holdings Limited (□□□□□(□□)□□□□), an exempted company organized and existing under the laws of the Cayman Islands (the "**Company**"), and CrowdBees Holdings Limited, a company organized and existing under the laws of the British Virgin Islands (the "**Seller**").

WHEREAS, the Seller is the shareholder of the Company, which holds 1,521,500 series B preferred shares of a par value US$0.00002 each of the Company (the "**Series B Preferred Shares**").

WHEREAS, the Company proposes to repurchase 1,521,500 Series B Preferred Shares (the "**Repurchased Shares**") from the Seller, and the Seller desires to sell the Repurchased Shares to the Company under the terms and conditions of this Agreement.

WHEREAS, the Company, VIVO CAPITAL FUND IX, L.P. (the "**VIVO**") and other parties thereto have entered into a Series C-2 Preferred Shares Purchase Agreement dated October 1, 2019 (the "**Series C-2 Preferred Shares Purchase Agreement**"), under which VIVO has agreed to purchase from the Company, and the Company has agreed to sell to VIVO, certain number of Series C-2 Preferred Shares (as defined in the Series C-2 Preferred Shares Purchase Agreement) of the Company.

In consideration of the foregoing recitals and the mutual promises hereinafter set forth, the sufficiency and adequacy of which consideration the parties hereby acknowledge, the parties hereto, intending to be legally bound, agree as follows:

1. Sale and Repurchase. At the day before the Closing (as defined in the Series C-2 Preferred Shares Purchase Agreement) and subject to the terms and conditions hereof (the "**Repurchase Closing**"), the Company shall purchase from the Seller, and the Seller shall sell, assign, convey and deliver to the Company the Repurchased Shares, at an aggregate purchase price of US$1,500,987 (the "**Repurchase Price**").

2. Repurchase Closing.

(a) At the Repurchase Closing, the Company shall update the register of members and cancel the Repurchased Shares. At the Repurchase Closing, the Seller shall surrender the share certificates representing the Repurchased Shares to the Company for cancellation.

(b) Within twenty (20) days after the Repurchase Closing, the Repurchase Price shall be paid by the Company to the bank account as designated in advance by the Seller.

(c) Notwithstanding the foregoing, the Company shall be entitled to deduct the Holdback Amount (as defined below) from the Repurchase Price paid to the Seller as applicable in accordance with Section 5(a) hereof.

3. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Company at the date of this Agreement and as at the Repurchase Closing as follows:

(a) This Agreement has been duly executed and delivered and constitutes the valid and binding obligations of the Seller. The execution, delivery and performance of this Agreement and the transfer of the Repurchased Shares by the Seller have been duly authorized by all necessary action of the Seller.

(b) The Seller is the sole record and beneficial owner of the Repurchased Shares, free and clear of all liens, security interests, pledges, encumbrances and restrictions of every character whatsoever.

(c) The Seller has not otherwise offered, sold, transferred or otherwise disposed of, or pledged, granted a security interest in or lien on, or otherwise encumbered, any of the Repurchased Shares.

4. Representations and Warranties of the Company. The Company hereby represents and warrants to the Seller that all corporate action on the part of the Company necessary for the authorization of this Agreement and the performance of all obligations of the Company hereunder at the Repurchase Closing has been taken. Upon its execution and delivery, this Agreement will be valid and binding obligations of the Company, enforceable in accordance with its terms.

5. Covenants.

(a) The Seller hereby agrees and acknowledges that it will file any and all tax reports and timely pay any tax due required under the applicable laws before the Repurchase Closing (including but not limited to the Announcement of the SAT on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-Resident Enterprises promulgated by the SAT in February 3, 2015 (2015□2□3□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□)(the "**Announcement 7**")) in connection with the transaction contemplated by this Agreement, and the Company shall have no obligations to pay or withhold any tax of any nature that is required by the applicable laws to be paid by the Seller (or its affiliates) in connection with the transaction contemplated by this Agreement. The Seller shall provide a copy of (i) the full set of its application or reporting documents and materials submitted to the relevant tax authorities in connection with the transaction contemplated by this Agreement, together with all proof or confirmation of submission or delivery and return receipts, as promptly as reasonably practicable after each relevant submission and (ii) the corresponding acknowledgements from the tax authorities as promptly as reasonably practicable after the receipt of such acknowledgements.

If the Seller has not made such filing and payment before the Repurchase Closing, the Company shall be entitled to deduct an amount equal to 10% of the Repurchase Price of the Seller (the "**Holdback Amount**") before paying the Repurchase Price to the Seller, and shall be entitled to, at the costs of the Seller, make the filling and pay the tax due required under Announcement 7 in connection with the transaction contemplated by this Agreement on behalf of the Seller. If the Holdback Amount is not enough to cover the costs incurred and tax paid, the Company shall be entitled to claim compensation/reimbursement from the Seller. If the Holdback Amount exceeds the costs incurred and tax paid, the Company shall refund the rest to the Seller. The Seller shall provide to the Company on the date hereof all the documentation necessary for the said filing.

(b) The Seller shall indemnify the Company for any failure to withhold claims brought by any applicable governmental tax bureau or authority, and for any losses, damages, and costs incurred by it as a result of the failure by the Seller (or its affiliates) to fulfill any tax obligations as required by the applicable laws, including without limitation any taxes, late payment fees, penalties or fines imposed by any tax authorities in any applicable jurisdiction (including People's Republic of China), in connection with the transaction contemplated by this Agreement.

6. Further Assurances. Each party shall execute and deliver such additional instruments, documents and other writings as may be reasonably requested by the other party, before or after the Repurchase Closing, in order to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

7. Governing Law and Dispute Resolution. This Agreement shall be governed in all respects by the laws of Hong Kong, without giving effect to the principles of conflicts of laws thereunder. The parties shall first make their endeavors to settle any dispute arising from the interpretation and performance hereof through friendly negotiations. Should the dispute fail to be settled within sixty (60) days from the commencement of friendly negotiations or a longer time limit as may be mutually agreed by the parties, any party may submit the dispute to Hong Kong International Arbitration Center ("**HKIAC**"). The arbitration tribunal shall apply the HKIAC Administered Arbitration Rules, as in effect at the time of the arbitration. The arbitration tribunal shall consist of three arbitrators. The language to be used in the arbitral proceedings shall be English. The award of the arbitration tribunal shall be final and binding upon the parties. The cost of arbitration shall be borne by the losing party.

8. Entire Agreement. This Agreement and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regards to the subjects hereof and no party shall be liable or bound to any other in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein and therein.

9. Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

10. Amendment. This Agreement may be amended or modified only upon the written consent of the Company and the Seller.

11. Termination. This Agreement may be terminated as between the Company on one hand and the Seller on the other hand (i) by mutual written consent of the Company and the Seller, (ii) by the Company if the Closing (as defined in the Series C-2 Preferred Shares Purchase Agreement) has not occurred after the signing of this Agreement. In the event of termination, this Agreement shall be *void ab initio* and of no further force and effect.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have executed the SHARE REPURCHASE AGREEMENT as of the date set forth in the first paragraph hereof.

Genetron Holdings Limited (□□□□□(□□)□□□□)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

[Signature Page to Share Repurchase Agreement]

IN WITNESS WHEREOF, the parties hereto have executed the SHARE REPURCHASE AGREEMENT as of the date set forth in the first paragraph hereof.

CrowdBees Holdings Limited

By: /s/ CAI Cong
Name: CAI Cong
Title: Authorized Signatory

[Signature Page to Share Repurchase Agreement]

SHARE REPURCHASE AGREEMENT

This **SHARE REPURCHASE AGREEMENT** (this "**Agreement**") is made and entered into as of October 1, 2019 by and among

(1) Genetron Holdings Limited (□□□□□(□□)□□□□), an exempted company organized and existing under the laws of the Cayman Islands (the "**Company**")

(2) Each of the individuals as set forth in Part I of Schedule I attached hereto (the "**Individual Sellers**", and each an "**Individual Seller**"); and

(3) Each of the entities as set forth in Part II of Schedule I attached hereto (the "**Institution Sellers**", and each an "**Institution Seller**"; collectively with Individual Sellers, the "**Sellers**", and each a "**Seller**").

WHEREAS, the Sellers are the shareholders of the Company, which hold certain number of ordinary shares of a par value US$0.00002 each of the Company (the "**Ordinary Shares**").

WHEREAS, the Company proposes to repurchase 8,272,000 Ordinary Shares from the Sellers (the "**Repurchased Shares**"), and the Sellers desire to sell the Repurchased Shares to the Company under the terms and conditions of this Agreement.

WHEREAS, the Company, VIVO CAPITAL FUND IX, L.P. (the "**VIVO**") and other parties thereto have entered into a Series C-2 Preferred Shares Purchase Agreement dated October 1, 2019 (the "**Series C-2 Preferred Shares Purchase Agreement**"), under which VIVO has agreed to purchase from the Company, and the Company has agreed to sell to VIVO, certain number of Series C-2 Preferred Shares (as defined in the Series C-2 Preferred Shares Purchase Agreement) of the Company.

In consideration of the foregoing recitals and the mutual promises hereinafter set forth, the sufficiency and adequacy of which consideration the parties hereby acknowledge, the parties hereto, intending to be legally bound, agree as follows:

1. Sale and Repurchase. At the day before the Closing (as defined in the Series C-2 Preferred Shares Purchase Agreement) and subject to terms and conditions hereof (the "**Repurchase Closing**"), the Company shall purchase from each of the Sellers, and each of the Sellers shall severally and not jointly sell, assign, convey and deliver to the Company that number of Ordinary Shares as set forth opposite such Seller's name in Schedule I, at the aggregate purchase price set forth opposite such Seller's name in Schedule I (the "**Repurchase Price**").

2. Repurchase Closing.

(a) At the Repurchase Closing, the Company shall update the register of members and cancel the Repurchased Shares. At the Repurchase Closing, the Sellers shall surrender the share certificates representing the Repurchased Shares to the Company for cancellation, and the Company shall deliver substitute share certificates to the Sellers to evidence remaining Ordinary Shares owned by the Sellers.

(b) Within twenty (20) days after the Repurchase Closing, the respective Repurchase Price shall be paid by the Company to the bank accounts as designated in advance by such Sellers.

(c) Notwithstanding the foregoing, the Company shall be entitled to deduct the Holdback Amount (as defined below) from the respective Repurchase Price paid to such Institutional Seller as applicable in accordance with Section 5(b) hereof.

3. Representations and Warranties of the Sellers. The Sellers hereby severally and not jointly represent and warrant to the Company at the date of this Agreement and as at the Repurchase Closing as follows:

(a) This Agreement has been duly executed and delivered and constitutes the valid and binding obligations of each Seller. The execution, delivery and performance of this Agreement and the transfer of the Repurchased Shares by each Seller have been duly authorized by all necessary action of such Seller.

(b) Each Seller is the sole record and beneficial owner of the respective Repurchased Shares, free and clear of all liens, security interests, pledges, encumbrances and restrictions of every character whatsoever.

(c) Each Seller has not otherwise offered, sold, transferred or otherwise disposed of, or pledged, granted a security interest in or lien on, or otherwise encumbered, any of the Repurchased Shares.

4. Representations and Warranties of the Company. The Company hereby represents and warrants to the Sellers that all corporate action on the part of the Company necessary for the authorization of this Agreement and the performance of all obligations of the Company hereunder at the Repurchase Closing has been taken. Upon its execution and delivery, this Agreement will be valid and binding obligations of the Company, enforceable in accordance with its terms.

5. Covenants.

(a) Each of the Individual Sellers hereby severally and not jointly agrees and covenants that (a) he shall fulfill all tax filing and payment obligations that are required by the applicable laws to be fulfilled by him in connection with the transactions contemplated by this Agreement, including the receipt of the Repurchase Price, and (b) the Company shall have no obligations to pay or withhold any tax of any nature that is required by the applicable laws to be paid by the Individual Sellers (or their affiliates) in connection with the transactions contemplated by this Agreement.

(b) Each of the Institution Sellers hereby severally and not jointly agrees and acknowledges that it will file any and all tax reports and timely pay any tax due required under the applicable laws before the Repurchase Closing (including but not limited to the Announcement of the SAT on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-Resident Enterprises promulgated by the SAT in February 3, 2015 (2015□2□3□□)(the “**Announcement 7**”)) in connection with the transactions contemplated by this Agreement, and the Company shall have no obligations to pay or withhold any tax of any nature that is required by the applicable laws to be paid by the Institution Sellers (or their affiliates) in connection with the transactions contemplated by this Agreement. Each of the Institution Sellers shall provide a copy of (i) the full set of their respective application or reporting documents and materials submitted to the relevant tax authorities in connection with the transactions contemplated by this Agreement, together with all proof or confirmation of submission or delivery and return receipts, as promptly as reasonably practicable after each relevant submission and (ii) the corresponding acknowledgements from the tax authorities as promptly as reasonably practicable after the receipt of such acknowledgements.

If any Institution Seller have not made such filing and payment before the Repurchase Closing, the Company shall be entitled to deduct an amount equal to 10% of the Repurchase Price of each Institution Seller (the "**Holdback Amount**") before paying the respective Repurchase Price to such Institution Seller, and shall be entitled to, at the costs of such Institution Seller, make the filling and pay the tax due required under Announcement 7 in connection with the transactions contemplated by this Agreement on behalf of such Institution Seller. If the Holdback Amount is not enough to cover the costs incurred and tax paid, the Company shall be entitled to claim compensation/reimbursement from the respective Institution Sellers. If the Holdback Amount exceeds the costs incurred and tax paid, the Company shall refund the rest to the respective Institution Sellers. Each of the Sellers shall provide to the Company on the date hereof all the documentation necessary for the said filing.

(c) Each of the Sellers shall severally and not jointly indemnify the Company for any failure to withhold claims brought by any applicable governmental tax bureau or authority, and for any losses, damages, and costs incurred by any of them as a result of the failure by such Sellers (or their affiliates) to fulfill any tax obligations as required by the applicable laws, including without limitation any taxes, late payment fees, penalties or fines imposed by any tax authorities in any applicable jurisdiction (including People's Republic of China), in connection with the transactions contemplated by this Agreement.

6. Further Assurances. Each party shall execute and deliver such additional instruments, documents and other writings as may be reasonably requested by the other parties, before or after the Repurchase Closing, in order to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

7. Governing Law and Dispute Resolution. This Agreement shall be governed in all respects by the laws of Hong Kong, without giving effect to the principles of conflicts of laws thereunder. The parties shall first make their endeavors to settle any dispute arising from the interpretation and performance hereof through friendly negotiations. Should the dispute fail to be settled within sixty (60) days from the commencement of friendly negotiations or a longer time limit as may be mutually agreed by the parties, any party may submit the dispute to Hong Kong International Arbitration Center ("**HKIAC**"). The arbitration tribunal shall apply the HKIAC Administered Arbitration Rules, as in effect at the time of the arbitration. The arbitration tribunal shall consist of three arbitrators. The language to be used in the arbitral proceedings shall be English. The award of the arbitration tribunal shall be final and binding upon the parties. The cost of arbitration shall be borne by the losing party.

8. Entire Agreement. This Agreement and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regards to the subjects hereof and no party shall be liable or bound to any other in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein and therein.

9. Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

10. Amendment. This Agreement may be amended or modified only upon the written consent of the Company and the Sellers.

11. Termination. This Agreement may be terminated as between the Company on one hand and the Sellers on the other hand (i) by mutual written consent of the Company and such Sellers, (ii) by the Company if the Closing (as defined in the Series C-2 Preferred Shares Purchase Agreement) has not occurred after the signing of this Agreement. In the event of termination, this Agreement shall be *void ab initio* and of no further force and effect.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have executed the SHARE REPURCHASE AGREEMENT as of the date set forth in the first paragraph hereof.

Genetron Holdings Limited (□□□□□(□□)□□□□)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

[Signature Page to Share Repurchase Agreement]

IN WITNESS WHEREOF, the parties hereto have executed the SHARE REPURCHASE AGREEMENT as of the date set forth in the first paragraph hereof.

FHP Holdings Limited

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

[Signature Page to Share Repurchase Agreement]

IN WITNESS WHEREOF, the parties hereto have executed the SHARE REPURCHASE AGREEMENT as of the date set forth in the first paragraph hereof.

/s/ Yan Hai
Yan Hai

[Signature Page to Share Repurchase Agreement]

IN WITNESS WHEREOF, the parties hereto have executed the SHARE REPURCHASE AGREEMENT as of the date set forth in the first paragraph hereof.

/s/ He Weiwu

He Weiwu

[Signature Page to Share Repurchase Agreement]

IN WITNESS WHEREOF, the parties hereto have executed the SHARE REPURCHASE AGREEMENT as of the date set forth in the first paragraph hereof.

Genetron Voyage Holdings Limited

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

[Signature Page to Share Repurchase Agreement]

IN WITNESS WHEREOF, the parties hereto have executed the SHARE REPURCHASE AGREEMENT as of the date set forth in the first paragraph hereof.

Genetron United Holdings Limited

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

[Signature Page to Share Repurchase Agreement]

Exhibit 10.10

SERIES C-2 PREFERRED SHARES PURCHASE AGREEMENT

THIS SERIES C-2 PREFERRED SHARES PURCHASE AGREEMENT (the "**Agreement**") is made and entered into as of October 1, 2019 by and among:

1. Genetron Holdings Limited (□□□□□□□□□□□□□□), an exempted company with limited liability organized and existing under the laws of the Cayman Islands (the "**Company**");

2. Genetron Health (Hong Kong) Company Limited (□□□□□(□□)□□□□), a company organized and existing under the laws of Hong Kong (the "**HK Co.**");

3. Genetron (Tianjin) Co., Ltd (□□□□□□□□□□), a wholly foreign owned enterprise organized and existing under the laws of the PRC (the "**WFOE**");

4. Genetron Health (Beijing) Co., Ltd. (□□□□□□□□□□□□□□), a limited liability company organized and existing under the laws of PRC (the "**PRC Affiliate**");

5. Each of the persons as set forth in Table A of Schedule I attached hereto (the "**Founders**" and each, a "**Founder**");

6. The entity as set forth in Table B of Schedule I attached hereto (the "**BVI Company**"); and

7. VIVO CAPITAL FUND IX, L.P., a limited partnership organized and existing under the laws of the United States (the "**Investor**" or "**VIVO**").

Each company as set forth in Table C of Schedule I attached hereto are referred to collectively herein as the "**PRC Subsidiaries**" and each, a "**PRC Subsidiary**". The WFOE, PRC Affiliate, PRC Subsidiaries and all their direct or indirect subsidiaries and branches incorporated in PRC are referred to collectively herein as the "**PRC Companies**", and each, a "**PRC Company**". The Company, the HK Co. and the PRC Companies are referred to collectively herein as the "**Group Companies**", and each a "**Group Company**".

Each of the foregoing Parties is referred to herein individually as a "**Party**" and collectively as the "**Parties**".

Capitalized terms used herein without definition have the meanings assigned to them in Annex A attached to this Agreement. The use of any term defined in Annex A in its un-capitalized form indicates that the words have their normal and general meaning.

RECITALS

A. The Company desires to issue and sell to the Investor, and the Investor desires to purchase from the Company certain number of Series C-2 Preferred Shares on the terms and conditions set forth in this Agreement;

B. The Group Companies are engaged in the business of precision oncology based on molecular information (the "**Business**").

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

AGREEMENT TO PURCHASE AND SELL SHARES

SECTION 1.01 Agreement to Purchase and Sell Purchased Shares.

Subject to the terms and conditions set forth herein, the Company agrees to issue and sell to the Investor, and the Investor shall purchase from the Company 15,205,000 Series C-2 Preferred Shares (the "**Purchased Shares**") at the aggregate purchase price of US$ 15,000,000 (the "**Purchase Price**") upon the Closing (as defined in the Section 2.01 below), and having the rights, privileges and restrictions as set forth in the Restated Articles and the Shareholders Agreement.

SECTION 1.02 Transfer of Funds.

Within ten (10) business days after the Closing (as defined in Section 2.01), the Investor shall pay the Purchase Price by wire transfer of US$ in immediately available funds to a bank account as designated by the Company under Schedule IV hereof.

SECTION 1.03 Post-Investment Capitalization Structure.

Following the Closing (as defined below), the post-investment capitalization structure of the Company on an as-converted and fully-diluted basis (without regard to issuance and sale of Series D Preferred Shares and reservation of ordinary shares pursuant to the Company's 2019 New Share Incentive Plan as contemplated under the Series D Purchase Agreement) shall be as set forth in Schedule III.

ARTICLE II

CLOSING; DELIVERY

SECTION 2.01 Closing.

The closing of the issuance and sale of the Purchased Shares shall take place remotely via the exchange of documents and signatures as soon as practicable after all the closing conditions as set forth in Article VI and Article VII hereof have been satisfied or waived (other than those conditions to be satisfied at the Closing, but subject to the satisfaction or otherwise written waiver thereof at the Closing), or at such other time and place as the Company and the Investor may mutually agree in writing (the "**Closing**", and the date for Closing is defined as the "**Closing Date**"). The Parties agree that the Closing shall take place (i) simultaneously with the closing of the issuance and sale of Series D Preferred Shares as contemplated under the Series D Purchase Agreement (the "**Series D Closing**") and (ii) after the completion of the repurchase and sale of certain shares of the Company as contemplated under the resolutions adopted by the Company's shareholders before the Closing.

SECTION 2.02 Delivery.

At the Closing, in addition to any items the delivery of which is made an express condition to the Investor's obligations at the Closing pursuant to Article VI, the Company shall deliver to the Investor (i) a copy of the updated register of members of the Company, certified by the registered agent of the Company, showing the Investor as the holder of the Purchased Shares purchased by the Investor hereunder at the Closing which shares are recorded as fully paid, (ii) a copy of the updated register of directors of the Company, certified by the registered agent of the Company, evidencing the appointment of the VIVO Director (as appointed pursuant to Section 6.11 hereof) and (iii) a copy of the share certificate or certificates duly signed by a director of the Company to the Investor representing the Purchased Shares issued in the name of the Investor. Within ten (10) business days upon the Closing, the Company shall deliver the original share certificate to the Investor representing the Purchased Shares purchased by the Investor, duly signed and sealed for and on behalf of the Company.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE SELLER PARTIES

The Seller Parties hereby jointly and severally represent and warrant to the Investor the date hereof and the Closing Date as follows, subject to such exceptions as may be specially set forth in the Disclosure Schedule delivered by the Seller Parties to the Investor (the "**Disclosure Schedule**", attached as Exhibit A hereto) which forms part of the representation and warranties herein, and which, to the extent necessary, may be updated by the Seller Parties prior to the Closing provided that such updates shall not substantially amend or modify the Disclosure Schedule and the updated Disclosure Schedule shall be deemed to be the representation and warranties herein as of the date hereof and the Closing Date.

SECTION 3.01 Organization, Standing and Qualification.

Each Group Company is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the laws of the place of its incorporation or establishment and has all requisite power and authority to own its properties and assets and to carry on its business as now conducted and as proposed to be conducted, and to perform each of its obligations hereunder and under any agreement contemplated hereunder to which it is a party. Each Group Company is qualified to do business and is in good standing (or equivalent status in the relevant jurisdiction) in each jurisdiction. Each Group Company has a valid business license issued by the competent Governmental Authority (the Company has heretofore furnished or otherwise made available to the Investor a complete and correct copy of such license), and has, since its establishment, carried out its business in compliance with the business scope set forth in its business license.

SECTION 3.02 Capitalization.

The authorized share capital of the Company consists of the following:

(a) Ordinary Shares. Immediately prior to the Closing, a certain number of Ordinary Shares, which is the same with the number of Ordinary Shares immediately prior to the Series D Closing as stipulated in Series D Purchase Agreement, par value US$0.00002 per share of the Company.

(b) Preferred Shares. Immediately prior to the Closing, (i) a total of 47,600,000 authorized Series A-1 Preferred Shares, 44,404,500 of which are issued and outstanding; (ii) a total of 19,760,000 authorized Series A-2 Preferred Shares, 17,544,000 of which are issued and outstanding; (iii) a total of 43,363,500 authorized Series B Preferred Shares, 41,842,000 of which are issued and outstanding; (iv) a total of 60,359,500 authorized Series C-1 Preferred Shares, all of which are issued and outstanding; (v) a total of 15,205,000 authorized Series C-2 Preferred Shares, of which none was issued and outstanding; (vi) a certain number of Series D Preferred Shares, which are the same with the number of Series D Preferred Shares immediately prior to the Series D Closing as stipulated in Series D Purchase Agreement and of which none was issued and outstanding.

(c) Options, Reserved Shares. The Company has reserved enough Ordinary Shares for issuance upon the conversion of Preferred Shares. Except for (i) the conversion privileges of the Preferred Shares, (ii) the 33,961,500 Ordinary Shares reserved for issuance pursuant to the ESOP, (iii) a certain number of Ordinary Shares reserved for issuance to employees, officers, directors, or consultants of a Group Company as stipulated in Series D Purchase Agreement pursuant to the Company's 2019 New Share Incentive Plan to be approved by the Board, and (iv) the preemptive rights provided in the Shareholders Agreement and Control Documents, there are no options, warrants, conversion privileges, agreements or rights of any kind, orally or in writing, with respect to the issuance or purchase of the shares of any Group Company. Apart from the exceptions noted in this Section 3.02(c), the Shareholders Agreement and Control Documents, no shares (including the Purchased Shares and Conversion Shares) of any Group Companies' outstanding share capital, registered capital, or shares issuable upon exercise or exchange of any outstanding options or other shares issuable by any Group Company, are subject to any preemptive rights, rights of first refusal (except to the extent provided by applicable PRC Laws) or other rights of any kind to purchase such shares (whether in favor of any Group Company or any other person).

(d) Outstanding Security Holders. A complete and current list of all shareholders, option holders and other security holders of the Company as of the date hereof indicating the type and number of shares, options or other securities held by each such shareholder, option holder or other security holder is set forth in Section 3.02(d) of the Disclosure Schedule.

(e) No share plan, share purchase, share option or other agreement or understanding between the Company and any holder of any securities or rights exercisable or convertible for securities provides for acceleration or other changes in the vesting provisions or other terms of such agreement or understanding as the result of the occurrence of any event.

SECTION 3.03 Subsidiaries; Group Structure.

(a) Section 3.03(a) of the Disclosure Schedule sets forth a complete structure chart showing each of the Group Companies, and indicating the ownership and Control relationships among all Group Companies.

(b) Wang Sizhen Controls the BVI Company. The BVI Company does not presently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association, or other Person, except for certain equity interests in the Company. The BVI Company was formed solely to acquire and hold the equity interests in the Company and has no other business. The Company does not presently own or Control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association, or other Person, except for one hundred percent (100%) of the equity interests in the HK Co. who directly owns one hundred percent (100%) of the equity interests in the WFOE. The Company was formed solely to acquire and hold an equity interest in the HK Co. and since its formation has not engaged in any business and has not incurred any liability except in the ordinary course of acquiring, managing and disposing of its equity interest in the HK Co. The HK Co. was formed solely to acquire and hold the equity interests in the WFOE and has no other business, and has not incurred any Liability other than annual filing, maintenance and other standard fees. The equity interests in the WFOE are free and clear of all Liens, claims, charges and encumbrances, and no Person or entity other than the Company and the HK Co. have any right to participate in, or receive any payment based on any amount relating to, the revenue, income, value or net worth of the WFOE or any component or portion thereof, or any increase or decrease on any of the foregoing.

(c) Except as provided under the Transaction Documents and the Control Documents, there are no voting trusts, shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the equity interests to which of any of the PRC Companies is a party or is otherwise bound.

(d) Each of the PRC Companies does not maintain any offices or branches or subsidiaries except for its registered office, except for the Section 3.03(d) of the Disclosure Schedule.

SECTION 3.04 Due Authorization.

All corporate actions on the part of the Seller Parties and, as applicable, their respective Officers, directors and shareholders necessary for (i) the authorization, execution and delivery of, and the performance of the obligations of the Seller Parties under this Agreement or any other Transaction Document to which it is a party, the certificate of incorporation or other equivalent Charter Documents of any of the Group Companies (collectively with the Restated Articles, the "**Constitutional Documents**") and (ii) the authorization, issuance, reservation for issuance and delivery of all of the Purchased Shares being sold under this Agreement and of the Ordinary Shares issuable upon conversion of such Purchased Shares has been taken or will be taken prior to the Closing. Each of the Transaction Documents and the Constitutional Documents is or will, upon its execution be a valid and binding obligation of each Group Company enforceable in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

SECTION 3.05 Valid Issuance of Purchased Shares.

(a) The Purchased Shares and Conversion Shares when issued, sold and recorded on the shareholder register of the Company in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and non-assessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Documents and the Restated Articles, applicable state and federal securities laws and liens or encumbrances created by or imposed by an Investor. The Conversion Shares issuable upon conversion of the Purchased Shares has been duly reserved for issuance, and upon issuance in accordance with the terms of the Restated Articles and recorded on the shareholder register of the Company, will be validly issued, fully paid and non-assessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Documents and the Restated Articles, applicable federal and state securities laws and liens or encumbrances created by or imposed by an Investor. Based in part upon the representations of the Investor in Article IV of this Agreement, the Conversion Shares issuable upon conversion of the Purchased Shares will be issued in compliance with all applicable federal and state securities laws.

(b) All currently outstanding capital shares of the Company are duly and validly issued, fully paid and non-assessable, and all outstanding shares, options, warrants and other securities of the Company and each other Group Company have been issued in full compliance with the requirements of all applicable securities laws and regulations including, to the extent applicable, the registration and prospectus delivery requirements of the Securities Act, or in compliance with applicable exemptions therefrom, and all other provisions of applicable securities laws and regulations, including, without limitation, anti-fraud provisions.

SECTION 3.06 Governmental Consents and Filings.

No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority is required on the part of the Seller Party in connection with the consummation of the transactions contemplated by this Agreement and/or the other Transaction Documents, except for (i) the filing of the Restated Articles, which will have been filed as of the Closing, and (ii) filings pursuant to the Securities Act, and applicable state securities laws, which have been made or will be made in a timely manner.

SECTION 3.07 Liabilities.

Except as set forth in Section 3.07 of the Disclosure Schedule, no Group Company has any indebtedness for borrowed money that it has directly or indirectly created, incurred, assumed, or guaranteed, or with respect to which the Group Company has otherwise become directly or indirectly liable, except as reflected on the Financial Statements and none of the Group Companies is unable to pay its debts as and when such debts fall due or is subject to any insolvency proceedings or has had a receiver, liquidator or administrator appointed over its assets.

SECTION 3.08 Title to Properties and Assets.

Except as set forth in Section 3.08 of the Disclosure Schedule, each Group Company has good and marketable title to, or valid leasehold interest in, all of its respective properties and assets held in each case free of any Lien (other than Permitted Liens).

SECTION 3.09 Intellectual Property Rights.

(a) Company IP. Each Group Company owns or otherwise has sufficient rights (including but not limited to the rights of development, maintenance, licensing and sale) to or otherwise has the licenses to use all Intellectual Property necessary and sufficient to conduct its business as currently conducted and proposed to be conducted by such Group Company ("**Company IP**") without any known conflict with or known infringement of the rights of any other Person. Section 3.09(a) of the Disclosure Schedule sets forth a complete and accurate list of all Company Registered IP for each Group Company, including for each the relevant name or description, registration/certification or application number, and filing, registration or issue date.

(b) IP Ownership. Except as listed in Section 3.09(b) of the Disclosure Schedule, all Company Registered IP is owned by and registered or applied for solely in the name of a Group Company, is valid and subsisting and has not been abandoned, and all necessary registration, maintenance and renewal fees with respect thereto and currently due have been satisfied. No Group Company or any of its employees, Officers or directors has taken any actions or failed to take any actions that would cause any Company Owned IP to be invalid, unenforceable or not subsisting. No funding or facilities of a Governmental Authority or a university, college, other educational institution or research center was used in the development of any Company Owned IP. No Company Owned IP is the subject of any Lien, license or other Contract granting rights therein to any other Person. No Group Company is or has been a member or promoter of, or contributor to, any industry standards bodies, patent pooling organizations or similar organizations that could require or obligate a Group Company to grant or offer to any Person any license or right to any Company Owned IP. No Company Owned IP is subject to any proceeding or outstanding Governmental Order or settlement agreement or stipulation that (a) restricts in any manner the use, transfer or licensing thereof, or the making, using, sale, or offering for sale of any Group Companies' products or services, by any Group Company, or (b) may affect the validity, use or enforceability of such Company Owned IP. No Founder owns any Intellectual Property required and necessary to conduct the Business by any Group Company. No Group Company has (a) transferred or assigned any Company IP; (b) authorized the joint ownership of, any Company IP; or (c) permitted the rights of any Group Company in any Company IP to lapse or enter the public domain.

(c) Infringement, Misappropriation and Claims. No Group Company has violated, infringed or misappropriated any Intellectual Property of any other Person, nor has any Group Company received any written notice alleging any of the foregoing. To the Knowledge of the Seller Parties, no Person has violated, infringed or misappropriated any Company IP of any Group Company, and no Group Company has given any written notice to any other Person alleging any of the foregoing. No Group Company has received any written notice from any Person that challenged the ownership or use of any Company IP by a Group Company. No Group Company has agreed to indemnify any Person for any infringement, violation or misappropriation of any Intellectual Property by such Person.

(d) Assignments and Prior IP. All inventions and know-how conceived by employees of a Group Company related to the business of such Group Company are currently owned exclusively by a Group Company or co-owned by the Group Companies. All employees, contractors, agents and consultants of a Group Company who are or were involved in the creation of any Intellectual Property for such Group Company have executed an assignment of inventions agreement that vests in a Group Company exclusive ownership of all right, title and interest in and to such Intellectual Property, to the extent not already provided by Law. All employee inventors of Company IP have received reasonable reward and remuneration from a Group Company for his/her service inventions or services technology achievements in accordance with the applicable PRC Laws. It will not be necessary to utilize any Intellectual Property of any such Persons made prior to their employment by a Group Company and none of such Intellectual Property has been utilized by any Group Company, except for those that are exclusively owned by a Group Company. To the Knowledge of the Seller Parties, none of the employees, consultant or independent contractors currently or previously employed or otherwise engaged by any Group Company, (a) is in violation of any current or prior confidentiality, non-competition or non-solicitation obligations to such Group Company or to any other Persons, including former employers, or (b) is obligated under any Contract, or subject to any Governmental Order, that would interfere with the use of his or her commercially reasonable efforts to promote the interests of the Group Companies or that would conflict with the business of such Group Company as presently conducted.

(e) Licenses. Section 3.09(e) of the Disclosure Schedule contains a complete and accurate list of the Licenses. The "Licenses" means, collectively, (a) all licenses, sublicenses, and other Contracts to which any Group Company is a party and pursuant to which any third party is authorized to use, exercise or receive any benefit from any Company IP, and (b) all licenses, sublicenses and other Contracts to which any Group Company is a party and pursuant to which such Group Company is authorized to use, exercise, or receive any benefit from any Intellectual Property of another Person, in each case except for (1) agreements involving "off-the-shelf" commercially available software, and (2) non-exclusive licenses to customers of the Business in the ordinary course of business consistent with past practice. The Group Companies have paid all license and royalty fees required to be paid under the Licenses, if applicable.

(f) Protection of IP. Each Group Company has taken reasonable and appropriate steps to protect, maintain and safeguard material Company IP and made all applicable filings, registrations and payments of fees in connection with the foregoing. Without limiting the foregoing, all current and former Officers, employees, consultants and independent contractors, all suppliers, customers and other third parties of any Group Company having access to any material Company IP have executed and delivered to such Group Company an agreement requiring the protection of such Company IP. Except for the Section 3.09(f) of the Disclosure Schedule, to the extent that any Company IP has been developed or created independently or jointly by an independent contractor or other third party for any Group Company, or is incorporated into any products or services of any Group Company, such Group Company has a written agreement with such independent contractor or third party and has thereby obtained ownership of, and is the exclusive owner of all such independent contractor's or third party's Intellectual Property in such work, material or invention by operation of law or valid assignment.

(g) No Public Software. No Public Software forms part of any product or service provided by any Group Company or was or is used in connection with the development of any product or service provided by any Group Company or is incorporated into, in whole or in part, or has been distributed with, in whole or in part, any product or service provided by any Group Company. No Software included in any Company IP has been or is being distributed, in whole or in part, or was used, or is being used in conjunction with any Public Software in a manner which would require that such Software be disclosed or distributed in source code form or made available at no charge.

SECTION 3.10 Material Contracts.

(a) Material Contracts and Obligations. "**Material Contracts**" mean, collectively, the agreements, contracts, leases, licenses, instruments, commitments (oral or written), indebtedness, liabilities and other obligations which a Group Company, or any of their properties or assets is bound by or subject to and that (i) involves obligations (contingent or otherwise) or payments in excess of US$1 million, (ii) involves Intellectual Property Rights that is material to a Group Company (other than generally-available "off-the-shelf" shrink-wrap software licenses obtained by the Group Companies on non-exclusive and non-negotiated terms), (iii) restricts the ability of a Group Company to compete or to conduct or engage in any business or activity or in any territory, (iv) relates to the sale, issuance, grant, exercise, award, purchase, repurchase or redemption of any Equity Securities, involves any provisions providing for exclusivity, "change in control", "most favored nations", rights of first refusal or first negotiation or similar rights, or grants a power of attorney, agency or similar authority, (v) is with an Interested Party or involves any related party transaction, (vi) involves an extension of credit, a guaranty or assumption of any obligation, surety, deed of trust, or the grant of a Lien for the benefit of any third party, in each case in excess of US$ 300,000, (vii) involves the lease, license, sale, use, disposition or acquisition of any assets or of a business in the value in excess of US$1 million, (viii) involves the waiver, compromise, or settlement of any material dispute, claim, litigation or arbitration, (ix) involves the ownership or lease of, title to, use of, or any leasehold or other interest in, any real or personal property, (x) involves the establishment, contribution to, or operation of a partnership, joint venture, alliance or similar entity, or involving a sharing of profits or losses, or any investment in, loan to or acquisition or sale of the Equity Securities, equity interests or assets of any Person, other than the Control Documents, (xi) is not readily to be fulfilled or performed by a Group Company on time or without undue or unusual expenditure of money or efforts or a Group Company does not have the technical and other capabilities or the human and material resources to enable it to fulfill, perform and discharge all its outstanding obligations in the ordinary course of business without realizing a loss on closing of performance; (xii) is entered into with a customer or material supplier of a Group Company in excess of US$1 million; or (xiii) with a Governmental Authority, state-owned enterprise, or sole-source supplier of any material product or service (other than utilities); (xiv) is a Control Document; and (xv) is otherwise material to a Group Company or is one on which a Group Company is substantially dependent on.

(b) Except for the Transaction Documents and documents listed in Section 3.10(b) of the Disclosure Schedule, there are no agreements, understandings, instruments, contracts or proposed transactions to which any Group Company is a party or by which it is bound that involve (i) the license of any patent, copyright, trademark, trade secret or other proprietary right to or from each Group Company, (ii) the grant of rights to manufacture, produce, assemble, license, market, or sell its products to any other Person that limit each Group Companies' exclusive right to develop, manufacture, assemble, distribute, market or sell its products, or (iii) indemnification by any Group Company with respect to infringements of proprietary rights.

(c) Each Group Company has not engaged in the past three (3) months in any discussion with any representative of any Person regarding (i) a sale or exclusive license of all or substantially all of the Group Companies' assets, or (ii) any merger, consolidation or other business combination transaction of each Group Company with or into another Person.

(d) All Material Contracts are listed in Section 3.10(a) of the Disclosure Schedule and the copy of Material Contracts shall be provided to the Investor upon request.

(e) Validity and Status. The execution and delivery of each of the Material Contracts listed on Section 3.10(a) of the Disclosure Schedule, and the performance of the respective obligations thereunder and the consummation of the transactions contemplated therein shall not (x) result in any violation of, be in conflict with, or constitute a default under, with or without the passage of time or the giving of notice, any provision of its Charter Documents of the Group Companies as in effect at the date hereof, any applicable laws and regulations, or any other Material Contracts, (y) accelerate, or constitute an event entitling any Person to accelerate, the maturity of any indebtedness or other liability of any Group Company or to increase the rate of interest presently in effect with respect to any indebtedness of any Group Company, or (z) result in the creation of any Lien upon any of the properties or assets of any Group Company. All the Material Contracts listed on Section 3.10(a) of the Disclosure Schedule are legally valid and binding, in full force and effect, and enforceable in accordance with their respective terms against the parties thereto, and will not violate any applicable laws, except (x) as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting enforcement of creditors' rights generally, and (y) as may be limited by laws relating to the availability of specific performance, injunctive relief or other remedies in the nature of equitable remedies. No Group Company has violated or breached any Material Contracts except for such violation or breach which would not have a Material Adverse Effect, or has received any notice or claim or allegation of default or breach thereof from any party thereto, and to the Knowledge of the Seller Parties, there is no existing default or breach by any other party thereto regarding all the Material Contracts.

SECTION 3.11 Litigation.

There is no action, suit, proceeding, claim, arbitration or investigation ("**Action**") pending or currently threatened (i) against any of the Founders, the BVI Company, the Group Companies, any Group Company's activities, properties or assets or against any Officer, director or employee of each Group Company' in connection with such Officer's, director's or employee's relationship with, or actions taken on behalf of any Group Company; or (ii) to the Seller Parties' Knowledge, that questions the validity of the Transaction Documents or the right of the Company to enter into them, or to consummate the transactions contemplated by the Transaction Documents; or (iii) to the Seller Parties' Knowledge, that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. None of the Group Companies is a party to or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality and there is no Action by any Group Company currently pending or which it intends to initiate. The foregoing includes, without limitation, actions pending or threatened in writing (or any basis therefor known to the Group Companies) involving the prior employment of any of Group Companies' employees, their services provided in connection with the Group Companies' business, any information or techniques allegedly proprietary to any of their former employers or their obligations under any agreements with prior employers.

SECTION 3.12 Compliance with Laws; Consents and Permits.

Except as set forth in Section 3.12 of the Disclosure Schedule, each of Group Companies is and has been in compliance with all applicable laws in all material respects since its establishment. None of the Seller Parties has received any notice from any Governmental Authority regarding any violation of applicable laws. None of the Group Companies is under investigation with respect to a violation of any law. To the Knowledge of the Seller Parties, each direct shareholder of the Company which holds more than 5% outstanding Equity Securities of the Company and direct or indirect holder or beneficial owner of any equity securities of such direct shareholders (each, a "**Security Holder**"), who is a "Domestic Resident" as defined in Circular 37 has complied with all reporting, filing, updating and/or registration requirements (including filings of amendments to existing registrations) under the SAFE Rules and Regulations, and has made all oral or written filings, registrations, updating, reporting or any other communications required by SAFE or any of its local branches. No Group Company has, nor has any Security Holder, received any oral or written inquiries, notifications, orders or any other form of official correspondence from SAFE or any of its local branches with respect to any actual or alleged non-compliance with SAFE Rules and Regulations. Each Group Company has all franchises, permits, licenses and any similar authority required and necessary for the conduct of its business as currently conducted, including without limitation, any existing human genetic resources related project, except where the failure to obtain does not have and is not reasonably expected to have a Material Adverse Effect.

SECTION 3.13 Compliance with Other Instruments and Agreements.

None of the Group Companies is or has been in, nor shall the conduct of its business as currently or proposed to be conducted result in, violation, breach or default of any term of its Constitutional Documents of the respective Group Company, or any term or provision of any Contract entered into by any Group Company or of any provision of any judgment, decree, order, statute, rule or regulation applicable to or binding upon the Group Company. The execution, delivery and performance of and compliance with this Agreement, the Shareholders Agreement, any other Transaction Document and the consummation of the transactions contemplated hereby and thereby, will not result in any such violation, breach or default, or be in conflict with or constitute, with or without the passage of time or the giving of notice or both, either a default under any Group Company's Constitutional Documents or any Contract entered into by any Group Company, or a violation of any statutes, laws, regulations or orders, or an event which results in the creation of any Lien upon any asset of any Group Company other than Permitted Liens.

SECTION 3.14 Registration Rights and Voting Rights.

Except as provided in the Shareholders Agreement, no Seller Party has granted or agreed to grant any person or entity any registration rights (including piggyback registration rights) with respect to, nor is the Company obliged to list, any of the Company's shares (or the shares of the PRC Companies) on any securities exchange. Except as contemplated under this Agreement and the Shareholders Agreement, there are no voting or similar agreements which relate to the share capital of the Company or any of the equity interests of the PRC Companies.

SECTION 3.15 Data Privacy and Personal Information.

(a) The Group Companies' collection, use, processing, storage and dissemination of any personally-identifiable information concerning individuals ("**Personal Information**") is in compliance with all laws and Contracts applicable to any Group Company in material respects. The Group Companies have formulated and maintained policies and procedures regarding data security, isolation and privacy that are commercially reasonable and required by laws and Contracts applicable to any Group Company. No Group Companies have shared or disseminate any human genetic resources related materials or information with any foreign entity without appropriate approvals granted by competent Governmental Authority, if such approval is required by applicable law.

(b) No Group Company has violated, infringed, misused, misappropriated or unauthorized accessed to any data or information of any third party to conduct the Business. To the Knowledge of the Seller Parties, data or information of Group Companies' customers or used by the Group Companies to conduct the Business has not been divulged, infringed, misused, misappropriated or unauthorized accessed by any third party.

(c) No Group Company has been subject to any proceeding (including arbitration and litigation) or outstanding government investigation or order (whether imposing any penalty or not) in relation to its collection, use, processing, storage and dissemination of Personal Information nor has any Group Company received any notice in relation to any such proceeding or government investigation or order.

(d) In cases where the Group Companies collects Personal Information from third parties, each of such third party has given warranties to the Group Companies in the agreement between such third party and the Group Company that it has received sufficient and complete Consent from the individuals whose data or information is being collected to such collection by the Group Companies. To the Knowledge of the Seller Parties, the warranties given by such third party are true and accurate.

SECTION 3.16 Financial Statements.

The audited and consolidated financial statements of the Group Companies ended on December 31, 2018 and unaudited consolidated balance sheets, cash flow statements and income statements of the Group Companies as of June 30, 2019 (the audited and consolidated financial statements and the management accounts and any notes thereto are hereinafter referred to as the "**Financial Statements**" and June 30, the "**Financial Statements Date**") are (a) in accordance with the books and records of the applicable Group Company, (b) true, correct and complete and present fairly the financial condition of such Group Company at the date or dates therein indicated and the results of operations for the period or periods therein specified, and (c) have been prepared in accordance with PRC generally accepted accounting principles ("**PRC GAAP**") applied on a consistent basis, except as to the unaudited consolidated financial statements, for the omission of notes thereto and normal year-end audit adjustments. Specifically, but not by way of limitation, the respective balance sheets of the Financial Statements disclose all of the Group Companies' respective debts, liabilities and obligations of any nature, whether due or to become due, as of their respective dates (including, without limitation, absolute liabilities, accrued liabilities, and contingent liabilities) to the extent such debts, liabilities and obligations are required to be disclosed in accordance with PRC GAAP. The Group Companies have good and marketable title to all assets set forth on the balance sheets of the respective Financial Statements, except for such assets as have been spent, sold or transferred in the ordinary course of business since their respective dates. None of the Group Companies is a guarantor or indemnitor of any indebtedness of any other person or entity. Each Group Company maintains a standard system of accounting established and administered in accordance with generally accepted accounting principles as required in the jurisdiction where it is incorporated.

SECTION 3.17 Activities since Financial Statements Date.

Since the Financial Statements Date, with respect to each Group Company, excluding the transactions and matters contemplated or implemented in accordance with this Agreement and those in the ordinary course of business, except as set forth in Section 3.17 of the Disclosure Schedule, there has not been:

(a) any change in the assets, liabilities, financial condition or operating results of the Group Company from that reflected in the Financial Statements, except changes in the ordinary course of business that have not caused, in the aggregate, a Material Adverse Effect to any Group Company;

(b) any material change in the contingent obligations of the Group Company by way of guarantee, endorsement, indemnity, warranty or otherwise;

(c) any damage, destruction or loss, whether or not covered by insurance which could reasonably be expected to have a Material Adverse Effect;

(d) any waiver by the Group Company of a valuable right or of a material debt individually in excess of US$100,000 or in excess of US$500,000 in the aggregate;

(e) any satisfaction or discharge of any Lien or claim or payment of any obligation by the Group Company, except in the ordinary course of business and the satisfaction or discharge of which would not have a Material Adverse Effect;

(f) any material change or amendment to a Material Contract which could reasonably be expected to have a Material Adverse Effect or bind or subject any of the Group Companies' assets, except for changes or amendments which are expressly provided for or disclosed in this Agreement;

(g) any material change in any compensation arrangement or agreement with any Key Employee, or director;

(h) any sale, assignment or transfer of any Company IP or other material intangible assets of the Group Company;

(i) any resignation or termination of any Key Employee (as defined below);

(j) any Lien created by the Group Company, with respect to any of the Group Companies' properties or assets, except Liens for taxes not yet due or payable and Liens that arise in the ordinary course of business and do not materially impair the Group Companies' ownership or use of such property or assets;

(k) any debt, obligation, or liability incurred, assumed or guaranteed by the Group Company outside the ordinary course of business other than any payment with respect to the Reorganization;

(l) any declaration, setting aside or payment or other distribution in respect of any of the Group Companies' share capital, or any direct or indirect redemption, purchase or other acquisition of any of such share capital by the Group Company;

(m) any failure to conduct business in the ordinary course, consistent with the Group Company's past practices;

(n) any transactions of any kind in excess of US$100,000 in the aggregate with any of its directors or Key Employees, or to the best knowledge of the Seller Parties, any members of their immediate families, or any entity controlled by any of such individuals;

(o) any loans or guarantees made by the Group Company to or for the benefit of its directors or Key Employees, or any shareholders of their immediate families, other than travel advances and other advances made in the ordinary course of its business;

(p) any other event or condition of any character which could reasonably be expected to have a Material Adverse Effect, including any sale, assignment or transfer of any Company Owned IP; or

(q) any arrangement or commitment by the Group Company or any Seller Party to do any of the things described in this Section 3.17.

SECTION 3.18 Tax Matters.

The provisions for taxes in the respective Financial Statements are sufficient for the payment of all accrued and unpaid applicable taxes of the covered Group Company, whether or not assessed or disputed as of the date of each such balance sheet. There have been no examinations or audits of any tax returns or reports by any applicable Governmental Authority. Each Group Company has duly and timely filed all federal, state, county, local and foreign tax returns required to have been filed by it, and each Group Company has duly filed all tax returns required to have been filed by it and paid all taxes shown to be due on such returns. Each Group Company is not subject to any waivers of applicable statutes of limitations with respect to taxes for any year. There are no federal, state, county, local or foreign taxes due and payable for Each Group Company which have not been timely paid. Since the Financial Statements Date, none of the Group Companies has incurred any taxes, assessments or governmental charges other than in the ordinary course of business and each Group Company has made adequate provisions on its books of account for all taxes, assessments and governmental charges with respect to its business, properties and operations for such period.

SECTION 3.19 Interested Party Transactions.

Except as set forth in Section 3.19 of the Disclosure Schedule, no Seller Party, Officer or director of a Group Company or any Affiliate or Associate of any such person has any agreement (whether oral or written), understanding, proposed transaction with, or is indebted to, any Group Company, nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any of such persons (other than for accrued salaries, reimbursable expenses or other standard employee benefits). Except as set forth in Section 3.19 of the Disclosure Schedule, no Affiliate or Associate of any Officer or director of a Seller Party is directly or indirectly interested in any contract (except for the employment or engagement contracts) with a Group Company. Except as set forth in Section 3.19 of the Disclosure Schedule, no Officer or director of a Group Company or, any Affiliate or Associate of any such person has had, either directly or indirectly, an interest in: (a) any person or entity which purchases from or sells, licenses or furnishes to a Group Company any goods, property, intellectual or other property rights or services; or (b) any contract or agreement to which a Group Company is a party or by which it may be bound or affected. Except as contemplated in this Agreement, there is no agreement between any shareholder of the Company with respect to the ownership or control of any Group Company.

SECTION 3.20 Environmental Compliance.

(a) Each Group Company is in full compliance with all Environmental Laws in all material respects. No Group Company has received any communication (written or oral), whether from a Governmental Authority, citizens group, employee, or otherwise, that alleges that it is not in such full compliance and there are no circumstances that may prevent or interfere with such full compliance in the future.

(b) There is no Environmental Claim pending or threatened against any Group Company or any Person or entity whose Liability for an Environmental Claim has been retained or assumed by any Group Company either contractually or by operation of law except where such Environmental Claim would not have a Material Adverse Effect. To the Knowledge of Seller Parties, there are no past or present actions, activities or circumstances, including the release, emission, discharge, or disposal of any Material of Environmental Concern, that could form the basis of any Environmental Claim against any Group Company or any Person or entity whose Liability for any Environmental Claim should be retained or assumed by any Group Company either contractually or by operation of law.

SECTION 3.21 Employee Matters.

Except as otherwise disclosed to the Investor in Section 3.21 of the Disclosure Schedule, the Group Companies have complied with all applicable employment and labor laws in all material respects. None of the Group Companies is a party to or bound by any currently effective incentive plan, profit sharing plan, retirement agreement or other similar employee compensation agreement. Each employee, Officer or consultant of each Group Company has entered into an standard employment or service agreement which includes the clause relating to confidentiality and intellectual property rights with the Group Company. Each Key Employee has entered into a non-competition agreement or an employment agreement which includes the non-competition clause with the Group Company. To the Group Companies' Knowledge, none of its employees is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would materially interfere with such employee's ability to promote the interest of the Group Companies or that would conflict with the Group Companies' business. Neither the execution or delivery of the Transaction Documents, nor the carrying on of the Group Companies' business by the employees of the Group Companies, nor the conduct of the Group Companies' business as now conducted and as presently proposed to be conducted, will, to the Group Companies' Knowledge conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant or instrument under which any such employee is now obligated.

SECTION 3.22 Exempt Offering.

The offer and sale of the Purchased Shares under this Agreement, and the issuance of the Conversion Shares upon conversion thereof are or shall be exempt from the registration requirements and prospectus delivery requirements of the Securities Act, and from the registration or qualification requirements of any other applicable securities laws and regulations.

SECTION 3.23 Anti-Bribery, Anti-Corruption, Anti-Money Laundering and Sanctions.

Each Group Company and other Seller Parties and their Affiliates and their respective directors, Officers, and to the Knowledge of any Seller Party, their employees, independent contractors, representatives, agents and other Persons acting on the Group Companies' behalf (collectively, "**Company Representatives**") are and have been in compliance with all applicable laws relating to anti-bribery, anti-corruption, anti-money laundering, record keeping and internal control laws (collectively, the "**Compliance Laws**"). Without limiting the foregoing, to the Knowledge of Seller Parties, none of the foregoing person has, directly or indirectly, offered, authorized, promised, condoned, participated in, consummated, or received notice of any allegation of, (a) the making of any gift or payment of anything of value to any Public Official by any Person to obtain any improper advantage, affect or influence any act or decision of any such Public Official, or assist any Group Company in obtaining or retaining business for, or with, or directing business to, any Person; (b) the taking of any action by any Person which (i) would violate the FCPA, if taken by a Person subject to the FCPA, (ii) would violate the United Kingdom Bribery Act 2010, as amended (the "**U.K. Bribery Act**"), if taken by a Person subject to the U.K. Bribery Act, or (iii) could reasonably be expected to constitute a violation of any applicable Compliance Law; (c) the making of any false or fictitious entries in the books or records of any Group Company by any Person; or (d) the using of any assets of any Group Company for the establishment of any unlawful or unrecorded fund of monies or other assets, or the making of any unlawful or undisclosed payment.

None of the Seller Parties, their Affiliates, their respective directors or Officers, and to the Knowledge of Seller Parties, none of their employees, agents, or persons acting on behalf of the Group Companies is owned or controlled by a person that is targeted by or the subject to any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of Treasury ("**OFAC**"), or by the U.S. Department of State, or any sanctions imposed by the European Union (including under Council Regulation (EC) No. 194/2008), the United Nations Security Council, Her Majesty's Treasury or any other relevant Governmental Authorities and any activities sanctionable under the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as amended or the Iran Sanctions Act, as amended (collectively, the "**Sanctions**").

SECTION 3.24 Export Control.

None of the Group Companies has violated any applicable export control Laws, whether such Law relates to encryption items or otherwise. None of the products researched, developed or sold by any Group Company or involved in the Business ("**Company Products**") was specifically designed, developed, configured, adapted, or modified for military customer(s), military purpose, or satellite application. There are no pending or, to the knowledge of any Seller Party, threatened claims against any Group Company with respect to any marketing, import or export permits, and there are no actions, conditions or circumstances pertaining to any Group Companies' marketing, import or export transactions under any of the agreements to which it is a party that would reasonably be expected to give rise to any future claims.

No Group Company has made any shipments of any Company Products or any of their components to, and has no obligations to any third party located in, Iran, Syria, Lebanon, Iraq, Libya, Cuba, Sudan, Somalia, Cote d'Ivoire, Liberia, Democratic Republic of Congo (DRC), North Korea, Belarus, Ukraine, Russia, Burma, Balkans, Burundi, Central African Republic, Venezuela, Yemen or Zimbabwe or any other country which has been defined as a sanctioned country by the Office of Foreign Assets Control of the United States Department of the Treasury.

SECTION 3.25 Minute Books.

The minute books of each Group Company since its time of formation have been made available to the Investor and each such minute books contains a complete summary of all material meetings and actions taken by directors and shareholders or owners of such Group Company, and reflects all transactions referred to in such minutes accurately.

SECTION 3.26 Obligations of Management.

Each of the key employees identified in Section 3.26 of the Disclosure Schedule (the "**Key Employees**") is currently devoting his or her full working time to the conduct of the business of a Group Company or the Group Companies, except as set forth in Section 3.26 of the Disclosure Schedule. No Seller Party is aware that any Key Employee is planning to work less than full time at a Group Company in the future. None of such Key Employees or the Founders is currently working for a competitive enterprise, whether or not such person is or will be compensated by such enterprise. The Group Companies are not aware that any Key Employee intends to terminate their employment with any Group Company, nor does any Group Company have a present intention to terminate the employment of any Key Employee.

SECTION 3.27 Disclosure.

Each Seller Party has fully provided the Investor with all material information that the Investor has requested for deciding whether to purchase the Purchased Shares and all information that each Seller Party reasonably believes is necessary or relevant to enable the Investor to make an informed investment decision. No representation or warranty by any Seller Party in this Agreement and no information or materials provided by any Seller Party to the Investor in connection with the negotiation or execution of this Agreement or any agreement contemplated hereby contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading. No Seller Party has entered into any side letter or side agreement or documents alike with any holders of Equity Securities of the Group Companies in connection with such holder's subscription of Equity Securities into the Group Companies before the date hereof. No financial forecasts or forward-looking statements in any business plans or other materials provided by any Seller Party to the Investor have been prepared based on unreasonable assumptions.

SECTION 3.28 Other Representations and Warranties Relating to the PRC Companies.

(a) The Constitutional Documents and all consents necessary or appropriate for the PRC Companies are valid, have been duly approved or issued (as applicable) by competent PRC authorities or other applicable parties and are in full force and effect.

(b) All consents, approvals, authorizations or licenses required under PRC law for the due and proper establishment and operation of the PRC Companies have been duly obtained from the relevant PRC Governmental Authorities and are in full force and effect.

(c) All filings and registrations with the PRC Governmental Authorities required in respect of each of the PRC Companies and its operations, including the registrations with the Ministry of Commerce ("**MOFCOM**"), the State Administration for Market Regulation ("**SAMR**"), SAFE, tax bureau, customs authorities, product registration authorities and health regulatory authorities, as applicable, have been duly completed in accordance with the relevant rules and regulations, including all required registrations conducted pursuant to Circular 37.

(d) Except as set forth in Section 3.28(d) of the Disclosure Schedule, the registered capital of each of the PRC Companies has been fully paid up in accordance with the schedule of payment stipulated in its respective articles of association, approval document, certificate of approval and legal person business license and in compliance with PRC Laws and regulations, and there is no outstanding capital contribution commitment, or any other illegal actions relating to capital contribution of Group Companies such as withdrawal of paid-in capital existing. There are no outstanding rights, or commitments made by any Group Company or any Founder to sell any of its equity interest in the PRC Companies. There are no subscriptions, options, warrants, conversion privileges, pre-emptive or other rights or contracts with respect to the issuance or transfer of any shares of any PRC Company.

(e) None of the PRC Companies is in receipt of any letter or notice from any relevant authority notifying revocation of any permits or licenses issued to it for non-compliance or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by it.

(f) Each of the PRC Companies has been conducting and will conduct its business activities within the permitted scope of business or is otherwise operating its business in full compliance with all relevant legal requirements and with all requisite licenses, permits and approvals granted by competent PRC authorities, except where the failure to obtain does not have and is not reasonably expected to have a Material Adverse Effect.

(g) In respect of any permits requisite for the conduct of any part of the Business of the PRC Companies which are subject to periodic renewal, no Seller Party has any reason to believe that such requisite renewals will not be timely granted by the relevant PRC authorities.

(h) Except as disclosed to the Investor in Section 3.28(h) of the Disclosure Schedule, the PRC Companies have complied with all applicable PRC labor laws and regulations in all material respects, including without limitation, laws and regulations pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits, and pensions.

(i) All PRC regulatory and corporate authorizations and approvals, necessary or appropriate for the consummation of the transactions contemplated herein (including issuance, purchase and sale of Purchased Shares) have been duly obtained, and such authorizations and approvals are currently, or will be as of the Closing (if it occurs), valid and subsisting at PRC laws and in accordance with their respective terms.

SECTION 3.29 Control Documents.

(a) Each of the WFOE, the PRC Affiliate, the Founders and other parties to the Control Documents has the legal right, power and authority (corporate and other) to enter into and perform its/his/her obligations under the Control Document to which it/he is a party and has taken all necessary corporate action to authorize the execution, delivery and performance of, and has authorized, executed and delivered the Control Document to which it/he is a party.

(b) The Control Documents are adequate to establish and maintain the intended Captive Structure of the Group Companies, under which (a) the WFOE Controls the PRC Affiliate and its Subsidiaries, and (b) the financial statements of the PRC Affiliate and its Subsidiaries can be consolidated in accordance with the Accounting Principles. No Group Company has received any written inquiries, notifications or any other form of official correspondence from any Governmental Authority challenging or questioning the legality or enforceability of any of the Control Documents.

(c) The Control Documents constitute a valid and legally binding obligation of the parties named therein enforceable in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, or (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(d) The execution and delivery by each party thereto of the Control Documents, and the performance by such party of its obligations thereunder and the consummation by it of the transactions contemplated therein shall not (i) result in any violation of, be in conflict with, or constitute a default under, with or without the passage of time or the giving of notice, any provision of its Charter Documents as in effect at the date hereof, any applicable Law, or any Contract to which a Group Company is a party or by which a Group Company is bound, or (ii) accelerate, or constitute an event entitling any person to accelerate, the maturity of any Liability of any Group Company or to increase the rate of interest presently in effect with respect to any Liability of any Group Company, or (iii) result in the creation of any Liens upon any of the properties or assets of any Group Company.

(e) All consents required in connection with the Control Documents have been made or unconditionally obtained in writing, and no such Consent has been withdrawn or is subject to any condition precedent which has not been fulfilled or preformed.

(f) Each Control Document is in full force and effect and no party to any Control Document is in material breach or default in the performance or observance of any of the terms or provisions of such Control Document. None of the parties to any Control Document has sent or received any communication regarding termination of or intention not to renew any Control Document, and no such termination or non-renewal has been threatened by any of the parties thereto.

SECTION 3.30 Property.

The property and assets that each Group Company owns are free and clear of all mortgages, deeds of trust, liens, loans and encumbrances, except for statutory liens for the payment of current taxes that are not yet delinquent and encumbrances and liens that arise in the ordinary course of business and do not materially impair each Group Companies' ownership or use of such property or assets. Except as otherwise disclosed to the Investor in Section 3.30 of the Disclosure Schedule, with respect to the property and assets it leases, the Company is in compliance with such leases and holds a valid leasehold interest free of any liens, claims or encumbrances other than those of the lessors of such property or assets. Each Group Company does not own any real property.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor hereby represents and warrants to the Company as follows:

SECTION 4.01 Authorization.

It has all requisite power, authority and capacity to enter into this Agreement and the Shareholders Agreement, and to perform its obligations under this Agreement, the Shareholders Agreement. This Agreement has been duly authorized, executed and delivered by it. This Agreement and the Shareholders Agreement, when executed and delivered by it, will constitute its valid and legally binding obligations, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

SECTION 4.02 Purchase for Own Account.

The Purchased Shares and the Conversion Shares will be acquired for the Investor's own account, not as a nominee or agent, and not with a view to or in connection with the sale or distribution of any part thereof.

SECTION 4.03 Restricted Securities.

The Investor understands that the Purchased Shares and the Conversion Shares are restricted securities within the meaning of Rule 144 under the Securities Act and that the Shares and the Conversion Shares are not registered or listed publicly unless they are subsequently registered or listed publicly or an exemption from such registration or listing is available

ARTICLE V

COVENANTS OF THE SELLER PARTIES

Each of the Seller Parties covenants to the Investor as follows:

SECTION 5.01 Use of Proceeds from the Sale of Purchased Shares.

The Company will use all the proceeds from the issuance and sale of the Purchased Shares for the repurchase of certain shares of the Company as approved under certain resolutions adopted by the Company's shareholders.

SECTION 5.02 Availability of Ordinary Shares.

The Company hereby covenants that at all times there shall be made available, free of any Liens, for issuance and delivery upon conversion of the Purchased Shares such number of Ordinary Shares or other shares in the share capital of the Company as are from time to time issuable upon conversion of the Purchased Shares from time to time, and will take all steps necessary to increase its authorized share capital to provide for sufficient number of Ordinary Shares issuable upon conversion of the Purchased Shares.

SECTION 5.03 Business of the Company and the HK Co.

Except the business as approved by the Board, the business of the Company shall be restricted to the holding of shares or equity interest in the HK Co. The business of the HK Co. shall be restricted to the holding of shares or equity interest in the WFOE.

SECTION 5.04 Business of the PRC Companies.

Prior to entering into any new business other than those in the scope of the Business, each Seller Party shall use its best efforts and take all necessary actions to implement and carry out the new business plan subject to the approval of the Board, including, without limitation, hiring employees, renting office space, employing legal and technical consultants and undertaking other customary business activities. From the Closing and until the new business plan is duly approved or amended in accordance with all necessary procedures, the business of the PRC Companies shall be limited to the Business.

SECTION 5.05 Use of Investor's Names or Logo.

Without the prior written consent of the Investor, and whether or not the Investor is then the shareholder of the Company, none of the Group Companies, their shareholders (excluding the Investor), nor the Founders shall use, publish or reproduce the name of any Investor or any similar names, trademarks or logos in any of their marketing, advertising or promotion materials or otherwise for any marketing, advertising or promotional purposes, except for the fact of the equity investments and shareholding in the Group Companies by the Investor (and in any such case shall not disclose the aggregate or individual investment amounts, pricing or ownership percentage, or any of the term of this Agreement, the Shareholders Agreement, or any other Transaction Document).

SECTION 5.06 Employment Agreement and Confidentiality, Non-Competition and Intellectual Property Rights Agreement.

The Group Companies shall cause all of their Key Employees to enter into employment agreements and confidentiality, non-competition and intellectual property rights agreements in form and substance satisfactory to the Investor. The Group Companies shall cause all of their employees and further cause all of their respective future employees to enter into its standard form employment agreement and confidentiality, non-competition and intellectual property rights agreement (if applicable) in form and substance satisfactory to the Investor.

SECTION 5.07 Repayment of the Loans by Wang Sizhen (□□□)

The Seller Parties hereby covenant that, all the loans borrowed by Wang Sizhen (□□□) from the Group Companies shall be repaid within one (1) month after the Closing.

SECTION 5.08 Regulatory Compliance.

The Founders and each Group Company shall comply with all applicable laws and regulations in the PRC, including but not limited to applicable laws and regulations in connection with the operations of the Group Companies, and promptly apply for, obtain and maintain all consents as required by the applicable Laws in connection with the businesses conducted by the Group Companies at any given time, including without limitation, (i) to obtain and maintain in a timely manner all requisite consents and permits for the human genetic resources related projects, (ii) to formulate and establish the relevant mechanism to prevent the sharing and disseminating human genetic resources related materials or information with any foreign entity without appropriate approvals granted by competent Governmental Authority, if such approval is required by applicable law, (iii) to ensure the collection, use, processing, storage and dissemination of any Personal Information is in compliance with all laws and Contracts applicable to any Group Company in material respects, and (iv) to conduct any and all their business within the scope of the approval and qualification obtained in compliance with applicable laws and regulations, except where the failure to comply with such laws or regulations or failure to obtain or comply with such consents does not have or is not reasonably expected to have a Material Adverse Effect.

None of the Seller Parties shall, and none of them shall permit the Company Representatives to, promise, authorize or make any payment to, or otherwise contribute any item of value, directly or indirectly, to any Public Official in violation of the FCPA, the U.K. Bribery Act or any other applicable Compliance Laws. Each of the Seller Parties shall, and shall use best effort to cause the Company Representatives to act in accordance with the applicable Compliance Laws. The Group Companies shall, and the Founders shall use their best effort to cause the Group Companies to, maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act or any other applicable Compliance Laws. Without limiting the generality of the foregoing, the Group Companies shall, and the other Seller Parties shall cause the Group Companies to, (i) within one (1) month following the Closing, engage a professional and reputable U.S. law firm as the Group Companies' special counsel to advise on matters related to the FCPA or any other applicable Compliance Laws and to develop specific action plans to improve the Group Companies' compliance systems ("**Improvement Plans**"), and (ii) within four (4) months following the receiving of the Improvement Plans from the special counsel, implement, enforce and complete any compliance improvement plans or actions suggested by the special counsel and/or requested by the Investor, with the improvement result satisfactory to the Investor.

Each Seller Party shall use its best efforts to cause all shareholders of each Group Company, and any successor entity or controlled affiliate of any Group Company to, timely complete all required registrations and other procedures with applicable Governmental Authorities (including without limitation SAFE) as and when required by applicable laws and regulations. The Seller Parties shall ensure that there is no barrier to repatriation of profits, dividends and other distributions from the WFOE (or any successor entity) to the Company.

SECTION 5.09 Internal Control.

The Group Companies shall maintain their books and records in accordance with sound business practices and implement and maintain an adequate system of procedures and controls with respect to finance, management, and accounting that meets the reasonable standards of good practice generally applied to other companies in the similar industry and incorporated in the same jurisdictions where each such Group Company is incorporated and is reasonably satisfactory to the Investor to provide reasonable assurance that (i) transactions by it are executed in accordance with management's general or specific authorization, (ii) transactions by it are recorded as necessary to permit preparation of financial statements in conformity with the PRC GAAP and to maintain asset accountability, (iii) access to assets of it is permitted only in accordance with management's general or specific authorization, (iv) the recorded inventory of assets is compared with the existing tangible assets at reasonable intervals and appropriate action is taken with respect to any material differences, (v) segregating duties for cash deposits, cash reconciliation, cash payment, proper approval is established, (vi) no personal assets or bank accounts of the employees, directors, Officers are mingled with the corporate assets or corporate bank account, and no Group Company uses any personal bank accounts of any employees, directors, Officers thereof during the operation of the Business.

SECTION 5.10 Additional Covenants.

Except as required by this Agreement (including but not limited to, for the purpose of issuance, purchase and sale of Purchased Shares), no resolution of the directors, owners, members, partners or shareholders of any of the Group Companies shall be passed, nor shall any contract or commitment be entered into, in each case, prior to the Closing without the prior written consent of the Investor, except that the Group Companies may carry on its respective business in the same manner as heretofore and may pass resolutions or enter into contracts for so long as they are effected in the ordinary course of business.

If at any time before the Closing, any of the Seller Parties comes to know of any material fact or event which:

(a) is in any way materially inconsistent with any of the representations and warranties given by each Seller Party, and/or

(b) suggests that any material fact warranted may not be as warranted or may be materially misleading, and/or

(c) might affect the willingness of a reasonable investor in making a prudent decision to purchase the Purchased Shares or the amount of consideration which the Investor would be prepared to pay for the Purchased Shares,

such Seller Party shall give immediate written notice thereof to the Investor in which event the Investor may within five (5) business days of receiving such notice terminate this Agreement by written notice without any penalty whatsoever and without prejudice to any rights that the Investor may have under this Agreement or applicable law; provided however that, any Investor's failure to or election not to terminate this Agreement upon its receipt of such notice shall not prejudice its claims against any Seller Party in accordance with Section 8.01.

SECTION 5.11 File of Articles.

Within fifteen (15) business days following the Closing, the Restated Articles together with the special or written shareholders resolutions on approving its adoption shall have been duly filed with the Registrar of Companies in the Cayman Islands.

SECTION 5.12 Board of the PRC Affiliate.

The Investor may require, by written notification to the Company, to appoint a director to serve the board of the PRC Affiliate any time after the Closing. The PRC Affiliate shall, and the Company and each Founder shall procure the PRC Affiliate to, take all necessary actions and prepare all relevant documents to effect such appointment and complete any registration or filing process as required under applicable law within thirty (30) days after receiving the Investor's notification.

SECTION 5.13 Employee Matters.

The PRC Companies shall use commercially reasonable efforts to comply with all applicable PRC labor laws and regulations, including without limitation, laws and regulations pertaining to wages, hours, working conditions, benefits, retirement, social welfare, social insurance, housing funds and equal opportunity.

Each of the Seller Parties covenants to procure the PRC Companies to (i) make full and timely payment of the requisite social insurance premiums or housing funds according to applicable PRC Laws for all of the employees of the Group Companies, and (ii) have Shanghai Jinchuang Medical Inspection Company (□□□□□□□□□□□□□□) open housing provident fund account, as soon as possible after the Closing.

SECTION 5.14 Tax Matters.

The PRC Companies shall use their respective best efforts to comply in all material respects with all applicable PRC tax laws and regulations.

The Seller Parties shall procure relevant Group Companies to report, and shall use their best effort to procure each relevant shareholder of the Company to, timely file the Tax Returns and fully pay all Taxes of any nature with respect to any transfer or repurchase of shares of the Company, if required by tax authorities, or if so required under applicable laws.

SECTION 5.15 Accrual Accounting.

As soon as practicable after Closing, the Group Companies shall establish and maintain the accounting policies and financial system in full compliance with all applicable laws and regulations and to the Investor's satisfaction.

SECTION 5.16 D&O Insurance.

Prior to the Qualified IPO, the Company shall obtain, at the cost no more than the average market price of such insurance, for the director nominated by the Investor the directors and officers liability insurance in an insured amount approved by the Board of Directors.

SECTION 5.17 Intellectual Property Protection.

The Group Companies shall establish and maintain appropriate intellectual inspection system to protect the intellectual property of the Group Companies. The Group Companies shall, and the Founder shall cause the Group Companies to, make best efforts to fully comply with the laws and regulations in respect of the protection of the intellectual property and refrain from infringing the intellectual property of other parties.

SECTION 5.18 Captive Structure and Control Document

Each of the Seller Parties covenants to take, or cause to be taken, all actions necessary or desirable to (i) maintain the validity and enforceability of all present and future Captive Structure and other contractual arrangements among the Group Companies, and (ii) ensure each entity carrying on any business of the Group which is to be held through a Captive Structure is a direct or indirect wholly-owned subsidiary of the PRC Affiliate.

Each of the Seller Parties undertakes that, if the PRC Affiliate is deemed to be a foreign entity by any Governmental Authority due to the Captive Structure, it shall procure the Group Companies to maintain operation and use the best efforts to conduct business in the ordinary course.

SECTION 5.19 Exclusivity.

From the date of this Agreement to the Closing, without the consent of the Investor, the Group Companies and the Founders shall not (i) discuss the sale of any securities of any Group Company with any third party, or (ii) to provide any information with respect to any Group Company to any third party in connection with a potential investment by such third party in any securities of any Group Company, or (iii) to close any financing transaction of any securities of any Group Company with any third party.

SECTION 5.20 Transfer of Patents to WFOE.

After Closing, the PRC Affiliate covenants to use commercially reasonable efforts to, or cause the PRC Subsidiaries to, enter into relevant patent transfer agreements with the WFOE to transfer to the WFOE the ownership of all granted and pending patents held by the PRC Affiliate or the PRC Subsidiaries, and to complete and cause the PRC Subsidiaries to complete all registrations or filings of such transfers.

ARTICLE VI

CONDITIONS OF INVESTOR' S OBLIGATIONS AT CLOSING

The obligation of the Investor to purchase the Purchased Shares at the Closing is subject to the fulfillment, to the satisfaction of the Investor (or waiver thereof by the Investor) on or prior to the Closing, of the following conditions:

SECTION 6.01 Representations and Warranties.

Subject to such exceptions as may be specifically set forth in the Disclosure Schedule and updated Disclosure Schedule as described under Article III, the representations and warranties made by the Seller Parties in Article III hereof shall be true and correct and complete in all respects when made, and shall be true and correct and complete in all respects as of the Closing Date with the same force and effect as if they had been made on and as of such date, except in either case for those representations and warranties that address matters only as of a particular date, which representations shall have been true, accurate and complete as of such particular date.

SECTION 6.02 Performance of Obligations.

Each Seller Party shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing.

SECTION 6.03 Proceedings and Documents.

All corporate and other proceedings in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions shall be reasonably satisfactory in substance and form to the Investor, and the Investor shall have received all such counterpart originals or certified or other copies of such documents as it may reasonably request.

SECTION 6.04 Approvals, Consents and Waivers.

Each Group Company shall have obtained any and all approvals, consents and waivers necessary for consummation of the transactions contemplated by this Agreement and/or the other Transaction Documents (including issuance, purchase and sale of Purchased Shares), including, but not limited to, (i) all permits, authorizations, approvals, consents or permits of any Governmental Authority, (ii) resolutions approved by the shareholder(s) and/or board of directors of the Company, the HK Co., the WFOE and the PRC Affiliate (as applicable in accordance with the laws and regulations of its place of incorporation and its Constitutional Documents), and (iii) the waiver by the existing shareholders of the Company of any preemptive rights and all similar rights (if any) in connection with the issuance of the Purchased Shares at the Closing.

Each Seller Party shall have obtained any and all consents and waivers necessary or appropriate for consummation of the transactions contemplated by this Agreement and/or the other Transaction Documents (including issuance, purchase and sale of Purchased Shares).

SECTION 6.05 Transaction Documents.

Each of the parties to the Transaction Documents and the Series D Purchase Agreement to be entered into on or prior to the Closing, other than the Investor, shall have executed and delivered such transaction documents to the Investor.

SECTION 6.06 Option Pool.

Upon or immediately prior to the Closing, the Board of Directors and the shareholders of the Company shall have duly reserved 20,468,800 Ordinary Shares to be issued to the employees, officers, directors, or consultants of a Group Company in accordance with the 2019 New Share Incentive Plan.

SECTION 6.07 Opinions of Counsel.

The Investor shall have received (i) from Cayman Islands counsel for the Company, an opinion, dated as of the Closing, substantially in a form and substance satisfactory to the Investor, and (ii) from PRC counsel for the Company, an opinion, dated as of the Closing, substantially in a form and substance satisfactory to the Investor.

SECTION 6.08 Compliance Certificate.

At the Closing, the Company, the Founders, the BVI Company, the HK Co., the WFOE and the PRC Affiliate shall deliver to the Investor certificates, dated the date of the Closing, certifying that the conditions specified in this Article VI have been fulfilled as of the Closing.

SECTION 6.09 Amendment to Constitutional Documents.

The Restated Articles in the form and substances satisfactory to the Investor shall have been duly adopted by the Company by all necessary corporate action of its Board of Directors and its shareholders (which Restated Articles shall have been duly filed with the appropriate authority(ies) of the Cayman Islands within fifteen (15) Business Days after the Closing), and such adoption shall have become effective prior to the Closing with no alteration or amendment as of the Closing, and a stamped copy of the duly adopted Restated Articles shall be delivered to the Investor after the Closing.

SECTION 6.10 Execution of Shareholders Agreement.

The Company shall have delivered to such Investor the Shareholders Agreement in the form and substances satisfactory to such Investor, which has been duly executed by the Company and all other parties thereto (except for the Investor).

SECTION 6.11 Appointment of VIVO Director.

The board of the directors of the Company shall include one (1) director appointed by the Investor ("**VIVO Director**") upon Closing and the Series D Closing as contemplated under the Series D Purchase Agreement where the aggregate purchase price of the Investor to purchase certain Series D Preferred Shares is no less than US$15,000,000.

Subject to the foregoing, all actions shall have been taken to appoint the VIVO Director as a new director of the Company effective upon the Closing.

SECTION 6.12 Indemnification Agreement.

Subject to Section 6.11, the Company shall have delivered to the Investor a director indemnification agreement in the form attached hereto as Exhibit B, duly executed by the Company, the Investor and VIVO Director.

SECTION 6.13 Employment Agreement and Confidentiality, Non-Competition and Intellectual Property Rights Agreement.

Each Key Employee shall have entered into an employment agreement, and a confidentiality, non-competition and intellectual property rights agreement with the Group Companies, each in the form and substance reasonably satisfactory to the Investor and the Company shall have delivered to the Investor copies of the same.

SECTION 6.14 Good Standing.

The Investor shall have received a copy of certificate of good standing issued by the Registrar of Companies of the Cayman Islands dated not more than thirty (30) days prior to the Closing, certifying that the Company was duly constituted, paid all required fees and is in good legal standing.

SECTION 6.15 Approval by Investment Committee.

The Investor shall have received approvals, if required, by its investment committee for entering into the transactions contemplated hereunder.

SECTION 6.16 Deregistration and Perfection of Equity Pledge

The Company shall have deregistered the equity pledge made to Yikang (Ningbo) Medical Investment Management Co. (□□□□□□□□□□□□□□□□□□□□), and a copy of the notice of deregistration with respect to such equity pledge issued by such local counterparts of the SAMR shall be delivered to the Investor.

The pledge of 100% equity interest in the PRC Affiliate to the WFOE shall be completed to register at the local counterparts of the SAMR, and a copy of the notice of registration with respect to the equity pledge issued by such local counterparts of the SAMR shall be delivered to the Investor.

SECTION 6.17 No Litigation.

No Action shall have been threatened or instituted against any Seller Party or the Investor seeking to enjoin, challenge the validity of, or assert any liability against any of them on account of, any transactions contemplated by this Agreement or the other Transaction Documents.

SECTION 6.18 Due Diligence

The Investor shall have completed its due diligence investigation, and the result of the due diligence investigation is satisfactory to the Investor.

SECTION 6.19 No Material Adverse Effect.

There shall have been no Material Adverse Effect since the Financial Statements Date.

SECTION 6.20 Closing Deliveries.

The Seller Parties shall have delivered all of the various items they are required to deliver to the Investor at the Closing under Section 2.02.

ARTICLE VII

CONDITIONS TO THE SELLER PARTIES' OBLIGATIONS AT THE CLOSING

The obligations of the Seller Parties under this Agreement at the Closing with respect to the Investor are subject to the fulfillment, on or prior to the Closing Date of the following conditions:

SECTION 7.01 Representations and Warranties.

The representations and warranties of the Investor contained in Article IV hereof shall be true and correct on and as of the date hereof and as of the date of the Closing with the same effect as though such representations and warranties had been made on and as of the date of the Closing, except in either case for those representations and warranties that address matters only as of a particular date, which representations will have been true and complete as of such particular date.

SECTION 7.02 Execution of Transaction Documents.

The Investor shall have executed and delivered to the Company the Transaction Documents to which it is a party.

SECTION 7.03 Performance

The Investor shall have performed and complied with all covenants, obligations and conditions contained in this Agreement that are required to be performed or complied with by the Investor on or before the Closing.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01 Indemnity.

(a) General Indemnity. Each Seller Party shall, jointly and severally, indemnify the Investor, and the Investor's respective directors, officers, employees, Affiliates, agents and assigns (each, an "**Indemnified Party**") against any reduction in value of the Company's or the Group Companies' assets, any increase in their liabilities, any dilution of the Investor's interests in the Company or any diminution in the value of the Investor's interests in the Company (the "**Indemnifiable Damage**") as a result of any inaccuracy in or breach or non-performance of any of the representations, warranties, covenants or agreements made by any Seller Party in or pursuant to this Agreement or any of the other Transaction Documents.

(b) Special Indemnity. Without limiting the generality of the foregoing, each of the Seller Parties shall jointly and severally indemnify any Indemnified Party for any and all Indemnifiable Damages suffered by such Indemnified Party as a result of or arising out of: (i) any failure by any Group Company to pay any Tax which it is liable to pay (including withholding and paying on behalf of another, any penalties, fines or interest in connection with Tax) prior to the Closing; (ii) any Liability attributable to the infringement, violation or misappropriation of any Intellectual Property Rights of any third party by any Group Company prior to the Closing; (iii) any Liability incurred by any PRC Company arising from or in connection with its failure to open housing provident fund accounts or to fully pay the social insurance premiums or housing funds for any of its employees in accordance with applicable laws prior to the Closing; (iv) any failure of any Group Company, other Seller Parties or the Company Representative to comply with the FCPA, the U.K. Bribery Act or any other applicable Compliance Laws; (v) any failure of any Group Company to comply with laws regarding foreign investment restrictions relating to the Business prior to the Closing; (vi) any failure of any Group Company to obtain the consents from any Person or competent Governmental Authority in connection with its human genetic resources related projects, its sharing and dissemination of human genetic resources related materials or information with any foreign entity and its use of Personal Information or any Liability incurred by any Group Company for violation of the agreements to which it is a party in its use of Personal Information; (vii) any failure of any PRC Company to complete the registration and record-filing formalities for the leased properties of any Group Company; and (viii) any Losses incurred arising from or in connection with defective or invalid leasehold interests of any property or assets used by any Group Company. Such indemnification shall not be prejudiced by or be otherwise subject to any disclosure (in the Disclosure Schedule or otherwise).

(c) Indemnity Limitations. Notwithstanding the foregoing, absent of fraud, intentional misconduct, intentional misrepresentation, or gross negligence on the part of any Seller Party, each Seller Party's indemnity liabilities are subject to the limitations below:

(1) the maximum aggregate liability of each of the Seller Parties to the Investor for any indemnification under this Agreement shall not exceed the aggregate amount equal to one hundred percent (100%) of the Purchase Price actually paid by the Investor.

(2) the Founders and the BVI Company may elect to satisfy the entirety of their obligations under this Agreement by transferring the Ordinary Shares of the Company in whole or in part held by them to the Indemnified Parties at no cost. If the Founder Parties elect to satisfy their entire obligations under this Agreement by transferring the Ordinary Shares of the Company to the Indemnified Parties at no cost, in no event the assets of the Founders (other than the Ordinary Shares of the Company directly or indirectly held by the Founder) shall be used to indemnify any Indemnifiable Damage.

(3) any Seller Party is not liable in respect of any Indemnified Party's claim(s) unless and until the aggregate amount of all the Indemnifiable Damage for which indemnification is sought by any Indemnified Party exceeds, on a cumulative basis, US$100,000 (or its equivalent in foreign currency) (the "**Indemnity Basket**"); provided that if the aggregate amount of all the Losses exceeds US$100,000, the Indemnified Party shall be entitled to indemnification for the full amount of such Losses, without regard to the Indemnity Basket.

(4) to the extent that the matter giving rise to an Indemnified Party' claim(s) made by an Indemnified Party has been remedied by any Seller Party within certain terms required by such Indemnified Party and to the fully satisfaction of such Indemnified Party, then the Seller Parties shall not be obligated to indemnify such Indemnified Party with respect to such Indemnified Party' claim(s).

SECTION 8.02 Calculation of Losses.

Each of the Seller Parties agrees that in assessing the amount of damages for a breach of representations and warranties, covenants and agreements under this Agreement, there shall be taken into account that: (i) in calculating the loss or damage that any Investor may suffer as a result of any claim made by the Investor under this Agreement, any payment made by the Company to reimburse the Investor for its losses will in itself diminish the value of the Investor's investment in the Company and, accordingly, such payment should be taken into account in calculating the Investor's loss or damage; and (ii) the Investor shall be entitled to be compensated for, but not limited to, the decrease in value (including loss of bargain) of all the Purchased Shares or Ordinary Shares arising from conversion thereof held by the Investor as a result of any material inaccuracy or breach of representations and warranties, covenants and agreements or breach of any other provision of this Agreement.

SECTION 8.03 Rights Cumulative; Specific Performance.

Each and all of the various rights, powers and remedies of a party hereto will be considered to be cumulative with and in addition to any other rights, powers and remedies which such Party may have at Law or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power or remedy available to such Party. Without limiting the foregoing, the Parties hereto acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

SECTION 8.04 Governing Law.

This Agreement shall be governed by and construed exclusively in accordance with the laws of the Hong Kong without regard to principles of conflicts of law thereunder.

SECTION 8.05 Survival.

The representations, warranties and covenants of the Seller Parties contained in this Agreement shall survive after the Closing and shall in no way be affected by any investigation made by any party hereto and the consummation of the transactions contemplated hereby. For the avoidance of doubt, the Investor shall not be liable for any losses, liabilities, obligations, responsibilities or debts, whether contractual or otherwise, or any taxes or any other undertakings of any Seller Party or any Affiliate of any Seller Party incurred from or arose out of or as a result of events which happened before the Closing.

SECTION 8.06 Successors and Assigns.

Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto whose rights or obligations hereunder are affected by such amendments. This Agreement and the rights and obligations therein may not be assigned by the Seller Parties without the written consent of the Investor. Notwithstanding the foregoing, the Investor may assign the rights and obligations under this Agreement to its affiliates, affiliated partnerships or funds managed by or affiliated with it or any of their respective directors, officers or partners, provided that (i) such transfer is made in accordance with the Shareholders Agreement, and (ii) such successor shall not be the Competitor of the Group Companies and shall have obtained all necessary approval, authorization or consent with any Governmental Authority which are required to be obtained or made in connection with its shareholding in the Company.

SECTION 8.07 Entire Agreement.

This Agreement, the Shareholders Agreement, the Restated Articles, any other Transaction Document, and the schedules and exhibits hereto and thereto, which are hereby expressly incorporated herein by this reference constitute the entire understanding and agreement between the parties with regard to the subjects hereof and thereof; provided, however, that nothing in this Agreement or related agreements shall be deemed to terminate or supersede the provisions of any confidentiality and nondisclosure agreements executed by the parties hereto prior to the date hereof, which agreements shall continue in full force and effect until terminated in accordance with their respective terms.

SECTION 8.08 Notices.

Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party, upon delivery; (b) when sent by facsimile at the number set forth in EXHIBIT C hereto, upon receipt of confirmation of error-free transmission; (c) seven (7) business days after deposit in the mail as air mail or certified mail, receipt requested, postage prepaid and addressed to the other party as set forth in EXHIBIT C; or (d) three (3) business days after deposit with an overnight delivery service, postage prepaid, addressed to the parties as set forth in EXHIBIT C with next business day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider.

Each person making a communication hereunder by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication. A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 8.08 by giving, the other parties written notice of the new address in the manner set forth above.

SECTION 8.09 Amendments and Waivers.

Any term of this Agreement may be amended, only with the written consent of each of (i) the Company, and (ii) the Investor. Any amendment effected in accordance with this paragraph shall be binding upon each of the Parties hereto. Notwithstanding the foregoing, the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Party against whom such waiver is sought.

SECTION 8.10 No Waiver.

Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power or remedy power hereunder at any one time or more times be deemed a waiver or relinquishment of such right, power or remedy at any other time or times.

SECTION 8.11 Delays or Omissions.

No delay or omission to exercise any right, power or remedy accruing to any Seller Party or any Investor, upon any breach or default of any party hereto under this Agreement, shall impair any such right, power or remedy of such Seller Party or the Investor, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring; nor shall any waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Seller Party or any Investor of any breach or default under this Agreement or any waiver on the part of any Seller Party or any Investor of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, or by law or otherwise afforded to the Seller Parties and the Investor shall be cumulative and not alternative.

SECTION 8.12 Finder's Fees.

Except as disclosed in the Disclosure Schedule, each party represents and warrants to the other party hereto that it has retained no finder or broker in connection with the transactions contemplated by this Agreement and/or the other Transaction Documents and hereby agrees to indemnify and to hold harmless the other party hereto from and against any liability for any commission or compensation in the nature of a finder's fee of any broker or other person or firm (and the costs and expenses of defending against such liability or asserted liability) for which the indemnifying party or any of its employees or representatives are responsible.

SECTION 8.13 Interpretation; Titles and Subtitles.

This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to Sections and Exhibits herein are to Sections and Exhibits of this Agreement. As used in this Agreement, the words "include" and "including", and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation".

SECTION 8.14 Counterparts.

This Agreement may be executed (including electronic signature) in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

SECTION 8.15 Severability.

If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the parties. In such event, the parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the parties' intent in entering into this Agreement.

SECTION 8.16 Confidentiality and Non-Disclosure.

The parties hereto agree to be bound by the confidentiality and non-disclosure provisions of Section 10 of the Shareholders Agreement, which shall mutatis mutandis apply.

SECTION 8.17 Further Assurances.

Each party shall from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required to effect the transactions contemplated by this Agreement and/or the other Transaction Documents.

SECTION 8.18 Dispute Resolution.

(a) Negotiation Between Parties. The parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of all parties within thirty (30) days, Section 8.18(b) shall apply.

(b) Arbitration. In the event the parties are unable to settle a dispute between them regarding this Agreement in accordance with subsection (a) above, such dispute shall be referred to and finally settled by arbitration at the Hong Kong International Arbitration Centre (the "**HKIAC**") for arbitration in Hong Kong. The arbitration shall be conducted in accordance with the HKIAC Administered Arbitration Rules in force at the time of the initiation of the arbitration, which rules are deemed to be incorporated by reference into this subsection (b).

SECTION 8.19 Expenses.

In the event that the Closing and Series D Closing occur or the Closing and Series D Closing do not successfully occur for reasons not attributable to the Investor, the Company shall reimburse the Investor's reasonable costs and expenses for legal, financial and other due diligence activities and negotiation and documentations incurred by the Investor in connection with the transactions contemplated hereunder and the transactions contemplated under Series D Purchase Agreement, provided that the reimbursement amount under this provision shall not exceed US$150,000.

SECTION 8.20 Termination.

This Agreement may be terminated prior to the Closing as between the Company on one hand and any Investor on the other hand (i) by mutual written consent of the Company and the Investor, (ii) by the Investor if the Closing has not occurred within one hundred and twenty (120) days after the signing of this Agreement, or (iii) by the Investor, by written notice to the Company if there has been a material misrepresentation or material breach of a covenant or agreement contained in this Agreement on the part of any Seller Party, provided that, any termination of this Agreement as between the Company on the one hand and any Investor on the other hand in accordance with any of the items (i) through (iii) above shall not impact the continuing validity of this Agreement being in full force and effect as between the Company on the one hand and any other Investor on the other hand.

If this Agreement is terminated pursuant to the provisions of this Section 8.20 or Section 5.10, then this Agreement shall have no further effect, provided that, no Party hereto shall be relieved of any liability for a breach of this Agreement or for any misrepresentation hereunder, nor shall such termination be deemed to constitute a waiver of any available remedy (including specific performance if available) for any such breach or misrepresentation; provided further that, the provisions of Section 5.05, Section 5.19, Section 8.01, Section 8.03, Section 8.04, Section 8.07, Section 8.15, Section 8.17, Section 8.18, Section 20 and Section 8.21 shall survive the expiration or early termination of this Agreement.

SECTION 8.21 Press Releases.

None of the Parties hereto shall issue a press release or make any public announcement or other public disclosure with respect to any of the transactions contemplated herein, including the name of the Investor, or any of its Affiliates, without obtaining the prior written consent of the Investor, or use the name or logo of the Investor, or any of their respective Affiliates without obtaining in each instance the prior written consent of the Investor.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE COMPANY:

Genetron Holdings Limited (□□□□□□□□□□□□□□□□)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

THE BVI COMPANY:

FHP Holdings Limited

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

THE HK CO.:

Genetron Health (Hong Kong) Company Limited (□□□□□(□□)□□□□)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE WFOE:

Genetron (Tianjin) Co., Ltd (□□□□□□□□□□)(Seal)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

THE PRC AFFILIATE:

Genetron Health (Beijing) Co., Ltd. (□□□□□□□□□□□□□□□)
(Seal)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ Wang Sizhen

Name: Wang Sizhen

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ Yan Hai

Name: Yan Hai

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ He Weiwu

Name: He Weiwu

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTOR:

VIVO CAPITAL FUND IX, L.P.
By: Vivo Capital IX, LLC

By: /s/ Frank Kung
Name: Frank Kung
Title: Managing Member

Annex A

Definitions

As used in this Agreement, the following terms shall have the following respective meanings:

"**Action**" shall mean any notice, charge, claim, action, complaint, petition, investigation, appeal, suit, litigation, grievance, inquiry or other proceeding, whether administrative, civil, regulatory or criminal, whether at law or in equity, or otherwise under any applicable law, and whether or not before any mediator, arbitrator or Governmental Authority.

"**Affiliate**" shall mean, in respect of a Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person, and without limiting the generality of the foregoing, (a) in the case of a natural Person, shall include, without limitation, such Person's spouse, parents, children, the spouse of the children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law, (b) in the case of an Investor, shall include (i) any Person who holds Shares as a nominee for the Investor, (ii) any controlling shareholder of the Investor, (iii) any entity or individual which has direct or indirect controlling interest in such controlling shareholder of the Investor (including, if applicable, any general partner) or any fund manager thereof, (iv) any Person that directly or indirectly Controls, is Controlled by, under common Control with, or is managed by the Investor, its controlling shareholder, the general partner or the fund manager of the Investor or its controlling shareholder, (v) the relatives of any individual referred to in (ii), (iii) and (iv) above, and (vi) any trust Controlled by or held for the benefit of such individuals. For the avoidance of doubt, an Investor shall not be deemed to be an Affiliate of any Group Company.

"**Agreement**" is defined in the introductory paragraph of this Agreement.

"**Associate**" means, with respect to any Person, (x) a corporation or organization (other than the Group Companies) of which such Person is an officer, director or partner or is, directly or indirectly, the record or beneficial owner of five (5) percent or more of any class of Equity Securities of such corporation or organization, (y) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity, or (z) any relative or spouse of such Person, or any relative of such spouse.

"**Board**" shall mean the board of directors of the Company.

"**Business**" shall mean the business of precision oncology based on molecular information.

"**Business Day**" or "**business day**" shall mean any day that is not a Saturday, Sunday, legal holiday or a day on which banks are required to be closed in Cayman Islands, Hong Kong, or the PRC.

"**BVI Company**" is defined in introductory paragraph of this Agreement.

"**Captive Structure**" shall mean the structure under which the WFOE Controls the PRC Affiliate through the Control Documents.

“**Charter Documents**” shall mean, with respect to a particular legal entity, the articles of incorporation, certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

“**Circular 37**” shall mean the Notice on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in Overseas Financing and Round Trip Investment via Overseas Special Purpose Companies (□□□) issued by SAFE on July 4, 2014, and its amendment and interpretation promulgated by SAFE from time to time.

“**CFC**” shall mean the controlled foreign corporation within the meaning of Section 957 of the United States Internal Revenue Code of 1986 (“**Code**”).

“**Closing**” shall have the meaning ascribed to it in Section 2.01.

“**Code**” shall mean the United States Internal Revenue Code of 1986.

“**Company**” is defined in introductory of this Agreement.

“**Company Owned IP**” means all Intellectual Property owned by, purported to be owned by, or exclusively licensed to, the Group Companies.

“**Company Registered IP**” means all Intellectual Property for which registrations are owned by or held in the name of, or for which applications have been made in the name of, any Group Company.

“**Competitor**” shall have the meaning ascribed to it in the Shareholders Agreement.

“**Consent**” means any consent, approval, authorization, release, waiver, permit, grant, franchise, concession, agreement, license, exemption or order of, registration, certificate, declaration or filing with, or report or notice to, any Person, including any Governmental Authority.

“**Contract**” means, a contract, agreement, understanding, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral.

“**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and includes but not limited to (a) ownership directly or indirectly of 50% or more of the shares in issue or other equity interests of such Person, (b) possession directly or indirectly of 50% or more of the voting power of such Person or (c) the power directly or indirectly to appoint a majority of the members of the board of directors or similar governing body of such Person, and the terms “**Controlling**” and “**Controlled**” have meanings correlative to the foregoing.

"**Control Documents**" shall mean, collectively, the agreements made from time to time, which enable the Company to exclusively Control, and consolidate in its financial statements the results of the PRC Affiliate, entered into between the WFOE on the one hand and the PRC Affiliate or the shareholders of the PRC Affiliate on the other hand, including but not limited to the Shareholder Voting Rights Entrustment Agreement, Spousal Consent Letter, Equity Interest Pledge Agreement, and Exclusive Option Agreement, dated July 30, 2019, and Exclusive Business Cooperation Agreement dated July 2, 2019.

"**Conversion Shares**" shall mean Ordinary Shares issuable upon conversion of the Preferred Shares of the Company.

"**Disclosure Schedule**" shall have the meaning ascribed to it in Article III.

"**ESOP**" shall mean the 2019 Equity Incentive Plan of the Company adopted by the Company on July 2, 2019, covering the grant of up to 33,961,500 Ordinary Shares (or options therefor) (as adjusted for share splits, share dividends, combinations, recapitalizations and similar events) to employees, officers, directors, or consultants of a Group Company.

"**Environmental Claim**" shall mean any claim, action, cause of action, investigation, or notice (written or oral) by any Person or entity alleging potential liability arising out of, based on, or resulting from: (i) the presence, or release into the environment, of any Material of Environmental Concern at any location; or (ii) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law.

"**Environmental Laws**" shall mean all laws and regulations of any jurisdiction where a Group Company is or has engaged in business activities relating to pollution or protection of human health or the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Material of Environmental Concern.

"**Equity Securities**" shall mean, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing, or any Contract providing for the acquisition of any of the foregoing.

"**FCPA**" shall mean the Foreign Corrupt Practices Act of the United States (15 U.S.C. §§ 78dd-1, et seq.), as amended.

"**Financial Statements Date**" shall have the meaning ascribed to it in Section 3.16.

"**Financial Statements**" shall have the meaning ascribed to it in Section 3.16.

"**Founder**" is defined in introductory paragraph of this Agreement.

ANNEX A

"**Government Order**" means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

"**Governmental Authority**" shall mean any nation or government, or any federation, province or state or any other political subdivision thereof; and any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of the PRC, the Cayman Islands, Hong Kong or any other country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.

"**Group Companies**" is defined in the introductory paragraph B. of this Agreement, each a "**Group Company**".

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China.

"**HK Co.**" is defined in the introductory paragraph B. of this Agreement.

"**IFRS**" shall mean the applicable International Financial Reporting Standards published by the International Accounting Standards Board.

"**Indemnification Agreement**" shall mean the Indemnification Agreement among the Company, the Investor and VIVO Director to be entered into as of the Closing in substantially the form attached hereto as Exhibit B.

"**Indemnifiable Damage**" shall have the meaning set forth in Section 8.01(a).

"**Indemnified Party**" shall have the meaning set forth in Section 8.01(a).

"Indemnity Basket" shall have the meaning set forth in Section 8.01(c).

"**Intellectual Property Rights**" any and all (a) patents, all patent rights and all applications therefor and all reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (b) inventions (whether patentable or not), discoveries, and industrial models, (c) registered and unregistered copyrights, copyright registrations and applications, author's rights and works of authorship (including artwork of any kind, and software of all types in whatever medium, inclusive of computer programs, source code, object code and executable code, and related documentation), (d) domain names, web sites and any part thereof, (e) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications for parts and devices, quality assurance and control procedures, research data concerning historic and current research and development efforts, databases and proprietary data, (f) trade names, trade dress, trademarks, service marks, and registrations and applications therefor, and (h) the goodwill of the business symbolized or represented by the foregoing, customer lists and other proprietary information.

ANNEX A

"**Interested Party**" shall mean any Affiliate, Officer, director, supervisory board member, employee, or holder of any Equity Security of any Group Company, and any Affiliate or Associate of any of the foregoing.

"**Investor**" is defined in introductory paragraph of this Agreement.

"**Key Employees**" shall mean the individuals identified in Section 3.26 of the Disclosure Schedule, each a "**Key Employee**".

References to "**law**" or "**Law**" shall include all applicable laws, regulations, rules and orders of any Governmental Authority, any common or customary law, constitution, code, ordinance, statute or other legislative measure and any regulation, rule, treaty, order, decree or judgment; and "**lawful**" shall be construed accordingly.

"**Knowledge**" shall mean, means, with respect to the Seller Parties, and that knowledge which should have been acquired by each such individual after making such due inquiry and exercising such due diligence as a prudent business person would have made or exercised in the management of his or her business affairs, including but not limited to due inquiry of all Officers, directors, employees, consultants and professional advisers (including attorneys, accountants and auditors) of the Group Companies who could reasonably be expected to have knowledge of the matters in question, and where any statement in the representations and warranties hereunder is expressed to be given or made to a Person's Knowledge, or so far as a party is aware, or is qualified in some other manner having a similar effect, the statement shall be deemed to be supplemented by the additional statement that such party has made such due inquiry and due diligence.

"**Liabilities**" or "**Liability**" shall mean, with respect to any Person, all debts, obligations, liabilities owed by such Person of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due.

"**Lien**" shall mean any mortgage, pledge, claim, security interest, encumbrance, title defect, Lien, charge, easement, adverse claim, restrictive covenant, or other restriction or limitation of any kind whatsoever, including any restriction on the use, voting, transfer, receipt of income, or exercise of any attributes of ownership.

"**2019 New Share Incentive Plan**" shall mean the management incentive plan to be adopted by the Company prior to the Closing, covering the grant of up to 20,468,800 Ordinary Shares (or options therefor) (as adjusted for share splits, share dividends, combinations, recapitalizations and similar events) to the employees, officers, directors, or consultants of a Group Company.

"**Material Adverse Effect**" shall mean any (a) event, occurrence, fact, condition, change or development that has had, has, or could reasonably be expected to have a material adverse effect on the business, properties, assets, operations, results of operations, condition (financial or otherwise), prospects or liabilities of the Group Companies taken as a whole, (b) material impairment of the ability of any Seller Party to perform the material obligations of such Person hereunder or under any other Transaction Documents, as applicable, or (c) material impairment of the validity or enforceability of this Agreement or any other Transaction Document against any Group Company, Founders or BVI Company.

ANNEX A

"**Material Contracts**" shall have the meaning ascribed to it in Section 3.10.

"**Material of Environmental Concern**" shall mean chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum, and petroleum products.

"**Officers**" shall mean the chief executive officers and senior management of the Company, including Chief Executive Officer, Chief Scientific Officer, Chief Technology Officer, Chief Financial Officer, Chief Operating Officer of the Company and senior managers with "senior vice president" or "vice president" titles, and each an "**Officer**".

"**Ordinary Shares**" shall mean the Company's ordinary shares, par value US$0.00002 per share.

"**Permitted Liens**" means (i) Liens for Taxes not yet delinquent or the validity of which are being contested in good faith and for which there are adequate reserves on the applicable financial statements, and (ii) Liens incurred in the ordinary course of business, which (x) do not individually or in the aggregate materially detract from the value, use, or transferability of the assets that are subject to such Liens, and (y) were not incurred in connection with the borrowing of money, and (iii) Liens created pursuant to Control Documents.

"**Person**" means any individual, sole proprietorship, partnership, limited partnership, limited liability company, firm, joint venture, estate, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or governmental or regulatory authority or other enterprise or entity of any kind or nature.

"**PFIC**" shall mean the passive foreign investment company within the meaning of Section 1297 of the Code.

"**PRC**" shall mean the People's Republic of China, but solely for purposes of this Agreement and the other Transaction Documents, excluding the Hong Kong, the Macau Special Administrative Region and Taiwan.

"**PRC Affiliate**" is defined in introductory paragraph of this Agreement.

"**PRC Subsidiary**" is defined in introductory paragraph of this Agreement.

"**PRC Company**" or "**PRC Companies**" is defined in introductory paragraph of this Agreement.

"**Public Official**" shall mean (a) officers, employees and other Persons (regardless of seniority) working in an official capacity on behalf of any branch of a government (including legislative, administrative, judicial, military or public education departments) at any level (including county and municipal level, provincial level or central level), or any department or agency thereof, (b) political party officials and candidates for political office, (c) directors, officers and employees of state-owned, state-controlled or state-operated enterprises, (d) officers, employees and other persons working in an official capacity on behalf of any public international organization (regardless of seniority), e.g., the United Nations or the World Bank, (e) director, officer or employee or agent of a wholly owned or partially state-owned or controlled enterprise, including a PRC state-owned or controlled enterprise, or (f) close relatives (e.g., parents, children, spouse and parents-in-law), close friends and business partners of persons identified above.

ANNEX A

"**Preferred Shares**" shall mean the Company's Series D Preferred Shares, the Series C-2 Preferred Shares, the Series C-1 Preferred Shares, the Series B Preferred Shares, the Series A Preferred Shares and/or other preferred shares of the company that may be issued from time to time.

"**Public Software**" shall mean any software that contains, or is derived (in whole or in part) from any software that is distributed as free software, open source software (e.g., Linux) or similar licensing or distribution models.

"**Purchased Shares**" shall have the meaning ascribed to it in Section 1.01.

"**Restated Articles**" shall mean the Third Amended and Restated Memorandum and Articles of Association of the Company to be adopted on the Closing Date in the form and substances satisfactory to the Investor.

"**Reorganization**" shall have the meaning ascribed to it in the Shareholders Agreement.

"**SAFE**" shall mean the State Administration of Foreign Exchange of the PRC.

"**SAFE Rules and Regulations**" shall mean the Circular 37 and any other related guidelines, implementing rules, reporting and registration requirements issued by SAFE.

"**SAMR**" shall have the meaning ascribed to it in Section 3.28(c).

"**Securities Act**" shall mean the U.S. Securities Act of 1933, as amended.

"**Security Holder**" shall have the meaning ascribed to it in Section 3.12.

"**Seller Parties**" shall mean, collectively, the Group Companies, the Founders and the BVI Company, and a "**Seller Party**" shall mean any one of the foregoing.

"**Series A Preferred Share(s)**" shall mean the series A-1 convertible preferred shares ("**Series A-1 Preferred Shares**") and/or series A-2 convertible preferred shares ("**Series A-2 Preferred Shares**"), par value US$0.00002 per share.

"**Series B Preferred Share(s)**" shall mean the Company's series B convertible preferred shares, par value US$0.00002 per share.

"**Series C-1 Preferred Share(s)**" shall mean the Company's series C-1 convertible preferred shares, par value US$0.00002 per share.

"**Series C-2 Preferred Share(s)**" shall mean the Company's Series C-2 convertible preferred shares, par value US$0.00002 per share.

ANNEX A

"**Series D Preferred Share(s)**" shall mean the Company's series D convertible preferred shares, par value US$0.00002 per share.

"**Series D Purchase Agreement**" shall mean the Series D Shares Purchase Agreement to be entered into by and among the Company, the Investor and other relevant parties for the issuance and purchase of Series D Preferred Shares.

"**Shares**" shall mean all Preferred Shares and all Ordinary Shares of the Company.

"**Shareholders Agreement**" shall mean the Amended and Restated Shareholders Agreement among the Investor, the Company, the HK Co., WFOE, the PRC Affiliate, the BVI Company, the Founders and other certain parties to be entered into as of the Closing in the form and substances satisfactory to the Investor. "**Subsidiary**" or "**subsidiary**" shall mean, with respect to any subject entity (the "subject entity"), (i) any company, partnership or other Person (x) more than 50% of whose shares or other interests entitled to vote in the election of directors or (y) more than a 50% interest in the profits or capital of such entity are owned or controlled directly or indirectly by the subject entity or through one or more Subsidiaries of the subject entity, (ii) any entity whose assets, or portions thereof, are consolidated with the net earnings of the subject entity and are recorded on the books of the subject entity for financial reporting purposes in accordance with IFRS or U.S. GAAP, or (iii) any entity with respect to which the subject entity has the power to otherwise direct the business and policies of that entity directly or indirectly through another subsidiary. Notwithstanding the above, as applied to the Company, the term "Subsidiary" or "subsidiary" includes the HK Co., the PRC Subsidiary, the WFOE Subsidiary, Domestic Co and the Beijing WFOE (upon its establishment).

"**Tax**" shall mean (i) in the PRC: (a) any national, provincial, municipal, or local taxes, charges, fees, levies, or other assessments, including, without limitation, all net income (including enterprise income tax and individual income withholding tax), turnover (including value-added tax, business tax, and consumption tax), resource (including urban and township land use tax), special purpose (including land value-added tax, urban maintenance and construction tax, and additional education fees), property (including urban real estate tax and land use fees), documentation (including stamp duty and deed tax), filing, recording, tariffs (including import duty and import value-added tax), and estimated and provisional taxes, charges, fees, levies, or other assessments of any kind whatsoever, (b) all interest, penalties (administrative, civil or criminal), or additional amounts imposed by any Governmental Authority in connection with any item described in clause (a) above, and (c) any form of transferee liability imposed by any Governmental Authority in connection with any item described in clauses (a) and (b) above, and (ii) in any jurisdiction other than the PRC: all similar liabilities as described in clause (i)(a) and (i)(b) above.

"**Tax Return**" shall mean any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

ANNEX A

"**Tax Liability**" shall mean any and all losses, liabilities, damages, suits, obligations, judgments or settlements or any kind (including all reasonable legal costs, costs of recovery and other expenses incurred by the Investor) resulting from any claim of taxation (including those resulting from cancellation or reclamation of tax benefits of any kind relating to the Group Companies) arising from an event relating to tax, whether occurring before or after the Closing.

"**Transaction Documents**" shall mean this Agreement, the Shareholders Agreement, the Restated Articles, the Indemnification Agreement, the exhibits attached to any of the foregoing and any other document, certificate, and agreement delivered in connection with the transactions contemplated hereby and thereby.

"**US$**" shall mean the lawful currency of the United States of America.

"**U.S. GAAP**" shall mean the generally accepted accounting principles in the United States.

"**VIVO Director**" shall have the meaning ascribed to it in Section 6.11.

"**WFOE**" is defined in introductory paragraph of this Agreement.

ANNEX A

AMENDMENT AGREEMENT
TO
SERIES C-2 PREFERRED SHARES PURCHASE AGREEMENT

THIS AMENDMENT AGREEMENT TO SERIES C-2 PREFERRED SHARES PURCHASE AGREEMENT (the "**Agreement**") is made and entered into as of November 19, 2019 by and among:

1. Genetron Holdings Limited (□□□□□□□□□□□□□□), an exempted company with limited liability organized and existing under the laws of the Cayman Islands (the "**Company**");

2. Genetron Health (Hong Kong) Company Limited (□□□□□(□□)□□□□), a company organized and existing under the laws of Hong Kong (the "**HK Co.**");

3. Genetron (Tianjin) Co., Ltd. (□□□□□□□□□□), a wholly foreign owned enterprise organized and existing under the laws of the PRC (the "**WFOE**");

4. Genetron Health (Beijing) Co., Ltd. (□□□□□□□□□□□□□□), a limited liability company organized and existing under the laws of PRC (the "**PRC Affiliate**");

5. Each of the persons as set forth in Table A of Schedule I attached hereto (the "**Founders**" and each, a "**Founder**");

6. The entity as set forth in Table B of Schedule I attached hereto (the "**BVI Company**"); and

7. VIVO CAPITAL FUND IX, L.P., a limited partnership organized and existing under the laws of the United States (the "**Investor**" or "**VIVO**").

Each of the foregoing Parties is referred to herein individually as a "**Party**" and collectively as the "**Parties**". The capitalized terms used and not defined herein shall have the same meaning as ascribed to them in the Purchase Agreement (as defined below).

RECITALS

The Parties have entered into SERIES C-2 PREFERRED SHARES PURCHASE AGREEMENT on October 1, 2019 (the "**Purchase Agreement**"). The Parties desire to enter into this Agreement to amend certain provisions of the Purchase Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Section 3.02 (b) of the Purchase Agreement shall be amended by deleting in its entirety and replacing it with the following:

   (b) Preferred Shares. Immediately prior to the Closing, (i) a total of 47,600,000 authorized Series A-1 Preferred Shares, 44,404,500 of which are issued and outstanding; (ii) a total of 19,760,000 authorized Series A-2 Preferred Shares, 17,544,000 of which are issued and outstanding; (iii) a total of 43,363,500 authorized Series B Preferred Shares, 41,842,000 of which are issued and outstanding; (iv) a total of 60,359,500 authorized Series C Preferred Shares, all of which are issued and outstanding; (v) a total of 15,205,000 authorized Series C-2 Preferred Shares, of which none was issued and outstanding; (vi) a certain number of Series D Preferred Shares, which are the same with the number of Series D Preferred Shares immediately prior to the Series D Closing as stipulated in Series D Purchase Agreement and of which none was issued and outstanding.

2. Section 6.06 of the Purchase Agreement shall be amended by deleting in its entirety and replacing it with the following:

   Upon or immediately prior to the Closing, the Board of Directors and the shareholders of the Company shall have duly reserved 20,830,100 Ordinary Shares to be issued to the employees, officers, directors, or consultants of a Group Company in accordance with the 2019 New Share Incentive Plan.

3. The definition of "Preferred Shares" in Annex A (Definitions) of the Purchase Agreement shall be amended by deleting in its entirety and replacing it with the following:

   "Preferred Shares" shall mean the Company's Series D Preferred Shares, the Series C-2 Preferred Shares, the Series C Preferred Shares, the Series B Preferred Shares, the Series A Preferred Shares and/or other preferred shares of the company that may be issued from time to time.

4. The definition of "Series C-1 Preferred Share(s)" in Annex A (Definitions) of the Purchase Agreement shall be amended by deleting in its entirety and replacing it with the following:

   "**Series C Preferred Share(s)**" shall mean the Company's series C convertible preferred shares, par value US$0.00002 per share.

5. The definition of "2019 New Share Incentive Plan" in Annex A (Definitions) of the Purchase Agreement shall be amended by deleting in its entirety and replacing it with the following:

   "**2019 New Share Incentive Plan**" shall mean the management incentive plan to be adopted by the Company after the Closing, covering the grant of up to 20,830,100 Ordinary Shares (or options therefor) (as adjusted for share splits, share dividends, combinations, recapitalizations and similar events) to the employees, officers, directors, or consultants of a Group Company.

6. The term “Series C-1” in Schedule III (Capitalization Structure Immediately After the Closing) of the Purchase Agreement shall be amended, in each instance, by deleting in its entirety and replacing it with “Series C”.

7. The Parties confirm that the Purchase Agreement as amended hereby shall continue to remain in full force and effect and that the Purchase Agreement and this Agreement shall be read and construed as one agreement and be operative and binding on the Parties. For avoidance of doubt, the Purchase Agreement shall, where the context so requires, be read and construed throughout so as to incorporate the amendments hereinbefore made.

8. This Agreement shall be effective upon execution by each of the Parties hereto.

9. This Agreement shall be governed by and construed exclusively in accordance with the laws of the Hong Kong without regard to principles of conflicts of law thereunder.

10. The Parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of all Parties within thirty (30) days, such dispute shall be referred to and finally settled by arbitration at the Hong Kong International Arbitration Centre (the “**HKIAC**”) for arbitration in Hong Kong. The arbitration shall be conducted in accordance with the HKIAC Administered Arbitration Rules in force at the time of the initiation of the arbitration.

11. This Agreement may be executed (including electronic signature) in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE COMPANY:

Genetron Holdings Limited (□□□□□□□□□□□□□□□□)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

THE BVI COMPANY:

FHP Holdings Limited

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

THE HK CO.:

Genetron Health (Hong Kong) Company Limited (□□□□□(□□)□□□□)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE WFOE:

Genetron (Tianjin) Co., Ltd. (□□□□□□□□□□)(Seal)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

THE PRC AFFILIATE:

Genetron Health (Beijing) Co., Ltd. (□□□□□□□□□□□□□□□)
(Seal)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ Wang Sizhen
Name: Wang Sizhen

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ Yan Hai
Name: Yan Hai

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ He Weiwu
Name: He Weiwu

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTOR:

VIVO CAPITAL FUND IX, L.P.
By: Vivo Capital IX, LLC

By: /s/ Frank Kung
Name: Frank Kung
Title: Managing Member

SERIES D PREFERRED SHARES PURCHASE AGREEMENT

THIS SERIES D PREFERRED SHARES PURCHASE AGREEMENT (the "**Agreement**") is made and entered into as of November 19, 2019 by and among:

1. Genetron Holdings Limited (□□□□□□□□□□□□□□), an exempted company with limited liability organized and existing under the laws of the Cayman Islands (the "**Company**");
2. Genetron Health (Hong Kong) Company Limited (□□□□□(□□)□□□□), a company organized and existing under the laws of Hong Kong (the "**HK Co.**");
3. Genetron (Tianjin) Co., Ltd. (□□□□□□□□□□), a wholly foreign owned enterprise organized and existing under the laws of the PRC (the "**WFOE**");
4. Genetron Health (Beijing) Co., Ltd. (□□□□□□□□□□□□□□), a limited liability company organized and existing under the laws of PRC (the "**PRC Affiliate**");
5. Each of the persons as set forth in Table A of Schedule I attached hereto (the "**Founders**" and each, a "**Founder**");
6. Emerging Technology Partners LLC (the "**ETP**"), a limited liability company organized and existing under the laws of United States;
7. The entity as set forth in Table B of Schedule I attached hereto (the "**BVI Company**"); and
8. Each of the entities as set forth in Schedule II attached hereto (the "**Investors**" and each, an "**Investor**").

Each company as set forth in Table C of Schedule I attached hereto are referred to collectively herein as the "**PRC Subsidiaries**" and each, a "**PRC Subsidiary**". The WFOE, PRC Affiliate, PRC Subsidiaries and all their direct or indirect subsidiaries and branches incorporated in PRC are referred to collectively herein as the "**PRC Companies**", and each, a "**PRC Company**". The Company, the HK Co. and the PRC Companies are referred to collectively herein as the "**Group Companies**", and each a "**Group Company**".

Each of the foregoing Parties is referred to herein individually as a "**Party**" and collectively as the "**Parties**".

Capitalized terms used herein without definition have the meanings assigned to them in Annex A attached to this Agreement. The use of any term defined in Annex A in its un-capitalized form indicates that the words have their normal and general meaning.

RECITALS

A. The Company desires to issue and sell to the Investors and the Additional Investor, and the Investors and the Additional Investor desire to purchase from the Company certain number of Series D Preferred Shares on the terms and conditions set forth in this Agreement;

B. The Group Companies are engaged in the business of precision oncology based on molecular information (the "**Business**").

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I
AGREEMENT TO PURCHASE, SELL AND REDEEM SHARES

SECTION 1.01 Agreement to Purchase and Sell Purchased Shares and Additional Purchased Shares.

Subject to the terms and conditions set forth herein, the Company agrees to issue and sell to each of the Investors, and each of the Investors shall severally and not jointly, purchase from the Company that number of Series D Preferred Shares (the "**Purchased Shares**") as set forth opposite such Investor's name on Schedule II, at the aggregate purchase price set forth opposite such Investor's name in Schedule II (the "**Purchase Price**") upon the Closing (as defined in the Section 2.01 below), and having the rights, privileges and restrictions as set forth in the Third Amended and Restated Memorandum and Articles of Association of the Company attached hereto as Exhibit A (the "**Restated Articles**"), the Amended and Restated Shareholders Agreement to be entered into at the Closing and attached hereto as Exhibit B (the "**Shareholders Agreement**").

The purchase of the Purchased Shares by each Investor as set forth in this Agreement and the Transaction Documents shall be each a separate and independent transaction, and may be consummated or terminated separately and severally in accordance with the terms of this Agreement and Transaction Documents (as the case may be). Each Investor's rights and obligations in respect of the purchase of its respective portion of the Purchased Shares as provided herein or in the relevant Transaction Document shall be several and independent. Any reference to the Investors in this Agreement shall, where the context permits, mean each of the Investors severally.

Subject to the terms and conditions set forth herein, the Company agrees to issue and sell to the Additional Investor (as defined in Section 1.02), and the Additional Investor agrees to purchase from the Company Additional Purchased Shares (as defined in Section 1.02) at the aggregate purchase price of US$10,000,000 upon the Additional Closing (as defined in Section 2.01 below), having the rights, privileges and restrictions as set forth in the Restated Articles and the Shareholders Agreement.

SECTION 1.02 Transfer of Funds.

Within ten (10) business days after the Closing (as defined in Section 2.01), each Investor shall pay their respective Purchase Price as listed in Schedule II by wire transfer of US$ in immediately available funds to a bank account as designated by the Company under Schedule V hereof.

CICC agrees that it shall use its reasonable best efforts to procure CICC's Potential LP to complete the ODI Filings by CICC's Potential LP and subject to the Completion of ODI Filings by CICC's Potential LP, CICC will pay US$10,000,000 (the "**Additional Installment**") to purchase additional 6,829,500 Series D Preferred Shares or respective Conversion Shares (the "**Additional Purchased Shares**"), by wire transfer of US$ in immediately available funds to a bank account as designated by the Company under Schedule V hereof after the Completion of ODI Filings by CICC's Potential LP but in any event no later than ninety (90) days from the date hereof (the "**Extension Period**").

In the event that (a) the Additional Installment is not paid by CICC within the Extension Period, CICC's right to purchase the Additional Purchased Shares hereof shall be cancelled and terminated automatically upon the expiration of the Extension Period, without any further action from CICC or the Company (the "**Automatic Cancellation**"); or (b) the Company's IPO takes place anytime during the Extension Period when CICC yet pays for the Additional Installment, then the Company can, at its full discretion and with a written notice to all Investors within five (5) business days after the consummation of the Company's IPO, cancel and terminate CICC's right to purchase the Additional Purchased Shares without any further action from CICC (the "**Cancellation of Second Installment**"). All Parties agree that the Additional Purchased Shares shall not be issued and the Additional Closing (as defined in Section 2.01) shall not take place upon the Cancellation of Second Installment. In the event that the Cancellation of Second Installment does not occur after the consummation of the Company's IPO, the terms and conditions applicable to the issuance of the Additional Purchased Shares may be reasonably adjusted to the extent necessary to give effect to such issuance.

Immediately upon the Automatic Cancellation under paragraph (a) above, ETP shall be under the obligation to purchase the Additional Purchased Shares and pay the Additional Installment hereof by wire transfer of US$ in immediately available funds to a bank account as designated by the Company under Schedule V hereof within fifteen (15) days after the expiration of Extension Period, unless ETP has procured the foregoing obligation to be assumed by a fund managed by it to which ETP has assigned its rights and obligations hereunder pursuant to Section 8.06 hereof. For the purpose of this Agreement, "**Additional Investor**" shall mean either (a) CICC or (b) ETP (or its assignee) as contemplated in this Section 1.02.

For the avoidance of any doubt, upon cancellation or termination of CICC's right to purchase the Additional Purchased Shares in accordance with the foregoing, (i) CICC shall be automatically released and discharged from its duty or obligation with respect to any and all of the Additional Installment and any claim or liability arising in respect of the Additional Installment; and (ii) the Company shall have no further rights of recourse, and shall not arise claims, demands or litigations, against CICC in respect of the Additional Installment, both with immediate effect and without regard to the completion of the Additional Closing (as defined in Section 2.01).

SECTION 1.03 Redemption; Post-Investment Capitalization Structure.

The Company agrees to repurchase 15,205,000 Shares (the "**Redeemed Shares**") from certain holders of the Redeemed Shares ("**Selling Shareholders**" and each, a "**Selling Shareholder**") amounting to an aggregate repurchase price of US$ 15,000,000 (the "**Redemption**") before the Closing (as defined in the Section 2.01 below). For the avoidance of doubt, for any Selling Shareholder which holds any equity interest in the PRC Affiliate by itself or under the name of its designated Person, the Seller Parties shall ensure that the relevant repurchase price for the Redeemed Shares is the only consideration to be paid to each Selling Shareholder or its designated Person by the Group Companies for its corresponding shareholding in the Group Companies and in no event that such Selling Shareholders shall seek or be entitled to any duplicate payment from the Group Companies for disposal of its equity interest in the PRC Affiliate.

Following the Closing (as defined in Section 2.01), the post-investment capitalization structure of the Company on an as-converted and fully-diluted basis shall be as set forth in Schedule III.

Following the Additional Closing (as defined in Section 2.01), the post-investment capitalization structure of the Company on an as-converted and fully-diluted basis shall be as set forth in Schedule IV.

ARTICLE II

CLOSING; DELIVERY

SECTION 2.01 Closing.

The closing of the issuance and sale of the Purchased Shares shall take place remotely via the exchange of documents and signatures as soon as practicable after all the closing conditions as set forth in Article VI and Article VII hereof have been satisfied or waived (other than those conditions to be satisfied at the Closing, but subject to the satisfaction or otherwise written waiver thereof at the Closing), or at such other time and place as the Company and such Investor may mutually agree in writing (the "**Closing**", and the date for Closing is defined as the "**Closing Date**").

The Parties agree that the Closing shall take place (i) simultaneously with the closing of the issuance and sale of Series C-2 Preferred Shares as contemplated under the Series C-2 Purchase Agreement and the Amendment Agreement (the "**Series C-2 Closing**") and (ii) after the occurrence of Repurchase Closing (as defined in respective Share Repurchase Agreements) as contemplated hereunder and under the Share Repurchase Agreements.

For the avoidance of doubt, each Investor has the right, at its sole discretion, to proceed with the Closing under the terms and conditions hereof, and each Investor's decision to proceed with the Closing shall be independent from that of each other Investor.

The closing of the issuance and sale of the Additional Purchased Shares shall take place at the date that Additional Installment is paid, or at such other time and place as the Company and such Additional Investor mutually agreed (the "**Additional Closing**", and the date for Additional Closing is defined as the "**Additional Closing Date**"), subject to the relevant closing conditions for the Additional Closing as set forth in Article VI and Article VII hereof have been satisfied.

SECTION 2.02 Delivery.

At the Closing, in addition to any items the delivery of which is made an express condition to the Investors' obligations at the Closing pursuant to Article VI, the Company shall deliver to each Investor: (i) a copy of the updated register of members of the Company, certified by the registered agent of the Company, showing each Investor as the holder of the Purchased Shares purchased by such Investor hereunder at the Closing which shares are recorded as fully paid, and representing the Redeemed Shares have been repurchased before the Closing; (ii) a copy of the updated register of directors of the Company certified by the registered agent of the Company, evidencing the appointment of the VIVO Director (as defined in Section 6.11 hereof); (iii) a copy of the share certificate or certificates duly signed by a director of the Company to each Investor representing the Purchased Shares issued in the name of such Investor.

Within twenty (20) days upon the Closing, the Company shall deliver to each Investor a copy of wire instruction/bank statements certified by a director of the Company, evidencing the payment to the Selling Shareholders for the Redeemed Shares (being the relevant repurchase price minus the amount withheld and deducted pursuant to Section 5.15). Within ten (10) business days upon the Closing, the Company shall deliver the original share certificate(s) to each Investor representing the Purchased Shares purchased by such Investor, duly signed and sealed for and on behalf of the Company.

At the Additional Closing, the Company shall deliver to the Additional Investor (i) a copy of updated register of members of the Company showing the Additional Investor as the holder of Additional Purchased Shares purchased by the Additional Investor hereunder, certified by the registered agent of the Company, and (ii) a copy of the share certificate, duly signed by a director of the Company to the Additional Investor representing the Additional Purchased Shares purchased by the Additional Investor issued in the name of the Additional Investor. Within ten (10) business days upon the Additional Closing, the Company shall deliver the original share certificate to the Additional Investor representing the Additional Purchased Shares purchased by the Additional Investor, duly signed and sealed for and on behalf of the Company.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE SELLER PARTIES

The Seller Parties hereby jointly and severally represent and warrant to each Investor and the Additional Investor, subject to such exceptions as may be specially set forth in the Disclosure Schedule delivered by the Seller Parties to the Investors (the "**Disclosure Schedule**") attached to this Agreement as Exhibit C (which Disclosure Schedule shall be deemed to be representations and warranties to the Investors), as of the date hereof and the Closing Date as follows (excluding that as set forth in Section 3.04(b) and Section 3.05(b) of this Agreement).

In addition, the Seller Parties hereby jointly and severally represent and warrant to the Additional Investor, as of the date hereof and the Additional Closing Date, as set forth in Section 3.04(b), Section 3.05(b) and Section 3.28(i) of this Agreement.

SECTION 3.01 Organization, Standing and Qualification.

Each Group Company is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the laws of the place of its incorporation or establishment and has all requisite power and authority to own its properties and assets and to carry on its business as now conducted and as proposed to be conducted, and to perform each of its obligations hereunder and under any agreement contemplated hereunder to which it is a party. Each Group Company is qualified to do business and is in good standing (or equivalent status in the relevant jurisdiction) in each jurisdiction. Each Group Company has a valid business license issued by the competent Governmental Authority (the Company has heretofore furnished or otherwise made available to the Investor a complete and correct copy of such license), and has, since its establishment, carried out its business in compliance with the business scope set forth in its business license.

SECTION 3.02 Capitalization.

The authorized share capital of the Company consists of the following:

(a) Ordinary Shares. Immediately prior to the Closing, a total of 2,272,734,900 Ordinary Shares, par value US$0.00002 per share of the Company, of which 141,478,000 shares are issued and outstanding.

(b) Preferred Shares. Immediately prior to the Closing, (i) a total of 47,600,000 authorized Series A-1 Preferred Shares, 44,404,500 of which are issued and outstanding; (ii) a total of 19,760,000 authorized Series A-2 Preferred Shares, 17,544,000 of which are issued and outstanding; (iii) a total of 43,363,500 authorized Series B Preferred Shares, 41,842,000 of which are issued and outstanding; (iv) a total of 60,359,500 authorized Series C Preferred Shares, all of which are issued and outstanding; (v) a total of 15,205,000 authorized Series C-2 Preferred Shares, of which none was issued and outstanding; (vi) a total of 40,977,100 authorized Series D Preferred Shares, of which none was issued and outstanding.

(c) Options, Reserved Shares. The Company has reserved enough Ordinary Shares for issuance upon the conversion of Preferred Shares. Except for (i) the conversion privileges of the Preferred Shares, (ii) the 33,961,500 Ordinary Shares reserved for issuance pursuant to the ESOP, (iii) the 20,830,100 Ordinary Shares reserved for issuance to employees, officers, directors, or consultants of a Group Company pursuant to the Company's 2019 New Share Incentive Plan to be approved by the Board, and (iv) the preemptive rights provided in the Shareholders Agreement and Control Documents, there are no options, warrants, conversion privileges, agreements or rights of any kind, orally or in writing, with respect to the issuance or purchase of the shares of any Group Company. Apart from the exceptions noted in this Section 3.02(c), the Shareholders Agreement and Control Documents, no shares (including the Purchased Shares, Additional Purchased Shares and Conversion Shares) of any Group Companies' outstanding share capital, registered capital, or shares issuable upon exercise or exchange of any outstanding options or other shares issuable by any Group Company, are subject to any preemptive rights, rights of first refusal (except to the extent provided by applicable PRC Laws) or other rights of any kind to purchase such shares (whether in favor of any Group Company or any other person).

(d) Outstanding Security Holders. A complete and current list of all shareholders, option holders and other security holders of the Company immediately prior to and after the Closing, indicating the type and number of shares, options or other securities held by each such shareholder, option holder or other security holder, is set forth in Section 3.02(d) of the Disclosure Schedule.

(e) No share plan, share purchase, share option or other agreement or understanding between the Company and any holder of any securities or rights exercisable or convertible for securities provides for acceleration or other changes in the vesting provisions or other terms of such agreement or understanding as the result of the occurrence of any event.

SECTION 3.03 Subsidiaries; Group Structure.

(a) Section 3.03(a) of the Disclosure Schedule sets forth a complete structure chart showing each of the Group Companies, and indicating the ownership and Control relationships among all Group Companies.

(b) Wang Sizhen Controls the BVI Company. The BVI Company does not presently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association, or other Person, except for certain equity interests in the Company. The BVI Company was formed solely to acquire and hold the equity interests in the Company and has no other business. Except as set forth in Section 3.03(a) of the Disclosure Schedule, the Company does not presently own or Control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association, or other Person. The Company was formed solely to acquire and hold an equity interest in the HK Co. and since its formation has not engaged in any business and has not incurred any liability except in the ordinary course of acquiring, managing and disposing of its equity interest in the HK Co. The HK Co. was formed solely to acquire and hold the equity interests in the WFOE and has no other business, and has not incurred any Liability other than annual filing, maintenance and other standard fees. The equity interests in the WFOE are free and clear of all Liens, claims, charges and encumbrances, and no Person or entity other than the Company and the HK Co. have any right to participate in, or receive any payment based on any amount relating to, the revenue, income, value or net worth of the WFOE or any component or portion thereof, or any increase or decrease on any of the foregoing.

(c) Except as provided under the Transaction Documents and the Control Documents, there are no voting trusts, shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the equity interests to which of any of the PRC Companies is a party or is otherwise bound.

(d) Each of the PRC Companies does not maintain any offices or branches or subsidiaries except for its registered office, except for the Section 3.03(d) of the Disclosure Schedule.

SECTION 3.04 Due Authorization.

(a) All corporate actions on the part of the Seller Parties and, as applicable, their respective Officers, directors and shareholders necessary for (i) the authorization, execution and delivery of, and the performance of the obligations of the Seller Parties under this Agreement or any other Transaction Document to which it is a party, the certificate of incorporation or other equivalent Charter Documents of any of the Group Companies (collectively with the Restated Articles, the "**Constitutional Documents**") and (ii) the authorization, issuance, reservation for issuance and delivery of all of the Purchased Shares being sold under this Agreement and of the Ordinary Shares issuable upon conversion of such Purchased Shares has been taken or will be taken prior to the Closing. Each of the Transaction Documents and the Constitutional Documents is or will, upon its execution be a valid and binding obligation of each Group Company enforceable in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

(b) The Seller Parties hereby jointly and severally represent and warrant to the Additional Investor that the authorization, issuance, reservation for issuance and delivery of all of the Additional Purchased Shares being sold under this Agreement will be taken prior to the Additional Closing.

SECTION 3.05 Valid Issuance of Purchased Shares and Additional Purchased Shares.

(a) The Purchased Shares and Conversion Shares when issued, sold and recorded on the shareholder register of the Company in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and non-assessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Documents and the Restated Articles, applicable state and federal securities laws and liens or encumbrances created by or imposed by an Investor. The Conversion Shares issuable upon conversion of the Purchased Shares has been duly reserved for issuance, and upon issuance in accordance with the terms of the Restated Articles and recorded on the shareholder register of the Company, will be validly issued, fully paid and non-assessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Documents and the Restated Articles, applicable federal and state securities laws and liens or encumbrances created by or imposed by an Investor. Based in part upon the representations of the Investors in Article IV of this Agreement, the Conversion Shares issuable upon conversion of the Purchased Shares will be issued in compliance with all applicable federal and state securities laws.

(b) The Seller Parties hereby jointly and severally represent and warrant to the Additional Investor that, the Additional Shares when issued, sold and recorded on the shareholder register of the Company in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and non-assessable and free of restrictions on transfer other than restrictions on transfer under the Transaction Documents and the Restated Articles, applicable state and federal securities laws and liens or encumbrances created by or imposed by the Additional Investor.

(c) All currently outstanding capital shares of the Company are duly and validly issued, fully paid and non-assessable, and all outstanding shares, options, warrants and other securities of the Company and each other Group Company have been issued in full compliance with the requirements of all applicable securities laws and regulations including, to the extent applicable, the registration and prospectus delivery requirements of the Securities Act, or in compliance with applicable exemptions therefrom, and all other provisions of applicable securities laws and regulations, including, without limitation, anti-fraud provisions.

SECTION 3.06 Governmental Consents and Filings.

No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority is required on the part of the Seller Party in connection with the consummation of the transactions contemplated by this Agreement and/or the other Transaction Documents, except for (i) the filing of the Restated Articles, which will have been filed as of the Closing, and (ii) filings pursuant to the Securities Act, and applicable state securities laws, which have been made or will be made in a timely manner.

SECTION 3.07 Liabilities.

Except as set forth in Section 3.07 of the Disclosure Schedule, no Group Company has any indebtedness for borrowed money that it has directly or indirectly created, incurred, assumed, or guaranteed, or with respect to which the Group Company has otherwise become directly or indirectly liable, except as reflected on the Financial Statements and none of the Group Companies is unable to pay its debts as and when such debts fall due or is subject to any insolvency proceedings or has had a receiver, liquidator or administrator appointed over its assets.

SECTION 3.08 Title to Properties and Assets.

Except as set forth in Section 3.08 of the Disclosure Schedule, each Group Company has good and marketable title to, or valid leasehold interest in, all of its respective properties and assets held in each case free of any Lien (other than Permitted Liens).

SECTION 3.09 Intellectual Property Rights.

(a) Company IP. Each Group Company owns or otherwise has sufficient rights (including but not limited to the rights of development, maintenance, licensing and sale) to or otherwise has valid licenses to use all Intellectual Property necessary and sufficient to conduct its business as currently conducted and proposed to be conducted by such Group Company ("**Company IP**") without, to the Knowledge of the Seller Parties, any conflict with or infringement, misappropriation or violation of the Intellectual Property rights or other rights of any other Person. Section 3.09(a) of the Disclosure Schedule sets forth a complete and accurate list of all Company Registered IP for each Group Company, including for each the relevant name or description, registration/certification or application number, and filing, registration or issue date.

(b) IP Ownership. Except as listed in Section 3.09(b) of the Disclosure Schedule, all Company Registered IP is owned by and registered or applied for solely in the name of a Group Company, and is valid, enforceable and subsisting, and all necessary registration, maintenance and renewal fees with respect thereto and currently due have been satisfied. No issuance or registration obtained and no application filed by or on behalf any Group Company for any Intellectual Property has been cancelled, abandoned, allowed to lapse or not renewed. None of the Company Registered IP is subject to any interference, derivation, reexamination, cancellation, or opposition proceeding. No Group Company or any of its employees, Officers or directors has taken any actions or failed to take any actions that would cause any Company Owned IP to be invalid, unenforceable or not subsisting. No funding or facilities of a Governmental Authority or a university, college, other educational institution or research center was used in the development of any Company Owned IP. No Company Owned IP is the subject of any Lien, license or other Contract granting rights therein to any other Person. No Group Company is or has been a member or promoter of, or contributor to, any industry standards bodies, patent pooling organizations or similar organizations that could require or obligate a Group Company to grant or offer to any Person any license or right to any Intellectual Property. No Company IP is subject to any proceeding or outstanding Governmental Order or settlement agreement or stipulation that (a) restricts in any manner the use, transfer or licensing thereof, or the making, using, sale, or offering for sale of any Group Companies' products or services, or (b) may affect the validity, use or enforceability of such Company Owned IP. No Founder owns any Intellectual Property required and necessary to conduct the Business by any Group Company. No Group Company has (a) transferred or assigned any Company IP; (b) authorized the joint ownership of, any Company IP; or (c) permitted the rights of any Group Company in any Company IP to lapse or enter the public domain. All Company Owned IP is owned or licensed solely and exclusively by the Group Companies.

(c) Infringement, Misappropriation and Claims. No Group Company has violated, infringed or misappropriated any Intellectual Property of any other Person or has constituted unfair competition or trade practices under the Laws of any applicable jurisdiction, and the operation of each Group Company's business as currently proposed to be conducted will not violate, infringe or misappropriate the Intellectual Property of any other Person or constitute unfair competition or trade practices under the Laws of any applicable jurisdiction. To the Knowledge of the Seller Parties, no Person has violated, infringed or misappropriated any Company IP of any Group Company, and no Group Company has given any written notice to any other Person alleging any of the foregoing. No Group Company has received any written notice from any Person (i) alleging any infringement, misappropriation, misuse, dilution, violation, or unauthorized use or disclosure of any Intellectual Property or unfair competition or trade practices, (ii) inviting any Group Company to take a license under any Intellectual Property or consider the applicability of any Intellectual Property to any actual or proposed products or services of any Group Company or the conduct of the business of any Group Company; or (iii) challenging the ownership, use, validity or enforceability of any Company IP. No Group Company has agreed to indemnify any Person for any infringement, violation or misappropriation of any Intellectual Property by such Person.

(d) Assignments and Prior IP. All Intellectual Property developed, conceived, created, invented, authored or reduced to practice by employees of a Group Company related to the current or reasonably anticipated future business of such Group Company are currently owned exclusively by a Group Company or co-owned by the Group Companies. All employees, contractors, agents and consultants of a Group Company who are or were involved in the development, conception, creation, invention, authoring or reduction to practice of any Intellectual Property for such Group Company have executed an assignment of inventions agreement that vests in a Group Company exclusive ownership of all right, title and interest in and to such Intellectual Property, to the extent not already provided by Law. All employee inventors of Company IP have received reasonable reward and remuneration from a Group Company for his/her service inventions or services technology achievements in accordance with the applicable PRC Laws. It will not be necessary to utilize any Intellectual Property of any employees of any Group Company made prior to their employment by a Group Company and none of such Intellectual Property has been utilized by any Group Company, except for those that are exclusively owned by a Group Company. To the Knowledge of the Seller Parties, none of the employees, consultant, agents or independent contractors currently or previously employed or otherwise engaged by any Group Company, (a) is in violation of any current or prior confidentiality, invention assignment, non-competition or non-solicitation obligations to such Group Company or to any other Persons, including former employers, or (b) is obligated under any Contract, or subject to any Governmental Order, that would interfere with the use of his or her commercially reasonable efforts to promote the interests of the Group Companies or that would conflict with the business of such Group Company as presently conducted.

(e) Licenses. Section 3.09(e) of the Disclosure Schedule contains a complete and accurate list of the Licenses, except for Licenses providing for no licenses other than one under which a Group Company receives a license to use "off-the-shelf" commercially available software pursuant to standard, non-negotiated "shrinkwrap" or "clickwrap" end user license agreement for a cost not exceeding $5,000 annually. The "Licenses" means, collectively, (a) all licenses, sublicenses, and other Contracts to which any Group Company is a party and pursuant to which any third party is authorized to use, exercise or receive any benefit from any Company IP, or receives any option or other right to acquire any such authorization in the future, and (b) all licenses, sublicenses and other Contracts to which any Group Company is a party and pursuant to which such Group Company is authorized to use, exercise, or receive any benefit from any Intellectual Property of another Person, or receives any option or other right to acquire any such authorization in the future. The Group Companies have paid all license and royalty fees required to be paid under the Licenses, if applicable. No Group Company or, to the Knowledge of the Seller Parties, any counterparty to any License, is in breach of any provision of a License.

(f) Protection of IP. Each Group Company has taken reasonable and appropriate steps to protect, maintain and safeguard material Company IP and made all applicable filings, registrations and payments of fees in connection with the foregoing. Without limiting the foregoing, all current and former Officers, employees, consultants and independent contractors, all suppliers, customers and other third parties of any Group Company having access to any material Company IP have executed and delivered to such Group Company an agreement requiring the protection of such Company IP and including restrictions against disclosure of such Company IP to third parties and prohibition against use of such Company IP other than as directed by a Group Company. Except for the Section 3.09(f) of the Disclosure Schedule, to the extent that any Company IP has been developed or created independently or jointly by an independent contractor or other third party for any Group Company, or is incorporated into any products or services of any Group Company, such Group Company has a written agreement with such independent contractor or third party and has thereby obtained ownership of, and is the exclusive owner of all such independent contractor's or third party's Intellectual Property in such work, material or invention by operation of law or valid assignment.

(g) No Public Software. No Public Software forms part of any product or service provided or under development by any Group Company or was or is used in connection with the development of any product or service provided by any Group Company or is incorporated into, in whole or in part, or has been distributed with, in whole or in part, any product or service provided or under development by any Group Company. No Software included in any Company IP has been or is being distributed, in whole or in part, or was used, or is being used in conjunction with any Public Software in a manner which would require that such Software be disclosed or distributed in source code form or made available at no charge.

SECTION 3.10 Material Contracts.

(a) Material Contracts and Obligations. "**Material Contracts**" mean, collectively, the agreements, contracts, leases, licenses, instruments, commitments (oral or written), indebtedness, liabilities and other obligations which a Group Company, or any of their properties or assets is bound by or subject to and that (i) involves obligations (contingent or otherwise) or payments in excess of US$1 million, (ii) involves Intellectual Property that is material to a Group Company (other than generally-available "off-the-shelf" shrink-wrap software licenses obtained by the Group Companies on non-exclusive and non-negotiated terms), (iii) restricts the ability of a Group Company to compete or to conduct or engage in any business or activity or in any territory, (iv) relates to the sale, issuance, grant, exercise, award, purchase, repurchase or redemption of any Equity Securities, involves any provisions providing for exclusivity, "change in control", "most favored nations", rights of first refusal or first negotiation or similar rights, or grants a power of attorney, agency or similar authority, (v) is with an Interested Party or involves any related party transaction, (vi) involves an extension of credit, a guaranty or assumption of any obligation, surety, deed of trust, or the grant of a Lien for the benefit of any third party, in each case in excess of US$ 300,000, (vii) involves the lease, license, sale, use, disposition or acquisition of any assets or of a business in the value in excess of US$1 million, (viii) involves the waiver, compromise, or settlement of any material dispute, claim, litigation or arbitration, (ix) involves the ownership or lease of, title to, use of, or any leasehold or other interest in, any real or personal property, (x) involves the establishment, contribution to, or operation of a partnership, joint venture, alliance or similar entity, or involving a sharing of profits or losses, or any investment in, loan to or acquisition or sale of the Equity Securities, equity interests or assets of any Person, other than the Control Documents, (xi) is not readily to be fulfilled or performed by a Group Company on time or without undue or unusual expenditure of money or efforts or a Group Company does not have the technical and other capabilities or the human and material resources to enable it to fulfill, perform and discharge all its outstanding obligations in the ordinary course of business without realizing a loss on closing of performance; (xii) is entered into with a customer or material supplier of a Group Company in excess of US$1 million; or (xiii) with a Governmental Authority, state-owned enterprise, or sole-source supplier of any material product or service (other than utilities); (xiv) is a Control Document; and (xv) is otherwise material to a Group Company or is one on which a Group Company is substantially dependent on.

(b) Except for the Transaction Documents and documents listed in Section 3.10(b) of the Disclosure Schedule, there are no agreements, understandings, instruments, contracts or proposed transactions to which any Group Company is a party or by which it is bound that involve (i) the license of any patent, copyright, trademark, trade secret or other proprietary right to or from each Group Company, (ii) the grant of rights to manufacture, produce, assemble, license, market, or sell its products to any other Person that limit each Group Companies' exclusive right to develop, manufacture, assemble, distribute, market or sell its products, or (iii) indemnification by any Group Company with respect to infringements of proprietary rights.

(c) Each Group Company has not engaged in the past three (3) months in any discussion with any representative of any Person regarding (i) a sale or exclusive license of all or substantially all of the Group Companies' assets, or (ii) any merger, consolidation or other business combination transaction of each Group Company with or into another Person.

(d) All Material Contracts are listed in Section 3.10(a) of the Disclosure Schedule and the copy of Material Contracts shall be provided to the Investors upon request.

(e) Validity and Status. The execution and delivery of each of the Material Contracts listed on Section 3.10(a) of the Disclosure Schedule, and the performance of the respective obligations thereunder and the consummation of the transactions contemplated therein shall not (x) result in any violation of, be in conflict with, or constitute a default under, with or without the passage of time or the giving of notice, any provision of its Charter Documents of the Group Companies as in effect at the date hereof, any applicable laws and regulations, or any other Material Contracts, (y) accelerate, or constitute an event entitling any Person to accelerate, the maturity of any indebtedness or other liability of any Group Company or to increase the rate of interest presently in effect with respect to any indebtedness of any Group Company, or (z) result in the creation of any Lien upon any of the properties or assets of any Group Company. All the Material Contracts listed on Section 3.10(a) of the Disclosure Schedule are legally valid and binding, in full force and effect, and enforceable in accordance with their respective terms against the parties thereto, and will not violate any applicable laws, except (x) as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting enforcement of creditors' rights generally, and (y) as may be limited by laws relating to the availability of specific performance, injunctive relief or other remedies in the nature of equitable remedies. No Group Company has violated or breached any Material Contracts in any material respects or has received any notice or claim or allegation of default or breach thereof from any party thereto, and to the Knowledge of the Seller Parties, there is no existing default or breach by any other party thereto regarding all the Material Contracts.

SECTION 3.11 Litigation.

There is no action, suit, proceeding, claim, arbitration or investigation ("**Action**") pending or currently threatened (i) against any of the Founders, the BVI Company, the Group Companies, any Group Company's activities, properties or assets or against any Officer, director or employee of each Group Company' in connection with such Officer's, director's or employee's relationship with, or actions taken on behalf of any Group Company; or (ii) to the Seller Parties' Knowledge, that questions the validity of the Transaction Documents or the right of the Company to enter into them, or to consummate the transactions contemplated by the Transaction Documents; or (iii) to the Seller Parties Knowledge, that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. None of the Group Companies is a party to or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality and there is no Action by any Group Company currently pending or which it intends to initiate. The foregoing includes, without limitation, actions pending or threatened in writing (or any basis therefor known to the Group Companies) involving the prior employment of any of Group Companies' employees, their services provided in connection with the Group Companies' business, any information or techniques allegedly proprietary to any of their former employers or their obligations under any agreements with prior employers.

SECTION 3.12 Compliance with Laws; Consents and Permits.

Except as set forth in Section 3.12 of the Disclosure Schedule, each of Group Companies is and has been in compliance with all applicable laws in all material respects since its establishment. None of the Seller Parties has received any notice from any Governmental Authority regarding any violation of applicable laws. None of the Group Companies is under investigation with respect to a violation of any law. To the Knowledge of the Seller Parties, each direct or indirect holder or beneficial owner of any Equity Securities of a Group Company (each, a "**Security Holder**"), who is a "Domestic Resident" as defined in Circular 37, has been listed in Section 3.12 of the Disclosure Schedule and has complied with all reporting, filing, updating and/or registration requirements (including filings of amendments to existing registrations) under the SAFE Rules and Regulations, and has made all oral or written filings, registrations, updating, reporting or any other communications required by SAFE or any of its local branches. No Group Company has, nor has any Security Holder, received any oral or written inquiries, notifications, orders or any other form of official correspondence from SAFE or any of its local branches with respect to any actual or alleged non-compliance with SAFE Rules and Regulations. Each Group Company has all franchises, permits, licenses and any similar authority required and necessary for the conduct of its business as currently conducted, including without limitation, any existing human genetic resources related project, except where the failure to obtain does not have and is not reasonably expected to have a Material Adverse Effect.

SECTION 3.13 Compliance with Other Instruments and Agreements.

None of the Group Companies is or has been in, nor shall the conduct of its business as currently or proposed to be conducted result in, violation, breach or default of any term of its Constitutional Documents of the respective Group Company, or any term or provision of any Contract entered into by any Group Company or of any provision of any judgment, decree, order, statute, rule or regulation applicable to or binding upon the Group Company. The execution, delivery and performance of and compliance with this Agreement, the Shareholders Agreement, any other Transaction Document and the consummation of the transactions contemplated hereby and thereby, will not result in any such violation, breach or default, or be in conflict with or constitute, with or without the passage of time or the giving of notice or both, either a default under any Group Company's Constitutional Documents or any Contract entered into by any Group Company, or a violation of any statutes, laws, regulations or orders, or an event which results in the creation of any Lien upon any asset of any Group Company other than Permitted Liens.

SECTION 3.14 Registration Rights and Voting Rights.

Except as provided in the Shareholders Agreement, no Seller Party has granted or agreed to grant any person or entity any registration rights (including piggyback registration rights) with respect to, nor is the Company obliged to list, any of the Company's shares (or the shares of the PRC Companies) on any securities exchange. Except as contemplated under this Agreement and the Shareholders Agreement, there are no voting or similar agreements which relate to the share capital of the Company or any of the equity interests of the PRC Companies.

SECTION 3.15 Data Privacy and Personal Information.

(a) The Group Companies' collection, use, processing, storage and dissemination of any personally-identifiable information concerning individuals ("**Personal Information**") is in compliance with all laws and Contracts applicable to any Group Company in material respects. The Group Companies have formulated and maintained policies and procedures regarding data security, isolation and privacy that are commercially reasonable and required by laws and Contracts applicable to any Group Company. No Group Companies have shared or disseminate any human genetic resources related materials or information with any foreign entity without appropriate approvals granted by competent Governmental Authority, if such approval is required by applicable law.

(b) No Group Company has violated, infringed, misused, misappropriated or unauthorized accessed to any data or information of any third party to conduct the Business. To the Knowledge of the Seller Parties, data or information of Group Companies' customers or used by the Group Companies to conduct the Business has not been divulged, infringed, misused, misappropriated or unauthorized accessed by any third party.

(c) No Group Company has been subject to any proceeding (including arbitration and litigation) or outstanding government investigation or order (whether imposing any penalty or not) in relation to its collection, use, processing, storage and dissemination of Personal Information nor has any Group Company received any notice in relation to any such proceeding or government investigation or order.

(d) In cases where the Group Companies collects Personal Information from third parties, each of such third party has given warranties to the Group Companies in the agreement between such third party and the Group Company that it has received sufficient and complete Consent from the individuals whose data or information is being collected to such collection by the Group Companies. To the Knowledge of the Seller Parties, the warranties given by such third party are true and accurate.

SECTION 3.16 Financial Statements.

The audited and consolidated financial statements of the Group Companies ended on December 31, 2018 and unaudited consolidated balance sheets, cash flow statements and income statements of the Group Companies as of June 30, 2019 (the audited and consolidated financial statements and the management accounts and any notes thereto are hereinafter referred to as the "**Financial Statements**" and June 30, the "**Financial Statements Date**") are (a) in accordance with the books and records of the applicable Group Company, (b) true, correct and complete and present fairly the financial condition of such Group Company at the date or dates therein indicated and the results of operations for the period or periods therein specified, and (c) have been prepared in accordance with PRC generally accepted accounting principles ("**PRC GAAP**") applied on a consistent basis, except as to the unaudited consolidated financial statements, for the omission of notes thereto and normal year-end audit adjustments. Specifically, but not by way of limitation, the respective balance sheets of the Financial Statements disclose all of the Group Companies' respective debts, liabilities and obligations of any nature, whether due or to become due, as of their respective dates (including, without limitation, absolute liabilities, accrued liabilities, and contingent liabilities) to the extent such debts, liabilities and obligations are required to be disclosed in accordance with PRC GAAP. The Group Companies have good and marketable title to all assets set forth on the balance sheets of the respective Financial Statements, except for such assets as have been spent, sold or transferred in the ordinary course of business since their respective dates. None of the Group Companies is a guarantor or indemnitor of any indebtedness of any other person or entity. Each Group Company maintains a standard system of accounting established and administered in accordance with generally accepted accounting principles as required in the jurisdiction where it is incorporated.

SECTION 3.17 Activities since Financial Statements Date.

Since the Financial Statements Date, with respect to each Group Company, excluding the transactions and matters contemplated or implemented in accordance with this Agreement and those in the ordinary course of business, except as set forth in Section 3.17 of the Disclosure Schedule, there has not been:

(a) any change in the assets, liabilities, financial condition or operating results of the Group Company from that reflected in the Financial Statements, except changes in the ordinary course of business that have not caused, in the aggregate, a Material Adverse Effect to any Group Company;

(b) any material change in the contingent obligations of the Group Company by way of guarantee, endorsement, indemnity, warranty or otherwise;

(c) any damage, destruction or loss, whether or not covered by insurance which could reasonably be expected to have a Material Adverse Effect ;

(d) any waiver by the Group Company of a valuable right or of a material debt individually in excess of US$100,000 or in excess of US$500,000 in the aggregate;

(e) any satisfaction or discharge of any Lien or claim or payment of any obligation by the Group Company, except in the ordinary course of business and the satisfaction or discharge of which would not have a Material Adverse Effect;

(f) any material change or amendment to a Material Contract which could reasonably be expected to have a Material Adverse Effect or bind or subject any of the Group Companies' assets, except for changes or amendments which are expressly provided for or disclosed in this Agreement;

(g) any material change in any compensation arrangement or agreement with any Key Employee, or director;

(h) any sale, assignment or transfer of any Company IP or other material intangible assets of the Group Company;

(i) any resignation or termination of any Key Employee (as defined below);

(j) any Lien created by the Group Company, with respect to any of the Group Companies' properties or assets, except Liens for Taxes not yet due or payable;

(k) any debt, obligation, or liability incurred, assumed or guaranteed by the Group Company outside the ordinary course of business other than any payment with respect to the Reorganization;

(l) any declaration, setting aside or payment or other distribution in respect of any of the Group Companies' share capital, or any direct or indirect redemption, purchase or other acquisition of any of such share capital by the Group Company;

(m) any failure to conduct business in the ordinary course, consistent with the Group Company's past practices;

(n) any transactions of any kind in excess of US$100,000 in the aggregate with any of its directors or Key Employees, or to the best knowledge of the Seller Parties, any members of their immediate families, or any entity controlled by any of such individuals

(o) any loans or guarantees made by the Group Company to or for the benefit of its directors or Key Employees, or any shareholders of their immediate families, other than travel advances and other advances made in the ordinary course of its business;

(p) any other event or condition of any character which could reasonably be expected to have a Material Adverse Effect, including any sale, assignment or transfer of any Company Owned IP;

(q) any material change or amendment to the Control Documents which could reasonably be expected to have a Material Adverse Effect; or

(r) any arrangement or commitment by the Group Company or any Seller Party to do any of the things described in this Section 3.17.

SECTION 3.18 Tax Matters.

The provisions for Taxes in the respective Financial Statements are sufficient for the payment of all accrued and unpaid applicable Taxes of the covered Group Company, whether or not assessed or disputed as of the date of each such balance sheet. There have been no examinations or audits of any Tax Returns or reports by any applicable Governmental Authority. Each Group Company has duly and timely filed all federal, state, county, local and foreign Tax Returns required to have been filed by it, and each Group Company has duly filed all Tax Returns required to have been filed by it and paid all Taxes shown to be due on such returns. Each Group Company has duly fulfilled all reporting obligations as required to have been fulfilled by it under the Announcement 7 (if applicable). Each Group Company is not subject to any waivers of applicable statutes of limitations with respect to Taxes for any year. There are no federal, state, county, local or foreign Taxes due and payable for Each Group Company which have not been timely paid. Since the Financial Statements Date, none of the Group Companies has incurred any Taxes, assessments or governmental charges other than in the ordinary course of business and each Group Company has made adequate provisions on its books of account for all Taxes, assessments and governmental charges with respect to its business, properties and operations for such period.

SECTION 3.19 Interested Party Transactions.

Except as set forth in Section 3.19 of the Disclosure Schedule, no Seller Party, Officer or director of a Group Company or any Affiliate or Associate of any such person has any agreement (whether oral or written), understanding, proposed transaction with, or is indebted to, any Group Company, nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any of such persons (other than for accrued salaries, reimbursable expenses or other standard employee benefits). Except as set forth in Section 3.19 of the Disclosure Schedule, neither (i) Key Employee or director (excluding He Weiwu, Su Zhenbo and Investor Directors) of any Seller Party has any direct or indirect ownership interest in nor (ii) He Weiwu has more than five percent (5%) direct or indirect ownership interest in, any firm or corporation which is an Affiliate of Group Company or with which a Group Company has a business relationship, or any firm or corporation that competes with a Group Company, and no Affiliate or Associate of any Officer or director (excluding Su Zhenbo and Investor Directors) of a Seller Party is directly or indirectly interested in any contract (except for the employment or engagement contracts) with a Group Company. Except as set forth in Section 3.19 of the Disclosure Schedule, no Officer or director (excluding Su Zhenbo and Investor Directors) of a Group Company or, any Affiliate or Associate of any such person has had, either directly or indirectly, an interest in: (a) any person or entity which purchases from or sells, licenses or furnishes to a Group Company any goods, property, intellectual or other property rights or services; or (b) any contract or agreement to which a Group Company is a party or by which it may be bound or affected. Except as contemplated in this Agreement, there is no agreement between any shareholder of the Company with respect to the ownership or control of any Group Company.

SECTION 3.20 Environmental Compliance.

(a) Each Group Company is in full compliance with all Environmental Laws in all material respects. No Group Company has received any communication (written or oral), whether from a Governmental Authority, citizens group, employee, or otherwise, that alleges that it is not in such full compliance and there are no circumstances that may prevent or interfere with such full compliance in the future.

(b) There is no Environmental Claim pending or threatened against any Group Company or any Person or entity whose Liability for an Environmental Claim has been retained or assumed by any Group Company either contractually or by operation of law except where such Environmental Claim would not have a Material Adverse Effect. To the Knowledge of Seller Parties, there are no past or present actions, activities or circumstances, including the release, emission, discharge, or disposal of any Material of Environmental Concern, that could form the basis of any Environmental Claim against any Group Company or any Person or entity whose Liability for any Environmental Claim should be retained or assumed by any Group Company either contractually or by operation of law.

SECTION 3.21 Employee Matters.

Except as otherwise disclosed to the Investors in Section 3.21 of the Disclosure Schedule, the Group Companies have complied with all applicable employment and labor laws in all material respects. None of the Group Companies is a party to or bound by any currently effective incentive plan, profit sharing plan, retirement agreement or other similar employee compensation agreement. Each employee, Officer or consultant of each Group Company has entered into an employment or service agreement which includes the clause relating to confidentiality and Intellectual Property with the Group Company. Each Key Employee has entered into a confidentiality and non-competition agreement and an employment or service agreement which includes the clause relating to Intellectual Property with the Group Company substantially in the form or forms delivered to counsel for the Investors and being satisfactory to the Investors. To the Group Companies' Knowledge, none of its employees is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would materially interfere with such employee's ability to promote the interest of the Group Companies or that would conflict with the Group Companies' business. Neither the execution or delivery of the Transaction Documents, nor the carrying on of the Group Companies' business by the employees of the Group Companies, nor the conduct of the Group Companies' business as now conducted and as presently proposed to be conducted, will, to the Group Companies' Knowledge conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any contract, covenant or instrument under which any such employee is now obligated. No current employee, Officer or consultant of each Group Company has excluded works or inventions from his or her assignment of inventions pursuant to the respective employment or service agreement. The Company is not aware that any of its Key Employees is in violation of any agreement covered by this Section 3.21.

SECTION 3.22 Exempt Offering.

The offer and sale of the Purchased Shares and the Additional Purchased Shares under this Agreement, and the issuance of the Conversion Shares upon conversion thereof are or shall be exempt from the registration requirements and prospectus delivery requirements of the Securities Act, and from the registration or qualification requirements of any other applicable securities laws and regulations.

SECTION 3.23 Anti-Bribery, Anti-Corruption, Anti-Money Laundering and Sanctions.

Each Group Company and other Seller Parties and their Affiliates and their respective directors, Officers, and to the Knowledge of Seller Parties, their employees, independent contractors, representatives, agents and other Persons acting on the Group Companies' behalf (collectively, "**Company Representatives**") are and have been in compliance with all applicable laws relating to anti-bribery, anti-corruption, anti-money laundering, record keeping and internal control laws, the PRC anti-bribery and anti-corruption rules, including without limitation, the PRC Criminal Law, PRC Anti-Unfair Competition Law and the Interim Measures on Prohibiting Commercial Bribery (as amended from time to time) (collectively, the "**Compliance Laws**"). Without limiting the foregoing, to the Knowledge of Seller Parties, none of the foregoing persons has, directly or indirectly, offered, authorized, promised, condoned, participated in, consummated, or received notice of any allegation of, (a) the making of any gift or payment of anything of value to any Public Official by any Person to obtain any improper advantage, affect or influence any act or decision of any such Public Official, or assist any Group Company in obtaining or retaining business for, or with, or directing business to, any Person; (b) the taking of any action by any Person which (i) would violate the FCPA, if taken by a Person subject to the FCPA, (ii) would violate the United Kingdom Bribery Act 2010, as amended (the " **U.K. Bribery Act**"), if taken by a Person subject to the U.K. Bribery Act, or (iii) could reasonably be expected to constitute a violation of any applicable Compliance Law; (c) the making of any false or fictitious entries in the books or records of any Group Company by any Person; or (d) the using of any assets of any Group Company for the establishment of any unlawful or unrecorded fund of monies or other assets, or the making of any unlawful or undisclosed payment.

None of the Seller Parties, their Affiliates, their respective directors or Officers , and to the Knowledge of Seller Parties, none of their employees, agents, or persons acting on behalf of the Group Companies is owned or controlled by a person that is targeted by or the subject to any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of Treasury ("**OFAC**"), or by the U.S. Department of State, or any sanctions imposed by the European Union (including under Council Regulation (EC) No. 194/2008), the United Nations Security Council, Her Majesty's Treasury or any other relevant Governmental Authorities and any activities sanctionable under the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as amended or the Iran Sanctions Act, as amended (collectively, the "**Sanctions**").

SECTION 3.24 Export Control.

None of the Group Companies has violated any applicable export control Laws, whether such Law relates to encryption items or otherwise. None of the products researched, developed or sold by any Group Company or involved in the Business ("**Company Products**") was specifically designed, developed, configured, adapted, or modified for military customer(s), military purpose, or satellite application. There are no pending or, to the Knowledge of any Seller Party, threatened claims against any Group Company with respect to any marketing, import or export permits, and there are no actions, conditions or circumstances pertaining to any Group Companies' marketing, import or export transactions under any of the agreements to which it is a party that would reasonably be expected to give rise to any future claims.

No Group Company has made any shipments of any Company Products or any of their components to, and has no obligations to any third party located in, Iran, Syria, Lebanon, Iraq, Libya, Cuba, Sudan, Somalia, Cote d'Ivoire, Liberia, Democratic Republic of Congo (DRC), North Korea, Belarus, Ukraine, Russia, Burma, Balkans, Burundi, Central African Republic, Venezuela, Yemen or Zimbabwe or any other country which has been defined as a sanctioned country by the Office of Foreign Assets Control of the United States Department of the Treasury.

SECTION 3.25 Minute Books.

The minute books of each Group Company since its time of formation have been made available to the Investors and each such minute books contains a complete summary of all material meetings and actions taken by directors and shareholders or owners of such Group Company, and reflects all transactions referred to in such minutes accurately.

SECTION 3.26 Obligations of Management.

Each of the key employees identified in Section 3.26 of the Disclosure Schedule (the "**Key Employees**") is currently devoting his or her full working time to the conduct of the business of a Group Company or the Group Companies, except as set forth in Section 3.26 of the Disclosure Schedule. No Seller Party is aware that any Key Employee is planning to work less than full time at a Group Company in the future. None of such Key Employees or the Founders is currently working for a competitive enterprise, whether or not such person is or will be compensated by such enterprise. The Group Companies are not aware that any Key Employee intends to terminate their employment with any Group Company, nor does any Group Company have a present intention to terminate the employment of any Key Employee.

SECTION 3.27 Disclosure.

Each Seller Party has fully provided the Investors with all material information that the Investors have requested for deciding whether to purchase the Purchased Shares and all information that each Seller Party reasonably believes is necessary or relevant to enable the Investors to make an informed investment decision. No representation or warranty by any Seller Party in this Agreement and no information or materials provided by any Seller Party to the Investors in connection with the negotiation or execution of this Agreement or any agreement contemplated hereby contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading. No Seller Party has entered into any side letter or side agreement or documents alike with any holders of Equity Securities of the Group Companies in connection with such holder's subscription of Equity Securities into the Group Companies before the date hereof. No financial forecasts or forward-looking statements in any business plans or other materials provided by any Seller Party to the Investors have been prepared based on unreasonable assumptions.

SECTION 3.28 Other Representations and Warranties Relating to the PRC Companies.

(a) The Constitutional Documents and all consents necessary or appropriate for the PRC Companies are valid, have been duly approved or issued (as applicable) by competent PRC authorities or other applicable parties and are in full force and effect.

(b) All consents, approvals, authorizations or licenses required under PRC law for the due and proper establishment and operation of the PRC Companies have been duly obtained from the relevant PRC Governmental Authorities and are in full force and effect.

(c) All filings and registrations with the PRC Governmental Authorities required in respect of each of the PRC Companies and its operations, including the registrations with the Ministry of Commerce ("**MOFCOM**"), the State Administration for Market Regulation ("**SAMR**"), SAFE, tax bureau, customs authorities, product registration authorities and health regulatory authorities, as applicable, have been duly completed in accordance with the relevant rules and regulations, including all required registrations conducted pursuant to Circular 37.

(d) Except as set forth in Section 3.28(d) of the Disclosure Schedule, the registered capital of each of the PRC Companies has been fully paid up in accordance with the schedule of payment stipulated in its respective articles of association, approval document, certificate of approval and legal person business license and in compliance with PRC Laws and regulations, and there is no outstanding capital contribution commitment, or any other illegal actions relating to capital contribution of Group Companies such as withdrawal of paid-in capital existing. There are no outstanding rights, or commitments made by any Group Company or any Founder to sell any of its equity interest in the PRC Companies. There are no subscriptions, options, warrants, conversion privileges, pre-emptive or other rights or contracts with respect to the issuance or transfer of any shares of any PRC Company.

(e) None of the PRC Companies is in receipt of any letter or notice from any relevant authority notifying revocation of any permits or licenses issued to it for non-compliance or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by it.

(f) Each of the PRC Companies has been conducting and will conduct its business activities within the permitted scope of business or is otherwise operating its business in full compliance with all relevant legal requirements and with all requisite licenses, permits and approvals granted by competent PRC authorities, except where the failure to obtain does not have and is not reasonably expected to have a Material Adverse Effect.

(g) In respect of any permits requisite for the conduct of any part of the Business of the PRC Companies which are subject to periodic renewal, no Seller Party has any reason to believe that such requisite renewals will not be timely granted by the relevant PRC authorities.

(h) Except as disclosed to the Investors in Section 3.28 (h) of the Disclosure Schedule, the PRC Companies have complied with all applicable PRC labor laws and regulations in all material respects, including without limitation, laws and regulations pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits, and pensions.

(i) All PRC regulatory and corporate authorizations and approvals, necessary or appropriate for the consummation of the transactions contemplated herein (including the issuance, purchase and sale of the Purchased Shares and the Additional Purchased Shares and the Redemption) have been duly obtained, and such authorizations and approvals are currently, or will be as of the Closing and the Additional Closing, as the case may be (if it occurs), valid and subsisting at PRC laws and in accordance with their respective terms.

(j) Each PRC Company has entered into a written employment contract with each employee or officer of such PRC Company pursuant to the PRC Labor Law, Labor Contract Law and other relevant laws and regulations. Except as otherwise disclosed to the Investors in Section 3.28(j) of the Disclosure Schedule, all employees of the PRC Companies have fixed-term employment contracts and there are no temporary employees in the PRC Companies. Except as otherwise disclosed to the Investors in Section 3.28(j) of the Disclosure Schedule, each PRC Company has made full contributions of employer’s portion of employee social insurance funds pursuant to law.

(k) Each PRC Company that engages in genetic R&D and applications, clinical testing services, medical laboratory services, preclinical development, clinical trials or purchase or sale of medical devices and testing liquids shall possess valid permits or licenses issued by relevant industrial regulators in all material respects, including, without limitations, the PRC State Administration for Market Regulation (SAMR), National Health Commission (NHC) and/or National Medical Products Administration (NMPA), as applicable.

SECTION 3.29 Control Documents.

(a) Each of the WFOE, the PRC Affiliate, the Founders and other parties to the Control Documents has the legal right, power and authority (corporate and other) to enter into and perform its/his/her obligations under the Control Document to which it/he is a party and has taken all necessary corporate action to authorize the execution, delivery and performance of, and has authorized, executed and delivered the Control Document to which it/he is a party.

(b) The Control Documents are adequate to establish and maintain the intended Captive Structure of the Group Companies, under which (a) the WFOE Controls the PRC Affiliate and its Subsidiaries, and (b) the financial statements of the PRC Affiliate and its Subsidiaries can be consolidated in accordance with the Accounting Principles. No Group Company has received any written inquiries, notifications or any other form of official correspondence from any Governmental Authority challenging or questioning the legality or enforceability of any of the Control Documents. None of the transactions contemplated under the Control Documents constitutes a violation of PRC law currently in effect. All transactions under the Control Documents which require a government filing or registration have received or completed such filing or registration (including, without limitation, registration of share pledges contemplated under the Control Documents).

(c) The Control Documents constitute a valid and legally binding obligation of the parties named therein enforceable in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally, or (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(d) The execution and delivery by each party thereto of the Control Documents, and the performance by such party of its obligations thereunder and the consummation by it of the transactions contemplated therein shall not (i) result in any violation of, be in conflict with, or constitute a default under, with or without the passage of time or the giving of notice, any provision of its Charter Documents as in effect at the date hereof, any applicable Law, or any Contract to which a Group Company is a party or by which a Group Company is bound, or (ii) accelerate, or constitute an event entitling any person to accelerate, the maturity of any Liability of any Group Company or to increase the rate of interest presently in effect with respect to any Liability of any Group Company, or (iii) result in the creation of any Liens upon any of the properties or assets of any Group Company.

(e) All consents required in connection with the Control Documents have been made or unconditionally obtained in writing, and no such Consent has been withdrawn or is subject to any condition precedent which has not been fulfilled or preformed.

(f) Each Control Document is in full force and effect and no party to any Control Document is in material breach or default in the performance or observance of any of the terms or provisions of such Control Document. None of the parties to any Control Document has sent or received any communication regarding termination of or intention not to renew any Control Document, and no such termination or non-renewal has been threatened by any of the parties thereto.

SECTION 3.30 Property.

The property and assets that each Group Company owns are free and clear of all mortgages, deeds of trust, liens, loans and encumbrances, except for statutory liens for the payment of current Taxes that are not yet delinquent and encumbrances and liens that arise in the ordinary course of business and do not materially impair the each Group Companies' ownership or use of such property or assets. Except as otherwise disclosed to the Investors in Section 3.30 of the Disclosure Schedule, with respect to the property and assets it leases, the Company is in compliance with such leases and holds a valid leasehold interest free of any liens, claims or encumbrances other than those of the lessors of such property or assets. Each Group Company does not own any real property.

SECTION 3.31 Insurance.

Each Group Company has in full force and effect insurance policies concerning such casualties as would be reasonable and customary for companies like each Group Company with extended coverage, sufficient in amount (subject to reasonable deductions) to allow it to replace any of its properties that might be damaged or destroyed.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE INVESTORS AND THE ADDITIONAL INVESTOR

Each of the Investors and the Additional Investor hereby severally and not jointly represents and warrants to the Company as follows:

SECTION 4.01 Authorization.

It has all requisite power, authority and capacity to be a party to this Agreement and the Shareholders Agreement, and to perform its obligations under this Agreement, the Shareholders Agreement. This Agreement has been duly authorized, executed and delivered by it. This Agreement and the Shareholders Agreement, when executed and delivered by it, will constitute its valid and legally binding obligations, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

SECTION 4.02 Purchase for Own Account.

The Purchased Shares, the Conversion Shares and the Additional Purchased Shares will be acquired for such Investor and the Additional Investor's own account, not as a nominee or agent, and not with a view to or in connection with the sale or distribution of any part thereof.

SECTION 4.03 Restricted Securities.

The Investors and the Additional Investor understand that the Purchased Shares, the Conversion Shares and the Additional Purchased Shares are restricted securities within the meaning of Rule 144 under the Securities Act and that the Shares and the Conversion Shares are not registered or listed publicly unless they are subsequently registered or listed publicly or an exemption from such registration or listing is available

ARTICLE V

COVENANTS OF THE SELLER PARTIES

Each of the Seller Parties covenants to the Investors and the Additional Investor as follows:

SECTION 5.01 Use of Proceeds from the Sale of Purchased Shares and Additional Purchased Shares.

The Company will use the proceeds from the issuance and sale of the Purchased Shares and Additional Purchased Shares for research and development, business expansion, capital expenditure and working capital of the Company and its subsidiaries, save as otherwise stipulated in this Agreement.

SECTION 5.02 Availability of Ordinary Shares.

The Company hereby covenants that at all times there shall be made available, free of any Liens, for issuance and delivery upon conversion of the Purchased Shares such number of Ordinary Shares or other shares in the share capital of the Company as are from time to time issuable upon conversion of the Purchased Shares from time to time, and will take all steps necessary to increase its authorized share capital to provide for sufficient number of Ordinary Shares issuable upon conversion of the Purchased Shares.

SECTION 5.03 Business of the Company and the HK Co.

Except the business as approved by the Board, the business of the Company shall be restricted to the holding of shares or equity interest in the HK Co. The business of the HK Co. shall be restricted to the holding of shares or equity interest in the WFOE.

SECTION 5.04 Business of the PRC Companies.

Prior to entering into any new business other than those in the scope of the Business, each Seller Party shall use its best efforts and take all necessary actions to implement and carry out the new business plan subject to the approval of the Board, including, without limitation, hiring employees, renting office space, employing legal and technical consultants and undertaking other customary business activities. From the Closing and until the new business plan is duly approved or amended in accordance with all necessary procedures, the business of the PRC Companies shall be limited to the Business.

SECTION 5.05 Use of Investors' and the Additional Investor's Names or Logo.

Without the prior written consent of the Investors or the Additional Investor, and whether or not the Investors or the Additional Investor are then the shareholder of the Company, none of the Group Companies, their shareholders (excluding the Investors), nor the Founders shall use, publish or reproduce the name of any Investor or Additional Investor, or any similar names, trademarks or logos in any of their marketing, advertising or promotion materials or otherwise for any marketing, advertising or promotional purposes, except for the fact of the equity investments and shareholding in the Group Companies by the Investors and the Additional Investor (and in any such case shall not disclose the aggregate or individual investment amounts, pricing or ownership percentage, or any of the term of this Agreement, the Shareholders Agreement, or any other Transaction Document).

SECTION 5.06 Employment Agreement and Confidentiality, Non-Competition and Intellectual Property Rights Agreement.

The Group Companies shall cause all of their Key Employees to enter into employment agreements and confidentiality, non-competition and intellectual property rights agreements in form and substance satisfactory to the Investors. The Group Companies shall cause all of their employees and further cause all of their respective future employees to enter into its standard form employment agreement and confidentiality, non-competition and intellectual property rights agreement (if applicable) in form and substance satisfactory to the Investors.

SECTION 5.07 Repayment of the Loans by Wang Sizhen (□□□).

The Seller Parties hereby covenant that, all the loans borrowed by Wang Sizhen (□□□) from the Group Companies shall be repaid within one (1) month after the Closing.

SECTION 5.08 Capital Injection.

The Company shall and the Seller Parties shall cause the Company to inject one hundred percent (100%) of the Purchase Price paid by the Investors and the Additional Installment paid by the Additional Investor for their investment in the Group Companies into the registered capital of the WFOE by means of equity capital injection (such amount injected into the registered capital of the WFOE, the "**Capital Injection Amount**") unless otherwise approved in writing by the holder(s) representing more than fifty percent (50%) of the Series D Preferred Shares then outstanding, voting as a single class on an as converted basis, which approval shall not be unreasonably withheld.

SECTION 5.09 Regulatory Compliance.

The Founders and each Group Company shall comply in all material respects with all applicable laws and regulations in the PRC, including but not limited to applicable laws and regulations in connection with the operations of the Group Companies, and promptly apply for, obtain and maintain all consents as required by the applicable Laws in connection with the businesses conducted by the Group Companies at any given time in all material respects, including without limitation, (i) to obtain and maintain in a timely manner all requisite consents and permits for the human genetic resources related projects, (ii) to formulate and establish the relevant mechanism to prevent the sharing and disseminating human genetic resources related materials or information with any foreign entity without appropriate approvals granted by competent Governmental Authority, if such approval is required by applicable law, (iii) to ensure the collection, use, processing, storage and dissemination of any Personal Information is in compliance with all laws and Contracts applicable to any Group Company in material respects, and (iv) to conduct any and all their business within the scope of the approval and qualification obtained in compliance with applicable laws and regulations.

None of the Seller Parties shall, and none of them shall permit the Company Representatives to, promise, authorize or make any payment to, or otherwise contribute any item of value, directly or indirectly, to any Public Official in violation of the FCPA, the U.K. Bribery Act or any other applicable Compliance Laws. Each of the Seller Parties shall, and shall use best effort to cause the Company Representatives to, act in accordance with the applicable Compliance Laws. The Group Companies shall, and the Founders shall use their best effort to cause the Group Companies to, maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act or any other applicable Compliance Laws. Without limiting the generality of the foregoing, the Group Companies shall, and the other Seller Parties shall cause the Group Companies to, (i) within one (1) month following the Closing, engage a professional and reputable U.S. law firm as the Group Companies' special counsel to advise on matters related to the FCPA or any other applicable Compliance Laws and to develop specific action plans to improve the Group Companies' compliance systems ("**Improvement Plans**"), and (ii) within four (4) months following the receiving of the Improvement Plans from the special counsel, implement, enforce and complete any compliance improvement plans or actions suggested by the special counsel and/or requested by the Investor, with the improvement result satisfactory to the Investor.

Each Seller Party shall use its best efforts to cause all shareholders of each Group Company, and any successor entity or controlled affiliate of any Group Company to, timely complete all required registrations and other procedures with applicable Governmental Authorities (including without limitation SAFE) as and when required by applicable laws and regulations. The Seller Parties shall ensure that there is no barrier to repatriation of profits, dividends and other distributions from the WFOE (or any successor entity) to the Company.

SECTION 5.10 Internal Control.

The Group Companies shall maintain their books and records in accordance with sound business practices and implement and maintain an adequate system of procedures and controls with respect to finance, management, and accounting that meets the reasonable standards of good practice generally applied to other companies in the similar industry and incorporated in the same jurisdictions where each such Group Company is incorporated and is reasonably satisfactory to the Investors and Additional Investor to provide reasonable assurance that (i) transactions by it are executed in accordance with management's general or specific authorization, (ii) transactions by it are recorded as necessary to permit preparation of financial statements in conformity with the PRC GAAP and to maintain asset accountability, (iii) access to assets of it is permitted only in accordance with management's general or specific authorization, (iv) the recorded inventory of assets is compared with the existing tangible assets at reasonable intervals and appropriate action is taken with respect to any material differences, (v) segregating duties for cash deposits, cash reconciliation, cash payment, proper approval is established, (vi) no personal assets or bank accounts of the employees, directors, Officers are mingled with the corporate assets or corporate bank account, and no Group Company uses any personal bank accounts of any employees, directors, Officers thereof during the operation of the Business**.**

SECTION 5.11 Additional Covenants.

Except as required by this Agreement (including but not limited to, for the purpose of the issuance, purchase and sale of the Purchased Shares and the Additional Purchased Shares, and the Redemption), no resolution of the directors, owners, members, partners or shareholders of any of the Group Companies shall be passed, nor shall any contract or commitment be entered into, in each case, prior to the Closing without the prior written consent of the Investors, except that the Group Companies may carry on its respective business in the same manner as heretofore and may pass resolutions or enter into contracts for so long as they are effected in the ordinary course of business.

If at any time before the Closing, any of the Seller Parties comes to know of any material fact or event which:

(a) is in any way materially inconsistent with any of the representations and warranties given by each Seller Party, and/or

(b) suggests that any material fact warranted may not be as warranted or may be materially misleading, and/or

(c) might affect the willingness of a reasonable investor in making a prudent decision to purchase the Purchased Shares and the Additional Purchased Shares or the amount of consideration which the Investors would be prepared to pay for the Purchased Shares and the Additional Purchased Shares,

such Seller Party shall give immediate written notice thereof to the Investors in which event the Investors may within five (5) business days of receiving such notice terminate this Agreement by written notice without any penalty whatsoever and without prejudice to any rights that the Investors may have under this Agreement or applicable law; provided however that, any Investor's failure to or election not to terminate this Agreement upon its receipt of such notice shall not prejudice its claims against any Seller Party in accordance with Section 8.01.

SECTION 5.12 File of Articles.

Within fifteen (15) business days following the Closing, the Restated Articles (in the form attached hereto as Exhibit A) together with the special or written shareholders resolutions on approving its adoption shall have been duly filed with the Registrar of Companies in the Cayman Islands.

SECTION 5.13 Board of the PRC Affiliate.

VIVO may require, by written notification to the Company, to appoint a director to serve the board of the PRC Affiliate any time after the Closing. The PRC Affiliate shall, and the Company and each Founder shall procure the PRC Affiliate to, take all necessary actions and prepare all relevant documents to effect such appointment and complete any registration or filing process as required under applicable law within thirty (30) days after receiving the VIVO's notification.

SECTION 5.14 Employee Matters.

The PRC Companies shall use commercially reasonable efforts to comply with all applicable PRC labor laws and regulations, including without limitation, laws and regulations pertaining to wages, hours, working conditions, benefits, retirement, social welfare, social insurance, housing funds and equal opportunity.

Each of the Seller Parties covenants to procure the PRC Companies to (i) make full and timely payment of the requisite social insurance premiums or housing funds according to applicable PRC Laws for all of the employees of the Group Companies, and (ii) have Shanghai Jinchuang Medical Inspection Company (□□□□□□□□□□□□□□) open housing provident fund account, as soon as possible after the Closing.

SECTION 5.15 Tax Matters.

(a) The PRC Companies shall use their respective reasonable best efforts to comply with all applicable PRC tax laws and regulations.

(b) The Seller Parties shall procure the Company to (i) withhold and deduct from the relevant repurchase price to be paid to the Selling Shareholders (excluding any Selling Shareholder who is a natural person) at the completion of the repurchase and sale of the Redeemed Shares and (ii) timely file and pay, all Taxes of any nature with respect to the Redemption on behalf of the Selling Shareholders (excluding any Selling Shareholder who is a natural person), if so required by the competent local counterparts of the SAT to which the report in Section 6.16 has been submitted, or if so required under applicable laws, in each case in accordance with the procedures and timelines as required by the applicable laws, including Announcement 7 and Announcement 37, and (iii) furnish the Investors with the written receipt from such Governmental Authorities evidencing the timely and full payment of the Taxes.

(c) The Seller Parties shall procure relevant Group Companies to report, and shall use their best effort to procure each relevant shareholder of the Company to, timely file the Tax Returns and fully pay all Taxes of any nature with respect to any transfer or repurchase of shares of the Company, if required by tax authorities, or if so required under applicable laws. Without prejudice to the provisions under Section 8.01 of this Agreement, if there is any damages suffered by any PRC Company as a result of or arising out of such PRC Company's failure to withhold or pay any Tax in accordance with the applicable laws, the Seller Parties shall make reasonable best efforts to discuss with the Investors in good faith regarding the practicable rescuing solutions to such damages.

(d) The Company shall provide to the Investors and the Additional Investor, as soon as reasonably practicable following written request and at the Investors' and the Additional Investor's cost, any information that is within the Company's possession to the extent such information is reasonably necessary for the Investors and the Additional Investor (or any person that is a direct or indirect beneficial owner of such Investor or the Additional Investor) to prepare their U.S. federal, state or local income tax and/or information reporting returns. Within one hundred and twenty (120) days after the end of each fiscal year of the Company, the Company shall make available to the Investors and the Additional Investor such information and its consolidated income statement and balance sheet for such fiscal year (or a draft thereof if financial statements for that year have not been finalized). If based on its review of such information and financial statements the Company informs the Investors and the Additional Investor of its belief that that the Company may be a passive foreign investment company" (a "**PFIC**") for U.S. federal income tax purposes for such year, the Company shall provide to the Investor as soon as reasonably practicable, any information that any Investor or the Additional Investor reasonably demonstrates is necessary and is within the Company's possession to the extent reasonably necessary for the Investor or the Additional Investor to take a position with respect to the Company's PFIC status for that year. This Section 5.15(d) shall cease to apply after the Company's initial public offering or with respect to the Investors and the Additional Investor that own at the time of the information request less than two percent (2%) of the Company's Shares by value.

(e) The Company has not filed any entity classification election under U.S. Treasury Regulations Section 301.7701-3. The Company shall not file any election to be treated as other than a corporation for U.S. federal income tax purposes other than in connection with its initial public offering or with the prior written consent of Investors holding a majority (by value) of the Shares then held by the Investors. An Investor may have a claim against the Company under this Section 5.15(e) only for as long as the Investor owns two percent (2%) or more of the Company's Shares by value.

SECTION 5.16 Accrual Accounting.

As soon as practicable after Closing, the Group Companies shall establish and maintain the accounting policies and financial system in full compliance with all applicable laws and regulations and to the Investors' and the Additional Investor's satisfaction.

SECTION 5.17 D&O Insurance.

Prior to the Qualified IPO, the Company shall obtain, at the cost no more than the average market price of such insurance, for the Investor Directors the directors and officers liability insurance in an insured amount approved by the Board of Directors.

SECTION 5.18 Intellectual Property Protection.

The Group Companies shall establish and maintain appropriate intellectual inspection system to protect the intellectual property of the Group Companies. The Group Companies shall, and the Founder shall cause the Group Companies to, make best efforts to fully comply with the laws and regulations in respect of the protection of the intellectual property and refrain from infringing the intellectual property of other parties.

SECTION 5.19 Captive Structure and Control Document.

Each of the Seller Parties covenants to take, or cause to be taken, all actions necessary or desirable to (i) maintain the validity and enforceability of all present and future Captive Structure and other contractual arrangements among the Group Companies, and (ii) ensure each entity carrying on any business of the Group which is to be held through a Captive Structure is a direct or indirect wholly-owned subsidiary of the PRC Affiliate.

Each of the Seller Parties undertakes that, if the PRC Affiliate is deemed to be a foreign entity by any Governmental Authority due to the Captive Structure, it shall procure the Group Companies to maintain operation and use the best efforts to conduct business in the ordinary course.

SECTION 5.20 Exclusivity.

From the date of this Agreement to the Closing, without the consent of the Investors, the Group Companies and the Founders shall not (i) discuss the sale of any securities of any Group Company with any third party, or (ii) to provide any information with respect to any Group Company to any third party in connection with a potential investment by such third party in any securities of any Group Company, or (iii) to close any financing transaction of any securities of any Group Company with any third party.

SECTION 5.21 Standard Agreement for Sequencing Services

Each of the Seller Parties covenants to procure the PRC Companies to amend the standard agreement form for sequencing services with individual customers to comply with relevant information requirements imposed under applicable laws if required by the applicable Governmental Authority.

SECTION 5.22 Transfer of Patents to WFOE.

After Closing, the PRC Affiliate covenants to use commercially reasonable efforts to, or cause the PRC Subsidiaries to, enter into relevant patent transfer agreements with the WFOE to transfer to the WFOE the ownership of all granted and pending patents held by the PRC Affiliate or the PRC Subsidiaries, and to complete and cause the PRC Subsidiaries to complete all registrations or filings of such transfers.

SECTION 5.23 Control Documents.

The Control Documents shall not be amended or terminated without approval in writing by the holder(s) representing more than fifty percent (50%) of the Series D Preferred Shares then outstanding, which shall include the consents of AVI, CICC, GIANT and VIVO, voting as a single class on an as converted basis, which approval shall not be unreasonably withheld.

ARTICLE VI

CONDITIONS OF INVESTORS' OBLIGATIONS AT CLOSING AND THE ADDITIONAL CLOSING

The obligation of each Investor to purchase the Purchased Shares at the Closing is subject to the fulfillment, to the satisfaction of such Investor (or waiver thereof by such Investor) on or prior to the Closing, of the following conditions (excluding the conditions as set forth in Section 6.01(b), Section 6.02(b), Section 6.03(b), Section 6.04(c) and (d), and Section 6.08(b) of this Agreement):

The obligation of the Additional Investor to purchase the Additional Purchased Shares at the Additional Closing is subject to the fulfillment, to the satisfaction of the Additional Investor (or waiver thereof by the Additional Investor) on or prior to the Additional Closing, of the conditions as set forth in Section 6.01(b), Section 6.02(b), Section 6.03(b), Section 6.04(c) and (d), and Section 6.08(b) of this Agreement:

SECTION 6.01 Representations and Warranties.

(a) Subject to such exceptions as may be specifically set forth in the Disclosure Schedule, the representations and warranties made by the Seller Parties in Article III (excluding the representations and warranties made by the Seller Parties in Section 3.04(b) and Section 3.05(b) of this Agreement) hereof shall be true and correct and complete in all respects when made, and shall be true and correct and complete in all respects as of the Closing Date with the same force and effect as if they had been made on and as of such date, except in either case for those representations and warranties that address matters only as of a particular date, which representations shall have been true, accurate and complete as of such particular date.

(b) The representations and warranties made by the Seller Parties in Section 3.04(b), Section 3.05(b) and Section 3.28(i) of this Agreement shall be true and correct and complete in all respects when made, and shall be true and correct and complete in all respects as of the Additional Closing Date with the same force and effect as if they had been made on and as of such date, except in either case for those representations and warranties that address matters only as of a particular date, which representations shall have been true, accurate and complete as of such particular date.

SECTION 6.02 Performance of Obligations.

(a) Each Seller Party shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing.

(b) Each Seller Party shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Additional Closing.

SECTION 6.03 Proceedings and Documents.

(a) All corporate and other proceedings in connection with the transactions contemplated by the Transaction Documents and the Share Repurchase Agreements (including the issuance, purchase and sale of the Purchased Shares and the Redemption), and all documents and instruments incident to such transactions shall be reasonably satisfactory in substance and form to such Investor, and such Investor shall have received all such counterpart originals or certified or other copies of such documents as it may reasonably request.

(b) All corporate and other proceedings in connection with the issuance, purchase and sale of the Additional Purchased Shares under this Agreement, and all documents and instruments incident to such transactions shall be reasonably satisfactory in substance and form to the Additional Investor, and the Additional Investor shall have received all such counterpart originals or certified or other copies of such documents as it may reasonably request.

SECTION 6.04 Approvals, Consents and Waivers.

(a) Each Group Company shall have obtained any and all approvals, consents and waivers necessary for consummation of the transactions contemplated by the Transaction Documents and the Share Repurchase Agreements (including the issuance, purchase and sale of the Purchased Shares and the Redemption), including, but not limited to, (i) all permits, authorizations, approvals, consents or permits of any Governmental Authority, (ii) resolutions approved by the shareholder(s) and/or board of directors of the Company, the HK Co., the WFOE and the PRC Affiliate (as applicable in accordance with the laws and regulations of its place of incorporation and its Constitutional Documents), and (iii) the waiver by the existing shareholders of the Company of any preemptive rights and all similar rights (if any) in connection with the issuance of the Purchased Shares at the Closing.

(b) Each Seller Party shall have obtained any and all consents and waivers necessary or appropriate for consummation of the transactions contemplated by the Transaction Documents and the Share Repurchase Agreements (including the issuance, purchase and sale of the Purchased Shares and the Redemption).

(c) Each Group Company shall have obtained any and all approvals, consents and waivers necessary for consummation of the issuance, purchase and sale of the Additional Purchased Shares under this Agreement, including, but not limited to, (i) all permits, authorizations, approvals, consents or permits of any Governmental Authority, (ii) resolutions approved by the shareholder(s) and/or board of directors of the Company (as applicable in accordance with the laws and regulations of its place of incorporation and its Constitutional Documents), and (iii) the waiver by the existing shareholders of the Company of any preemptive rights and all similar rights (if any) in connection with the issuance of the Additional Purchased Shares at the Additional Closing.

(d) Each Seller Party shall have obtained any and all consents and waivers necessary or appropriate for consummation of the issuance, purchase and sale of the Additional Purchased Shares.

SECTION 6.05 Transaction Documents.

Each of the parties to the Transaction Documents, (in VIVO's case) the Series C-2 Purchase Agreement, and (in VIVO's case) the Amendment Agreement to be entered into on or prior to the Closing, other than such Investor, shall have executed and delivered such Transaction Documents to such Investor.

SECTION 6.06 Option Pool.

Upon or immediately prior to the Closing, the Board of Directors and the shareholders of the Company shall have duly reserved 20,830,100 Ordinary Shares to be issued to the employees, officers, directors, or consultants of a Group Company in accordance with the 2019 New Share Incentive Plan.

SECTION 6.07 Opinions of Counsel.

The Investors shall have received (i) from Cayman Islands counsel for the Company, an opinion, dated as of the Closing, substantially in a form and substance satisfactory to the Investors, and (ii) from PRC counsel for the Company, an opinion, dated as of the Closing, substantially in a form and substance satisfactory to the Investors.

SECTION 6.08 Compliance Certificate.

(a) At the Closing, the Company, the Founders, the BVI Company, the HK Co., the WFOE and the PRC Affiliate shall deliver to such Investors certificates, dated the date of the Closing, certifying that the conditions specified in this Article VI have been fulfilled as of the Closing.

(b) At the Additional Closing, the Company, the Founders, the BVI Company, the HK Co., the WFOE and the PRC Affiliate shall deliver to the Additional Investor certificates, dated the date of the Additional Closing, certifying that the conditions to such Additional Closing specified in this Article VI have been fulfilled as of the Additional Closing.

SECTION 6.09 Amendment to Constitutional Documents.

The Restated Articles (in the form attached hereto as Exhibit A) shall have been duly adopted by the Company by all necessary corporate action of its Board of Directors and its shareholders (which Restated Articles shall have been duly filed with the appropriate authority(ies) of the Cayman Islands within fifteen (15) Business Days after the Closing), and such adoption shall have become effective prior to the Closing with no alteration or amendment as of the Closing, and a stamped copy of the duly adopted Restated Articles shall be delivered to the Investors after the Closing.

SECTION 6.10 Execution of Shareholders Agreement.

The Company shall have delivered to such Investor the Shareholders Agreement (in the form attached hereto as Exhibit B), duly executed by the Company and all other parties thereto (except for the Investors).

SECTION 6.11 Appointment of VIVO Director.

The board of the directors of the Company shall include one (1) director appointed by VIVO (the "**VIVO Director**") upon the Closing. All actions shall have been taken to appoint the foregoing VIVO Director as a new director of the Company effective upon the Closing.

SECTION 6.12 Indemnification Agreement.

The Company shall have delivered a director indemnification agreement in the form attached hereto as Exhibit D, duly executed by the Company, VIVO and the VIVO Director.

SECTION 6.13 Employment Agreement and Confidentiality, Non-Competition and Intellectual Property Rights Agreement.

Each Key Employee shall have entered into an employment agreement, and a confidentiality, non-competition and intellectual property rights agreement with the Group Companies, each in the form and substance reasonably satisfactory to the Investors and the Company shall have delivered to the Investors copies of the same.

SECTION 6.14 Good Standing.

The Investors shall have received a copy of certificate of good standing issued by the Registrar of Companies of the Cayman Islands dated not more than sixty (60) days prior to the Closing, certifying that the Company was duly constituted, paid all required fees and is in good legal standing.

SECTION 6.15 Approval by Investment Committee.

The Investors shall have received approvals, if required, by its investment committee for entering into the transactions contemplated hereunder.

SECTION 6.16 Tax Obligations.

The Company, the Selling Shareholders (excluding any Selling Shareholder who is a natural person) and the relevant Group Companies shall have timely reported the transactions as contemplated under the Share Repurchase Agreements to the competent local counterparts of the SAT for assessment of Tax filing and payment obligations arising out of such transactions in accordance with the procedures and timelines as required by the applicable laws, including Announcement 7 and Announcement 37 and provided the Investors with the written receipt from the competent local counterparts of the SAT or other reasonable written materials demonstrating the submission of such report.

SECTION 6.17 No Litigation.

No Action shall have been threatened or instituted against any Seller Party or such Investor seeking to enjoin, challenge the validity of, or assert any liability against any of them on account of, any transactions contemplated by this Agreement or the other Transaction Documents.

SECTION 6.18 Due Diligence

Such Investor shall have completed its due diligence investigation, and the result of the due diligence investigation is satisfactory to such Investor.

SECTION 6.19 No Material Adverse Effect.

There shall have been no Material Adverse Effect since the Financial Statements Date.

SECTION 6.20 Closing Deliveries.

The Seller Parties shall have delivered all of the various items they are required to deliver to such Investor at the Closing under Section 2.02.

ARTICLE VII

CONDITIONS TO THE SELLER PARTIES' OBLIGATIONS AT THE CLOSING AND THE ADDITIONAL CLOSING

The obligations of the Seller Parties under this Agreement at the Closing with respect to the Investors are subject to the fulfillment, on or prior to the Closing Date of the following conditions (excluding that as set forth in Section 7.01(b), Section 7.02(b) and Section 7.03(b) of this Agreement):

The obligations of the Seller Parties under this Agreement at the Additional Closing with respect to the Additional Investor are subject to the fulfillment, on or prior to the Additional Closing Date of the conditions as set forth in Section 7.01(b), Section 7.02(b) and Section 7.03(b) of this Agreement:

SECTION 7.01 Representations and Warranties.

(a) The representations and warranties of each Investor contained in Article IV hereof, as applicable, shall be true and correct on and as of the date hereof and as of the date of the Closing with the same effect as though such representations and warranties had been made on and as of the date of the Closing, except in either case for those representations and warranties that address matters only as of a particular date, which representations will have been true and complete as of such particular date.

(b) The representations and warranties of the Additional Investor contained in Article IV hereof, as applicable, shall be true and correct on and as of the date hereof and as of the date of the Additional Closing with the same effect as though such representations and warranties had been made on and as of the date of Additional Closing, except in either case for those representations and warranties that address matters only as of a particular date, which representations will have been true and complete as of such particular date.

SECTION 7.02 Execution of Transaction Documents.

(a) Each Investor shall have executed and delivered to the Company the Transaction Documents to which it is a party.

(b) The Additional Investor (if being ETP or its assignee) shall have executed and delivered to the Company the Deed of Adherence as attached as Exhibit B of Shareholders Agreement.

SECTION 7.03 Performance

(a) Each Investor shall have performed and complied with all covenants, obligations and conditions contained in this Agreement that are required to be performed or complied with by such Investor on or before the Closing.

(b) The Additional Investor shall have performed and complied with all covenants, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Additional Closing.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01 Indemnity.

(a) General Indemnity. Each Seller Party shall, jointly and severally, indemnify each Investor and the Additional Investor, and each Investor's and the Additional Investor's respective directors, officers, employees, Affiliates, agents and assigns (each, an "**Indemnified Party**") against any reduction in value of the Company's or the Group Companies' assets, any increase in their liabilities, any dilution of such Investor's and the Additional Investor's interests in the Company or any diminution in the value of such Investor's and the Additional Investor's interests in the Company (the "**Indemnifiable Damage**") as a result of any inaccuracy in or breach or non-performance of any of the representations, warranties, covenants or agreements made by any Seller Party in or pursuant to this Agreement or any of the other Transaction Documents.

(b) Special Indemnity. Without limiting the generality of the foregoing, each of the Seller Parties shall jointly and severally indemnify any Indemnified Party for any and all Indemnifiable Damages suffered by such Indemnified Party as a result of or arising out of: (i) any failure by any Group Company to pay any Tax which it is liable to pay (including withholding and paying on behalf of another, any penalties, fines or interest in connection with Tax) prior to the Closing; (ii) any Liability attributable to the infringement, violation or misappropriation of any Intellectual Property of any third party by any Group Company prior to the Closing; (iii) any Liability incurred by any PRC Company arising from or in connection with its failure to open housing provident fund accounts or to fully pay the social insurance premiums or housing funds for any of its employees in accordance with applicable laws prior to the Closing; (iv) any failure of any Group Company, other Seller Parties or the Company Representative to comply with the FCPA, the U.K. Bribery Act or any other applicable Compliance Laws; (v) any failure of any Group Company to comply with laws regarding foreign investment restrictions relating to the Business prior to the Closing; (vi) any failure of any Group Company to obtain the consents from any Person or competent Governmental Authority in connection with its human genetic resources related projects, its sharing and dissemination of human genetic resources related materials or information with any foreign entity and its use of Personal Information or any Liability incurred by any Group Company for violation of the agreements to which it is a party in its use of Personal Information; (vii) any failure of any PRC Company to complete the registration and record-filing formalities for the leased properties of any Group Company; (viii) any Losses incurred arising from or in connection with defective or invalid leasehold interests of any property or assets used by any Group Company; and (ix) any action or dispute raised by, or any penalty or governmental orders imposed by, any Person or Governmental Authority against any Group Companies in connection with the Redemption or failure of the Company to complete the Redemption due to reasons attributable to the Seller Parties. Such indemnification shall not be prejudiced by or be otherwise subject to any disclosure (in the Disclosure Schedule or otherwise).

(c) Indemnity Limitations. Notwithstanding the foregoing, absent of fraud, intentional misconduct, intentional misrepresentation or gross negligence on the part of any Seller Party, each Seller Party's indemnity liabilities are subject to the limitations below:

(1) the maximum aggregate liability of each of the Seller Parties to each Investor for any indemnification under this Agreement shall not exceed the aggregate amount equal to one hundred percent (100%) of the respective Purchase Price actually paid by such Investor, and the maximum aggregate liability of each of the Seller Parties to the Additional Investor for any indemnification under this Agreement shall not exceed the aggregate amount equal to one hundred percent (100%) of the Additional Installment actually paid by the Additional Investor.

(2) the Founders and the BVI Company may elect to satisfy the entirety of their obligations under this Agreement by transferring the Ordinary Shares of the Company in whole or in part held by them to the Indemnified Parties at no cost. If the Founder Parties elect to satisfy their entire obligations under this Agreement by transferring the Ordinary Shares of the Company to the Indemnified Parties at no cost, in no event the assets of the Founders (other than the Ordinary Shares of the Company directly or indirectly held by the Founder) shall be used to indemnify any Indemnifiable Damage.

(3) any Seller Party is not liable in respect of any Indemnified Party's claim(s) unless and until the aggregate amount of all the Indemnifiable Damage for which indemnification is sought by any Indemnified Party exceeds, on a cumulative basis, US$100,000 (or its equivalent in foreign currency) (the "**Indemnity Basket**"); provided that if the aggregate amount of all the Losses exceeds US$100,000, the Indemnified Party shall be entitled to indemnification for the full amount of such Losses, without regard to the Indemnity Basket.

(4) to the extent that the matter giving rise to an Indemnified Party' claim(s) made by an Indemnified Party has been remedied by any Seller Party within certain terms required by such Indemnified Party and to the fully satisfaction of such Indemnified Party, then the Seller Parties shall not be obligated to indemnify such Indemnified Party with respect to such Indemnified Party' claim(s).

SECTION 8.02 Calculation of Losses.

Each of the Seller Parties agrees that in assessing the amount of damages for a breach of representations and warranties, covenants and agreements under this Agreement, there shall be taken into account that: (i) in calculating the loss or damage that any Investor or the Additional Investor may suffer as a result of any claim made by such Investor or the Additional Investor under this Agreement, any payment made by the Company to reimburse such Investor or the Additional Investor for its losses will in itself diminish the value of such Investor's or the Additional Investor's investment in the Company and, accordingly, such payment should be taken into account in calculating such Investor's or the Additional Investor's loss or damage; and (ii) the Investors and the Additional Investor shall be entitled to be compensated for, but not limited to, the decrease in value (including loss of bargain) of, all the Purchased Shares or Ordinary Shares arising from conversion thereof held by the Investors and the Additional Purchased Shares held by the Additional Investor, as a result of any material inaccuracy or breach of representations and warranties, covenants and agreements or breach of any other provision of this Agreement.

SECTION 8.03 Rights Cumulative; Specific Performance.

Each and all of the various rights, powers and remedies of a party hereto will be considered to be cumulative with and in addition to any other rights, powers and remedies which such Party may have at Law or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power or remedy available to such Party. Without limiting the foregoing, the Parties hereto acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

SECTION 8.04 Governing Law.

This Agreement shall be governed by and construed exclusively in accordance with the laws of the Hong Kong without regard to principles of conflicts of law thereunder.

SECTION 8.05 Survival.

The representations, warranties and covenants of the Seller Parties contained in this Agreement shall survive after the Closing and shall in no way be affected by any investigation made by any party hereto and the consummation of the transactions contemplated hereby. For the avoidance of doubt, none of the Investors or the Additional Investor shall be liable for any losses, liabilities, obligations, responsibilities or debts, whether contractual or otherwise, or any Taxes or any other undertakings of any Seller Party or any Affiliate of any Seller Party incurred from or arose out of or as a result of events which happened before the Closing.

SECTION 8.06 Successors and Assigns.

Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto whose rights or obligations hereunder are affected by such amendments. This Agreement and the rights and obligations therein may not be assigned by the Seller Parties without the written consent of the Investors and the Additional Investor. Notwithstanding the foregoing, each of the Investors and the Additional Investor may assign the rights and obligations under this Agreement to its Affiliates without any form of consent of the other Parties, and the Company and other Parties hereto shall facilitate to effectuate such assignment upon such Investor's and the Additional Investor's request, provided that (i) such transfer is made in accordance with the Shareholders Agreement, and (ii) such successor shall not be the Competitor of the Group Companies and shall have obtained all necessary approval, authorization or consent with any Governmental Authority which are required to be obtained or made in connection with its shareholding in the Company.

SECTION 8.07 Entire Agreement.

This Agreement, the Shareholders Agreement, the Restated Articles, any other Transaction Document, and the schedules and exhibits hereto and thereto, which are hereby expressly incorporated herein by this reference constitute the entire understanding and agreement between the parties with regard to the subjects hereof and thereof; provided, however, that nothing in this Agreement or related agreements shall be deemed to terminate or supersede the provisions of any confidentiality and nondisclosure agreements executed by the parties hereto prior to the date hereof, which agreements shall continue in full force and effect until terminated in accordance with their respective terms.

SECTION 8.08 Notices.

Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party, upon delivery; (b) when sent by facsimile at the number set forth in EXHIBIT E hereto, upon receipt of confirmation of error-free transmission; (c) seven (7) business days after deposit in the mail as air mail or certified mail, receipt requested, postage prepaid and addressed to the other party as set forth in EXHIBIT E; or (d) three (3) business days after deposit with an overnight delivery service, postage prepaid, addressed to the parties as set forth in EXHIBIT E with next business day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider or (e) when sent, if sent by electronic mail, during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next business day.

Each person making a communication hereunder by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication. A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 8.08 by giving, the other parties written notice of the new address in the manner set forth above.

SECTION 8.09 Amendments and Waivers.

Any term of this Agreement may be amended, only with the written consent of each of (i) the Company, and (ii) the Investors. Any amendment effected in accordance with this paragraph shall be binding upon each of the Parties hereto. Notwithstanding the foregoing, the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Party against whom such waiver is sought.

SECTION 8.10 No Waiver.

Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power or remedy power hereunder at any one time or more times be deemed a waiver or relinquishment of such right, power or remedy at any other time or times.

SECTION 8.11 Delays or Omissions.

No delay or omission to exercise any right, power or remedy accruing to any Seller Party, any Investor or the Additional Investor, upon any breach or default of any party hereto under this Agreement, shall impair any such right, power or remedy of such Seller Party, such Investor or the Additional Investor, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring; nor shall any waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Seller Party, any Investor or the Additional Investor of any breach or default under this Agreement or any waiver on the part of any Seller Party, any Investor or the Additional Investor of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, or by law or otherwise afforded to the Seller Parties, the Investors and the Additional Investor shall be cumulative and not alternative.

SECTION 8.12 Finder’s Fees.

Except as disclosed in the Disclosure Schedule, each party represents and warrants to the other party hereto that it has retained no finder or broker in connection with the transactions contemplated by this Agreement and/or the other Transaction Documents and hereby agrees to indemnify and to hold harmless the other party hereto from and against any liability for any commission or compensation in the nature of a finder’s fee of any broker or other person or firm (and the costs and expenses of defending against such liability or asserted liability) for which the indemnifying party or any of its employees or representatives are responsible.

SECTION 8.13 Interpretation; Titles and Subtitles.

This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to Sections and Exhibits herein are to Sections and Exhibits of this Agreement. As used in this Agreement, the words “include” and “including”, and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation”.

SECTION 8.14 Counterparts.

This Agreement may be executed (including electronic signature) in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

SECTION 8.15 Severability.

If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the parties. In such event, the parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the parties’ intent in entering into this Agreement.

SECTION 8.16 Confidentiality and Non-Disclosure.

The parties hereto agree to be bound by the confidentiality and non-disclosure provisions of Section 10 of the Shareholders Agreement, which shall mutatis mutandis apply.

SECTION 8.17 Further Assurances.

Each party shall from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required to effect the transactions contemplated by this Agreement and/or the other Transaction Documents.

SECTION 8.18 Dispute Resolution.

(a) Negotiation Between Parties. The parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of all parties within thirty (30) days, Section 8.18(b) shall apply.

(b) Arbitration. In the event the parties are unable to settle a dispute between them regarding this Agreement in accordance with subsection (a) above, such dispute shall be referred to and finally settled by arbitration at the Hong Kong International Arbitration Centre (the "**HKIAC**") for arbitration in Hong Kong. The arbitration shall be conducted in accordance with the HKIAC Administered Arbitration Rules in force at the time of the initiation of the arbitration, which rules are deemed to be incorporated by reference into this subsection (b).

SECTION 8.19 Expenses.

In the event that the Closing occurs or the Closing does not successfully occur for reasons not attributable to the Investors, the Company shall reimburse the Investors' reasonable costs and expenses for legal, financial and other due diligence activities and negotiation and documentations incurred by the Investors in connection with the transactions contemplated hereunder, subject to such caps as agreed separately with each Investor (if applicable). For the avoidance of doubt, the rights of each Investor to be reimbursed of the fees and expenses under this Section are several and not joint, and if an Investor does not consummate the Closing for reasons attributable to itself, other Investors fulfilling the Closing shall be entitled to the reimbursement.

SECTION 8.20 Termination.

This Agreement may be terminated prior to the Closing as between the Company on one hand and any Investor on the other hand (i) by mutual written consent of the Company and such Investor, (ii) by such Investor if the Closing has not occurred within ninety (90) days after the signing of this Agreement, or (iii) by such Investor, by written notice to the Company if there has been a material misrepresentation or material breach of a covenant or agreement contained in this Agreement on the part of any Seller Party, provided that, any termination of this Agreement as between the Company on the one hand and any Investor on the other hand in accordance with any of the items (i) through (iii) above shall not impact the continuing validity of this Agreement being in full force and effect as between the Company on the one hand and any other Investor on the other hand.

If this Agreement is terminated pursuant to the provisions of this Section 8.20 or Section 5.11, then this Agreement shall have no further effect, provided that, no Party hereto shall be relieved of any liability for a breach of this Agreement or for any misrepresentation hereunder, nor shall such termination be deemed to constitute a waiver of any available remedy (including specific performance if available) for any such breach or misrepresentation; provided further that, the provisions of Section 5.05, Section 5.20, Section 8.01, Section 8.03, Section 8.04, Section 8.07, Section 8.15, Section 8.17, Section 8.18, Section 8.20 and Section 8.21 shall survive the expiration or early termination of this Agreement.

SECTION 8.21 Independent Nature of Investors' and the Additional Investor's Obligations and Rights.

The obligations of each of the Investors and the Additional Investor under this Agreement and the other Transaction Documents are several and not joint, and no Investor or the Additional Investor is responsible in any way for the performance or conduct of any other Investor or the Additional Investor in connection with the transactions contemplated hereby. Nothing contained herein or in any other Transaction Document, and no action taken by any Investor or the Additional Investor pursuant hereto or thereto, shall be or shall be deemed to constitute a partnership, association, joint venture, or joint group with respect to the Investors or the Additional Investor. Each of the Investors and the Additional Investor agrees that no other Investor or the Additional Investor has acted as an agent for such Investor or the Additional Investor in connection with the transactions contemplated hereby.

SECTION 8.22 Press Releases.

None of the Parties hereto shall issue a press release or make any public announcement or other public disclosure with respect to any of the transactions contemplated herein, including the name of the Investors and the Additional Investor, or any of their respective Affiliates, without obtaining the prior written consent of the Investors or the Additional Investor, or use the name or logo of the Investors or the Additional Investor, or any of their respective Affiliates without obtaining in each instance the prior written consent of the Investors or the Additional Investor.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE COMPANY:

Genetron Holdings Limited (□□□□□□□□□□□□□□□)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

THE BVI COMPANY:

FHP Holdings Limited

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

THE HK CO.:

Genetron Health (Hong Kong) Company Limited
(□□□□□(□□)□□□□)

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE WFOE:

Genetron (Tianjin) Co., Ltd. (□□□□□□□□□□)□Seal□

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

THE PRC Affiliate:

Genetron Health (Beijing) Co., Ltd. (□□□□□□□□□□□□□□□)
□Seal□

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ Wang Sizhen

Name: Wang Sizhen

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ Yan Hai

Name: Yan Hai

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDERS:

/s/ He Weiwu

Name: He Weiwu

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

CICC Healthcare Investment Fund, L.P.

By: /s/ Wu Xia
Its: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

ALEXANDRIA VENTURE INVESTMENTS, LLC,

a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, INC.,
a Maryland corporation, managing member

By: /s/ Aaron Jacobson
Name: Aaron Jacobson
Title: SVP - Venture Counsel

Address: 26 N. Euclid Ave
Pasadena, CA 91101

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

VIVO CAPITAL FUND IX, L.P.
By: Vivo Capital IX, LLC

By: /s/ Frank Kung
Name: Frank Kung
Title: Managing Member

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

ETP BioHealth II Fund, L.P.

By: Its General Partner: Emerging Technology Partners LLC

By: /s/ James K. Hu
Name: James K. Hu
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

GIANT PLAN LIMITED

By: /s/ WANG Hui
Name: WANG Hui
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Emerging Technology Partners LLC

By: /s/ James Hu
Name: James Hu
Title: Authorized Signatory

Annex A

Definitions

As used in this Agreement, the following terms shall have the following respective meanings:

"**Action**" shall mean any notice, charge, claim, action, complaint, petition, investigation, appeal, suit, litigation, grievance, inquiry or other proceeding, whether administrative, civil, regulatory or criminal, whether at law or in equity, or otherwise under any applicable law, and whether or not before any mediator, arbitrator or Governmental Authority.

"**Additional Closing**" shall have the meaning ascribed to it in Section 2.01 of this Agreement.

"**Additional Closing Date**" shall have the meaning ascribed to it in Section 2.01 of this Agreement.

"**Additional Investor**" shall have the meaning ascribed to it in Section 1.02 of this Agreement.

"**Additional Installment**" shall have the meaning ascribed to it in Section 1.02 of this Agreement.

"**Additional Purchased Shares**" shall have the meaning ascribed to it in Section 1.02 of this Agreement.

"**Affiliate**" shall mean, in respect of a Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person, and without limiting the generality of the foregoing, (a) in the case of a natural Person, shall include, without limitation, such Person's spouse, parents, children, the spouse of the children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law, (b) in the case of an Investor and the Additional Investor, shall include (i) any Person who holds Shares as a nominee for the Investor and the Additional Investor, (ii) any controlling shareholder of the Investor and the Additional Investor, (iii) any entity or individual which has direct or indirect controlling interest in such controlling shareholder of the Investor and the Additional Investor (including, if applicable, any general partner) or any fund manager thereof, (iv) any Person that directly or indirectly Controls, is Controlled by, under common Control with, or is managed by the Investor and the Additional Investor, its controlling shareholder, the general partner or the fund manager of the Investor and the Additional Investor or their controlling shareholder, (v) the relatives of any individual referred to in (ii), (iii) and (iv) above, and (vi) any trust Controlled by or held for the benefit of such individuals. For the avoidance of doubt, an Investor or the Additional Investor shall not be deemed to be an Affiliate of any Group Company.

"**Agreement**" is defined in the introductory paragraph of this Agreement.

“**Amendment Agreement**” shall mean the Amendment Agreement to Series C-2 Preferred Shares Purchase Agreement, dated November 19, 2019, entered into by and among the Company, VIVO and other relevant parties for the amendment of the certain provisions of the Series C-2 Purchase Agreement.

“**Announcement 7**”shall mean, the *Announcement on Several Issues Concerning Enterprise Income Tax on Proceeds from Indirect Transfers of Assets by Non-resident Enterprises* (□□□2015□□7□) issued by the SAT on February 3, 2015, as amended, supplemented or substituted promulgated by the SAT from time to time.

“**Announcement 37**” shall mean, the *Announcement on Matters Concerning Withholding of Income Tax of Non-Resident Enterprises at Source* (□□□□□□□□□□□□□□□□□□□□□□□□□□□□□(□□□□□□□□2017□□37□)) issued by the SAT on December 1, 2017, as amended, supplemented or substituted promulgated by the SAT from time to time.

“**Associate**” means, with respect to any Person, (x) a corporation or organization (other than the Group Companies) of which such Person is an officer, director or partner or is, directly or indirectly, the record or beneficial owner of five (5) percent or more of any class of Equity Securities of such corporation or organization, (y) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity, or (z) any relative or spouse of such Person, or any relative of such spouse.

“**Automatic Cancellation**” shall have the meaning ascribed to it in Section 1.02 of this Agreement.

“**AVI**” shall mean ALEXANDRIA VENTURE INVESTMENTS, LLC.

“**Board**” shall mean the board of directors of the Company.

“**Business**” shall have the meaning ascribed to it in Recitals of this Agreement.

“**Business Day**” or “**business day**” shall mean any day that is not a Saturday, Sunday, legal holiday or a day on which banks are required to be closed in Cayman Islands, Hong Kong, or the PRC.

“**BVI Company**” is defined in introductory paragraph of this Agreement.

“**Cancellation of Second Installment**” shall have the meaning ascribed to it in Section 1.02 of this Agreement.

“**Captive Structure**” shall mean the structure under which the WFOE Controls the PRC Affiliate through the Control Documents.

"**Charter Documents**" shall mean, with respect to a particular legal entity, the articles of incorporation, certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

"**CICC**" shall mean CICC Healthcare Investment Fund, L.P..

"**Circular 37**" shall mean the Notice on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in Overseas Financing and Round Trip Investment via Overseas Special Purpose Companies (□□) issued by SAFE on July 4, 2014, and its amendment and interpretation promulgated by SAFE from time to time.

"**CFC**" shall mean the controlled foreign corporation within the meaning of Section 957 of the United States Internal Revenue Code of 1986 ("**Code**").

"**Closing**" shall have the meaning ascribed to it in Section 2.01.

"**Code**" shall mean the United States Internal Revenue Code of 1986.

"**Company**" is defined in introductory of this Agreement.

"**Company Owned IP**" means all Intellectual Property owned by, purported to be owned by, or exclusively licensed to, the Group Companies.

"**Company Registered IP**" means all Intellectual Property for which filings, issuances or registrations are owned by or held in the name of, or for which applications have been made in the name of, any Group Company, including without limitation patents, patent applications, registered trademarks, applications for trademark registration, copyright registrations, applications for copyright registrations and domain name registrations.

"**Competitor**" shall have the meaning ascribed to it in the Shareholders Agreement.

"**Completion of ODI Filings by CICC's Potential LP**" shall mean the completion of the ODI Filings by CICC's Potential LP, including but not limited to the completion of permits, approval and filings from the NDRC, the MOFCOM, the SAFE and the related bank for foreign exchange.

"**Consent**" means any consent, approval, authorization, release, waiver, permit, grant, franchise, concession, agreement, license, exemption or order of, registration, certificate, declaration or filing with, or report or notice to, any Person, including any Governmental Authority.

"**Contract**" means, a contract, agreement, understanding, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and includes but not limited to (a) ownership directly or indirectly of 50% or more of the shares in issue or other equity interests of such Person, (b) possession directly or indirectly of 50% or more of the voting power of such Person or (c) the power directly or indirectly to appoint a majority of the members of the board of directors or similar governing body of such Person, and the terms "**Controlling**" and "**Controlled**" have meanings correlative to the foregoing.

"**Control Documents**" shall mean, collectively, the agreements made from time to time, which enable the Company to exclusively Control, and consolidate in its financial statements the results of the PRC Affiliate, entered into between the WFOE on the one hand and the PRC Affiliate or the shareholders of the PRC Affiliate on the other hand, including but not limited to the Shareholder Voting Rights Entrustment Agreement, Spousal Consent Letter, Equity Interest Pledge Agreement, and Exclusive Option Agreement, dated July 30, 2019, and Exclusive Business Cooperation Agreement dated July 2, 2019.

"**Conversion Shares**" shall mean Ordinary Shares issuable upon conversion of the Preferred Shares of the Company.

"**Disclosure Schedule**" shall have the meaning ascribed to it in Article III.

"**ESOP**" shall mean the 2019 Equity Incentive Plan of the Company adopted by the Company on July 2, 2019, covering the grant of up to 33,961,500 Ordinary Shares (or options therefor) (as adjusted for share splits, share dividends, combinations, recapitalizations and similar events) to employees, officers, directors, or consultants of a Group Company.

"**Environmental Claim**" shall mean any claim, action, cause of action, investigation, or notice (written or oral) by any Person or entity alleging potential liability arising out of, based on, or resulting from: (i) the presence, or release into the environment, of any Material of Environmental Concern at any location; or (ii) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law.

"**Environmental Laws**" shall mean all laws and regulations of any jurisdiction where a Group Company is or has engaged in business activities relating to pollution or protection of human health or the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Material of Environmental Concern.

"**Equity Securities**" shall mean, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing, or any Contract providing for the acquisition of any of the foregoing.

"**Extension Period**" shall have the meaning ascribed to it in Section 1.02 of this Agreement.

"**ETP**" shall mean Emerging Technology Partners LLC.

"**FCPA**" shall mean the Foreign Corrupt Practices Act of the United States (15 U.S.C. §§ 78dd-1, et seq.), as amended.

"**Financial Statements Date**" shall have the meaning ascribed to it in Section 3.16.

"**Financial Statements**" shall have the meaning ascribed to it in Section 3.16.

"**Founder**" is defined in introductory paragraph of this Agreement.

"GIANT" shall mean GIANT PLAN LIMITED.

"**Government Order**" means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

"**Governmental Authority**" shall mean any nation or government, or any federation, province or state or any other political subdivision thereof; and any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of the PRC, the Cayman Islands, Hong Kong or any other country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.

"**Group Companies**" is defined in the introductory paragraph of this Agreement, each a "**Group Company**".

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China.

"**HK Co.**" is defined in the introductory paragraph of this Agreement.

"**IFRS**" shall mean the applicable International Financial Reporting Standards published by the International Accounting Standards Board.

"**Indemnification Agreement**" shall mean the Indemnification Agreement among the Company, VIVO and the VIVO Director to be entered into as of the Closing in substantially the form attached hereto as Exhibit D.

"**Indemnifiable Damage**" shall have the meaning set forth in Section 8.01(a).

"**Indemnified Party**" shall have the meaning set forth in Section 8.01(a).

"Indemnity Basket" shall have the meaning set forth in Section 8.01(c).

"**Intellectual Property**" any and all (a) patents, all patent rights and all applications therefor and all reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (b) inventions (whether patentable or not), improvements, discoveries, and industrial models, (c) registered and unregistered copyrights, copyright registrations and applications, author's rights and works of authorship (including artwork of any kind, and software of all types in whatever medium, inclusive of computer programs, source code, object code and executable code, and related documentation), (d) domain names, web sites and any part thereof, (e) technical information, know-how, trade secrets, confidential information, drawings, designs, design protocols, specifications for parts and devices, quality assurance and control procedures, research data concerning historic and current research and development efforts, databases, proprietary data, books, records, ledgers, files, documents, correspondence, lists, drawings, and specifications, creative materials, advertising and promotional materials, studies, reports, and other printed or written materials; (f) trade names, trade dress, trademarks, service marks, and registrations and applications therefor, and (g) the goodwill of the business symbolized or represented by the foregoing, customer lists and other proprietary information; (h) all other intellectual property rights and proprietary rights of any nature subsisting anywhere in the world; and (i) all copies and tangible embodiments (in whatever form or medium) of any of the foregoing.

"**Interested Party**" shall mean any Affiliate, Officer, director, supervisory board member, employee, or holder of any Equity Security of any Group Company, and any Affiliate or Associate of any of the foregoing.

"**Investor Directors**" shall have the meaning ascribed to it in Shareholders Agreement.

"**Investor**" and "**Investors**" are defined in introductory paragraph of this Agreement.

"**IPO**" shall mean the initial public offering of the Ordinary Shares (or securities representing such Ordinary Shares) of the Company or as the case may be, the shares of the relevant entity resulting from any merger, reorganization or other arrangements made by the Company for the purposes of such public offering, which are offered directly, or indirectly by way of depository receipt, to the public on the Nasdaq Global Market System, the New York Stock Exchange, the Main Board or the Growth Enterprise Market of the Hong Kong Stock Exchange, or any other recognized regional or national securities exchange (excluding the National Equities Exchange and Quotations) acceptable to all the Investors.

"**Key Employees**" shall mean the individuals identified in Section 3.26 of the Disclosure Schedule, each a "**Key Employee**".

References to "**law**" or "**Law**" shall include all applicable laws, regulations, rules and orders of any Governmental Authority, any common or customary law, constitution, code, ordinance, statute or other legislative measure and any regulation, rule, treaty, order, decree or judgment; and "**lawful**" shall be construed accordingly.

"**Knowledge**" shall mean, means, with respect to the Seller Parties, and that knowledge which should have been acquired by each such individual after making such due inquiry and exercising such due diligence as a prudent business person would have made or exercised in the management of his or her business affairs, including but not limited to due inquiry of all Officers, directors, employees, consultants and professional advisers (including attorneys, accountants and auditors) of the Group Companies who could reasonably be expected to have knowledge of the matters in question, and where any statement in the representations and warranties hereunder is expressed to be given or made to a Person's Knowledge, or so far as a party is aware, or is qualified in some other manner having a similar effect, the statement shall be deemed to be supplemented by the additional statement that such party has made such due inquiry and due diligence.

"**Liabilities**" or "**Liability**" shall mean, with respect to any Person, all debts, obligations, liabilities owed by such Person of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due.

"**Lien**" shall mean any mortgage, pledge, claim, security interest, encumbrance, option to acquire, title defect, Lien, charge, easement, adverse claim, restrictive covenant, or other restriction or limitation of any kind whatsoever, including any restriction on the use, voting, transfer, receipt of income, or exercise of any attributes of ownership.

"**2019 New Share Incentive Plan**" shall mean the management incentive plan to be adopted by the Company after the Closing, covering the grant of up to 20,830,100 Ordinary Shares (or options therefor) (as adjusted for share splits, share dividends, combinations, recapitalizations and similar events) to the employees, officers, directors, or consultants of a Group Company.

"**Material Adverse Effect**" shall mean any (a) event, occurrence, fact, condition, change or development that has had, has, or could reasonably be expected to have a material adverse effect on the business, properties, assets, operations, results of operations, condition (financial or otherwise), prospects or liabilities of the Group Companies taken as a whole, (b) material impairment of the ability of any Seller Party to perform the material obligations of such Person hereunder or under any other Transaction Documents, as applicable, or (c) material impairment of the validity or enforceability of this Agreement or any other Transaction Document against any Group Company, Founders or BVI Company.

"**Material Contracts**" shall have the meaning ascribed to it in Section 3.10.

"**Material of Environmental Concern**" shall mean chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum, and petroleum products.

"**NDRC**" shall mean, the National Development and Reform Commission of the PRC or, with respect to any matter to be submitted for examination and approval by the National Development and Reform Commission, any Governmental Authority which is similarly competent to examine and approve such matter under the laws of the PRC.

"**ODI Filings by CICC's Potential LP**" shall mean, all permits, approvals and fillings from the Governmental Authorities as required under the PRC Laws with respect to the proposed outbound direct investment into CICC by one or more corporate investors incorporated in the PRC (the "**CICC's Potential LP**"), including but not limited to the permits, approvals and fillings from the NDRC, the Ministry of Commerce, the SAFE and the related bank for foreign exchange.

"**Officers**" shall mean the chief executive officers and senior management of the Company, including Chief Executive Officer, Chief Scientific Officer, Chief Technology Officer, Chief Financial Officer, Chief Operating Officer of the Company and senior managers with "senior vice president" or "vice president" titles, and each an "**Officer**".

"**Ordinary Shares**" shall mean the Company's ordinary shares, par value US$0.00002 per share.

"**Permitted Liens**" means (i) Liens for Taxes not yet delinquent or the validity of which are being contested in good faith and for which there are adequate reserves on the applicable financial statements, and (ii) Liens incurred in the ordinary course of business, which (x) do not individually or in the aggregate materially detract from the value, use, or transferability of the assets that are subject to such Liens, and (y) were not incurred in connection with the borrowing of money, and (iii) Liens created pursuant to Control Documents.

"**Person**" means any individual, sole proprietorship, partnership, limited partnership, limited liability company, firm, joint venture, estate, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or governmental or regulatory authority or other enterprise or entity of any kind or nature.

"**PFIC**" shall mean the passive foreign investment company within the meaning of Section 1297 of the Code.

"**PRC**" shall mean the People's Republic of China, but solely for purposes of this Agreement and the other Transaction Documents, excluding the Hong Kong, the Macau Special Administrative Region and Taiwan.

"**PRC Affiliate**" is defined in introductory paragraph of this Agreement.

"**PRC Subsidiary**" is defined in introductory paragraph of this Agreement.

"**PRC Company**" or "**PRC Companies**" is defined in introductory paragraph of this Agreement.

"**Public Official**" shall mean (a) officers, employees and other Persons (regardless of seniority) working in an official capacity on behalf of any branch of a government (including legislative, administrative, judicial, military or public education departments) at any level (including county and municipal level, provincial level or central level), or any department or agency thereof, (b) political party officials and candidates for political office, (c) directors, officers and employees of state-owned, state-controlled or state-operated enterprises, (d) officers, employees and other persons working in an official capacity on behalf of any public international organization (regardless of seniority), e.g., the United Nations or the World Bank, (e) director, officer or employee or agent of a wholly owned or partially state-owned or controlled enterprise, including a PRC state-owned or controlled enterprise, or (f) close relatives (e.g., parents, children, spouse and parents-in-law), close friends and business partners of persons identified above.

"**Preferred Shares**" shall mean the Company's Series D Preferred Shares, the Series C-2 Preferred Shares, the Series C Preferred Shares, the Series B Preferred Shares, the Series A Preferred Shares and/or other preferred shares of the company that may be issued from time to time.

"**Public Software**" shall mean any software that contains, or is derived (in whole or in part) from any software that is distributed as free software, open source software (e.g., Linux) or similar licensing or distribution models.

"**Purchased Shares**" shall have the meaning ascribed to it in Section 1.01.

"**Qualified IPO**" shall mean a firm commitment underwritten public offering of the Ordinary Shares (or securities representing such Ordinary Shares) of the Company on the Nasdaq Global Market System, the New York Stock Exchange, the Main Board or the Growth Enterprise Market of the Hong Kong Stock Exchange, or any other recognized regional or national securities exchange (excluding the National Equities Exchange and Quotations) acceptable to all the Investors, which has duly obtained the affirmative votes of Majority Investor Directors in accordance with Section 11.1 of the Shareholders Agreement, and in which the offering price (exclusive of underwriting commissions and expenses) reflects that the equity valuation of the Company immediately prior to such offering is not less than US$ 700,000,000 and the gross proceeds to be received by the Company from new investors are not less than US$ 80,000,000.

"**Restated Articles**" shall mean the Third Amended and Restated Memorandum and Articles of Association of the Company to be adopted on the Closing Date in the form attached as Exhibit A hereto.

"**Reorganization**" shall have the meaning ascribed to it in the Shareholders Agreement.

"**Redeemed Shares**" shall have the meaning ascribed to it in Section 1.03.

"**Redemption**" shall have the meaning ascribed to it in Section 1.03.

"**SAFE**" shall mean the State Administration of Foreign Exchange of the PRC.

"**SAFE Rules and Regulations**" shall mean the Circular 37 and any other related guidelines, implementing rules, reporting and registration requirements issued by SAFE.

"**SAMR**" shall have the meaning ascribed to it in Section 3.28(c).

"**SAT**" means the State Administration of Taxation of the PRC.

"**Securities Act**" shall mean the U.S. Securities Act of 1933, as amended.

"**Security Holder**" shall have the meaning ascribed to it in Section 3.12.

"**Seller Parties**" shall mean, collectively, the Group Companies, the Founders and the BVI Company, and a "**Seller Party**" shall mean any one of the foregoing.

"**Selling Shareholders**" shall have the meaning ascribed to it in Section 1.03.

"**Series A Preferred Share(s)**" shall mean the series A-1 convertible preferred shares ("**Series A-1 Preferred Shares**") and/or series A-2 convertible preferred shares ("**Series A-2 Preferred Shares**"), par value US$0.00002 per share.

"**Series B Preferred Share(s)**" shall mean the Company's series B convertible preferred shares, par value US$0.00002 per share.

"**Series C Preferred Share(s)**" shall mean the Company's series C convertible preferred shares, par value US$0.00002 per share.

"**Series C-2 Preferred Share(s)**" shall mean the Company's series C-2 convertible preferred shares, par value US$0.00002 per share.

"**Series C-2 Purchase Agreement**" shall mean Series C-2 Preferred Shares Purchase Agreement, dated October 1, 2019, entered into by and among the Company, VIVO and other relevant parties for the issuance and purchase of Series C-2 Preferred Shares.

"**Series D Preferred Share(s)**" shall mean the Company's series D convertible preferred shares, par value US$0.00002 per share.

"**Shares**" shall mean all Preferred Shares and all Ordinary Shares of the Company.

"**Shareholders Agreement**" shall mean the Amended and Restated Shareholders Agreement among the Investors, the Company, the HK Co., WFOE, the PRC Affiliate, the BVI Company, the Founders and other certain parties to be entered into as of the Closing in substantially the form attached hereto as Exhibit B. "**Subsidiary**" or "**subsidiary**" shall mean, with respect to any subject entity (the "subject entity"), (i) any company, partnership or other Person (x) more than 50% of whose shares or other interests entitled to vote in the election of directors or (y) more than a 50% interest in the profits or capital of such entity are owned or controlled directly or indirectly by the subject entity or through one or more Subsidiaries of the subject entity, (ii) any entity whose assets, or portions thereof, are consolidated with the net earnings of the subject entity and are recorded on the books of the subject entity for financial reporting purposes in accordance with IFRS or U.S. GAAP, or (iii) any entity with respect to which the subject entity has the power to otherwise direct the business and policies of that entity directly or indirectly through another subsidiary. Notwithstanding the above, as applied to the Company, the term "Subsidiary" or "subsidiary" includes the HK Co., and each PRC Companies.

"**Share Repurchase Agreement(s)**" shall mean, collectively, (i) the Share Repurchase Agreement, dated October 1, 2019, entered into by and between the Company and EASY BENEFIT INVESTMENT LIMITED, (ii) the Share Repurchase Agreement, dated October 1, 2019, entered into by and between the Company and Parkland Medtech Limited, (iii) the Share Repurchase Agreement, dated October 1, 2019, entered into by and between the Company and CrowdBees Holdings Limited, and (iv) the Share Repurchase Agreement, dated October 1, 2019, entered into by and among the Company, Yan Hai, He Weiwu, FHP Holdings Limited, Genetron Voyage Holdings Limited, and Genetron United Holdings Limited, for the repurchase and sale of the Redeemed Shares.

"**Tax**" shall mean (i) in the PRC: (a) any national, provincial, municipal, or local taxes, charges, fees, levies, or other assessments, including, without limitation, all net income (including enterprise income tax and individual income withholding tax), turnover (including value-added tax, business tax, and consumption tax), resource (including urban and township land use tax), special purpose (including land value-added tax, urban maintenance and construction tax, and additional education fees), property (including urban real estate tax and land use fees), documentation (including stamp duty and deed tax), filing, recording, tariffs (including import duty and import value-added tax), and estimated and provisional taxes, charges, fees, levies, or other assessments of any kind whatsoever, (b) all interest, penalties (administrative, civil or criminal), or additional amounts imposed by any Governmental Authority in connection with any item described in clause (a) above, and (c) any form of transferee liability imposed by any Governmental Authority in connection with any item described in clauses (a) and (b) above, and (ii) in any jurisdiction other than the PRC: all similar liabilities as described in clause (i)(a) and (i)(b) above.

"**Tax Return**" shall mean any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

"**Tax Liability**" shall mean any and all losses, liabilities, damages, suits, obligations, judgments or settlements or any kind (including all reasonable legal costs, costs of recovery and other expenses incurred by the Investor) resulting from any claim of taxation (including those resulting from cancellation or reclamation of Tax benefits of any kind relating to the Group Companies) arising from an event relating to Tax, whether occurring before or after the Closing.

"**Transaction Documents**" shall mean this Agreement, the Shareholders Agreement, the Restated Articles, the Indemnification Agreement, the Amendment Agreement, the exhibits attached to any of the foregoing and any other document, certificate, and agreement delivered in connection with the transactions contemplated hereby and thereby.

"**US$**" shall mean the lawful currency of the United States of America.

"**U.S. GAAP**" shall mean the generally accepted accounting principles in the United States.

"**VIVO**" shall mean VIVO CAPITAL FUND IX, L.P..

"**VIVO Director**" shall have the meaning ascribed to it in Section 6.11.

"**WFOE**" is defined in introductory paragraph of this Agreement.

Exhibit 10.13

Exclusive Business Cooperation Agreement

This Exclusive Business Cooperation Agreement (this "Agreement") is made and entered into by and between the following parties on July 2, 2019 in Beijing, the People's Republic of China ("**China**" or the "**PRC**").

Party A: **Genetron (Tianjin) Co., Ltd.**

Address: Room 113(Deqing (Tianjin) Business Secretary Co., Ltd. No. 0720), Guotai Building No. 2, East of Yingbin Avenue, Tianjin Pilot Free Trade Zone (Central Business District), China

Party B: **Genetron Health (Beijing) Co., Ltd.**

Address: Room 201, 2nd Floor, Building 11, Zone No.1, Courtyard No.8, Life Park Road, Zhongguancun Life Science Park, Huilongguan Town, Changping District, Beijing, China

Each of Party A and Party B shall be hereinafter referred to as a "Party" respectively, and as the "Parties" collectively.

Whereas:

1. Party A is a wholly foreign-owned enterprise registered in China and has the necessary resources to provide technical and consulting services. Party A is a company wholly held by Genetron Health (Hong Kong) Company Limited (a company registered under the laws of Hong Kong) (the "**Hong Kong Company**"), and the Hong Kong Company is wholly held by Genetron Holdings Limited (a company registered under the laws of the Cayman Islands) (the "**Cayman Company**");

2. Party B is a limited liability company established in China, whose principal business is technology promotion services; software development; sales of biological reagents (excluding approval), medical devices; import and export of goods, import and export of technology, agency of import and export; production of second and third types of medical devices. (Enterprises shall independently choose operating projects and carry out business activities according to law; shall acquire relevant approvals from relevant authorities and conduct business within the approval scope with respect to production of the second-class and third-class medical devices and operation of the other projects; shall not operate projects prohibited or restricted by industrial policy where it operates); the businesses conducted by Party B currently and any time during the term of this Agreement are collectively referred to as the "Principal Business";

3. Party A agrees to use its advantage of technology, personnel and information to provide relevant exclusive technical services, technical consultation and other services (for the specific scope refers to the following clauses) for party B during

the term of this Agreement, and Party B agrees to accept the services provided by Party A or Party A's designated party' (the designated party shall be the Cayman Company or a subsidiary directly or indirectly controlled by the Cayman Company, or other entity approved by all the directors of the Cayman Company, hereinafter referred as to the "**Designated Party**") under this Agreement; and

4. Party A and Party B desire to execute this Agreement with respect to the business cooperation between Party A and Party B.

Now, therefore, through mutual negotiation, the Parties have reached the following agreements:

1. **Services Provided by Party A**

1.1 Party B hereby appoints Party A as Party B's exclusive service provider to provide Party B with complete business support, technology support and consulting services during the term of this Agreement, in accordance with the terms and conditions of this Agreement. Such services may include all or part of services within the scope of the Principal Business of Party B as may be determined from time to time by Party A, including, but not limited to the following: technical service, network support, business consulting, intellectual property license, equipment leasing, marketing consultation, system integration, product research and development and system maintenance, management and consulting services related to Party B's business operation and, from time to time, provide other consultations and services(the "**Services**") related to the foregoing services and according to Party B's requests, given that such requests are permitted under the PRC laws.

1.2 Party B agrees to accept all the consulting and Services provided by Party A. Party B further agrees that unless with Party A's prior written consent, during the term of this Agreement, Party B shall not and shall cause its subsidiary not to accept any consulting and/or services provided by any third party and shall not establish similar cooperation relationships with any third party regarding to the abovementioned matters. Party A may designate the Designated Parties, who may enter into certain agreements described in Section 1.4 with Party B, to provide Party B with the consulting and/or services under this Agreement.

1.3 In order to ensure Party B meets the cash flow requirement for its daily operations and/or to compensate any losses arising from the daily operation, regardless of whether Party B actually suffers from operational losses, Party A can independently decide to provide financial support to Party B (given that it is permitted by the PRC laws). Party A can provide financial support for Party B through entrusted loan to the extent permitted by the PRC laws (as defined below), for which the Parties shall sign a separate entrusted loan contract.

1.4 Service Providing Methodology

(1) Party A and Party B agree that, during the term of this Agreement, the Parties may enter into further technology and consulting service agreements directly or through their respective affiliates with corresponding service ability and resources for the purpose that Party A can provides service to Party B, and reach an agreement on the contents, methods, personnel and fees of the specified services.

(2) To fulfill this Agreement, the Parties agree that both Party A and Party B can enter into license agreements on intellectual property rights (including but not limited to: software, trademark, patents and technical secrets) directly or through their respective affiliates during the term of this Agreement. Such license agreements shall allow Party B to use the relevant intellectual property rights of Party A at any time according to the business needs of Party B.

(3) To fulfill this Agreement, the Parties agree that both Party A and Party B can enter into equipment or plant leasing agreements directly or through their respective affiliates during the term of this Agreement. Such equipment or plant leasing agreements shall allow Party B to use the relevant equipment or plant of Party A at any time according to Party B's business needs.

(4) To fulfill this Agreement, the Parties agree that both Party A and Party B can enter into other agreements such that Party A can provide other services to Party B directly or through their respective affiliates during the term of this Agreement.

(5) Party A can independently decide to subcontract the services to be provided to Party B in part or full herein to a third party with the corresponding business capacity and resources.

1.5 For the purpose of providing services in accordance to this Agreement, the Parties shall promptly communicate with each other with regards to relevant information about business and/or other information about customers.

The service provided by Party A herein shall be exclusive. Party B may continue to implement existing service contracts with third parties that involve identical or similar services provided by Party A with the written consent of Party A; if Party A does not approve the existing service contracts with third parties, Party B shall immediately terminate this Agreement with the third party and also undertake any expenses and responsibilities for terminating this Agreement. Other contracts that Party B is implementing or other legal documents defining Party B's obligations shall still be implemented by Party B. Without Party A's prior written consent, Party B shall not change, revise or terminate such contracts or legal documents.

1.6 In order to specify the Parties' rights and obligations and ensure that the foregoing service provisions are actually implemented, the Parties agree as follows, provided that they are permitted under the PRC laws:

(1) Party B shall carry out its business in accordance with the opinions and suggestions provided by Party A under Article 1.1 herein.

(2) Except for the original directors and supervisors of Party B accepted by Party A, Party B will appoint the nominee recommended by Party A as Party B's director through the appointment procedures of the PRC laws (including any laws, regulations, rules, notices, interpretations or other documents with binding force issued by the central government, local legislative, administrative or judicial departments before and after the signing of this Agreement, hereinafter referred to as the "**PRC laws**") and, to the extent permitted by the PRC laws, will appoint the senior manager recommended and employed by Party A as Party B's general manager, chief financial officer and other senior management personnel that are in charge of monitoring Party B's company business and operation. Except for retirement, resignation, disqualification or death, Party B shall not dismiss the company's director recommended by Party A under any circumstances without the prior written consent of Party A.

(3) Party B agrees to cause Party B's director and senior manager exercise the powers that they have under the laws, regulations and articles of association based on Party A's instruction.

(4) Party A may determine and adjust Party B's organization structure, and manage human resources of Party B.

(5) Party A is entitled to conduct business activities related to the Services on behalf of Party B. Party B shall provide all necessary support and convenience for Party A to conduct such business activities smoothly, including without limitation, issuing all necessary power of attorney for the provision of services.

(6) To the extent permitted by the PRC laws, Party A is entitled to check Party B's accounts periodically and at any time, and Party B shall keep its accounts accurately and in due course, and provide the accounts to Party A upon its request. Party B agrees to coordinate with Party A and Party A's shareholders (direct or indirect) over auditing (including but not limited to connected transaction auditing and other various auditing contents) and provide related information about Party B's operation, business, customers, finance and staffs to Party A, Party A's shareholders

(direct or indirect) and/or auditor engaged by Party A during the term of this agreement, and also agree that Party A's shareholders can disclose such information to satisfy the requirements of the securities regulation.

(7) Party B agrees to deliver the relevant certificates and seals which are important to Party B's daily operation, including Party B's business license, organizational code certificate (if any), official seal, contract seal, special seal for finance and legal representative's seal, to Party B's director, legal representative, general manager, chief financial officer and other senior management personnel recommended by Party A and appointed by Party B according to legal procedures for custody.

1.7 The Parties agree that the Services provided by Party A to Party B under this Agreement shall also apply to the subsidiaries of Party B, and Party B shall cause its subsidiaries to exercise rights and fulfill obligations hereunder.

2. Calculation of Service Fee, Payment Mode, Financial Statements, Auditing and Taxation

2.1 With regard to the Services provided by Party A according to this Agreement and to the extent permitted by the PRC laws, Party B and Party B's subsidiary shall pay to Party A service fees (hereinafter referred to as "**service fees**") equivalent to the net profit of Party B and Party B's subsidiary after deducting the annual loss of the year before (if necessary), deducting the necessary costs, expenses and taxes within the corresponding fiscal year and withdrawing the statutory reserve fund, retained fund, staff award fund, welfare fund, enterprise development fund according to the law during the term of this Agreement; Party A is entitled to determine the foregoing deduction items. The amount of such service fees shall be determined by Party A. The calculation and adjustment of the service fees shall take into consideration the following factors without limitation, and Party A is entitled to independently decide to adjust the service fees without obtaining Party B's consent: (a) the difficulty in technologies provided by Party A and the complexity of technological consulting and other services provided by Party A; (b) the time required by Party A's technical staffs to provide such software development, technological consulting and other services; (c) specific content and commercial value of software development, technological consulting and other services provided by Party A; (d) market price of the services of the same type. The above services fee shall be remitted to the bank account of Party A or the Designated Party by wire transfer or other manners agreed by the Parties after Party A has issued the payment instruction, and Party A may change the payment instructions from time to time. The Parties agree that the payment of the above service fees shall not cause any Party to have difficulties in its operation each year. For the purposes above, and to the

extent of achieving the above principles, Party A is entitled to agree on Party B's delay of the service fees' payment to avoid any financial difficulties; and Party A is also entitled to make any other adjustments of the service fees as deemed reasonable by itself, but Party A shall send a written notice to Party B in advance.

2.2 Party A agrees that Party A will enjoy and undertake all economic interests and risks arising from Party B's business during the term hereof; When Party B suffers from operating loss or faces serious management difficulties, Party A shall provide financial support; in case of the occurrence of foregoing situation, Party A is entitled to decide whether Party B will continue its business operation and Party B shall accept Party A's decision unconditionally.

2.3 Party B shall prepare financial statements required by Party A in accordance with the requirements of applicable laws, generally acknowledged accounting standards and business practice.

2.4 After notified by Party A in advance, Party A and/or Party A's designated auditor is entitled to review Party B's relevant account books and record and copy necessary partial book accounts and records in the main office location of Party B so as to verify the accuracy in Party B's income and statements. Party B shall provide related information about Party B's operation, business, customers, finance and staffs according to Party A's requirements, and agree that Party A or Party A's direct or indirect shareholder can disclose or make such information publicly if necessary.

2.5 The tax arising from the execution of this Agreement shall be undertaken respectively by each party.

3. **Intellectual Property Right, Confidentiality and Prohibited Competition**

3.1 Party A shall have exclusive and proprietary ownership, rights and interests in any and all intellectual properties arising out of or created during the performance of this Agreement, including but not limited to software, trademarks, patents, technical secrets, trade secrets and others, and shall be entitled to use these rights for free.

3.2 To fulfill this Agreement, Party A and Party B agree that the Parties may execute intellectual property license agreements during the term of this Agreement, which shall permit Party B to use Party A's relevant intellectual property rights for free within Party B's business requirements, or Party A agrees to transfer part of Party A's intellectual property rights to Party B or register such intellectual property rights in Party B's name if necessary. However, Party B shall transfer the foregoing intellectual property rights registered under Party B to Party A at no consideration or at the lowest price permitted by law upon Party A's request. Party B shall

execute all appropriate documents, take all appropriate actions, submit all filings and/or applications, render all appropriate assistance and otherwise conduct whatever is necessary as deemed by Party A at its sole discretion for the purposes of vesting any ownership, right or interest of any such intellectual property rights in Party A, and/or perfecting the protections for any such intellectual property rights in Party A. Party A is entitled to use any intellectual property registered under Party B for free.

3.3 Unless otherwise permitted by Party A, Party A shall have exclusive and proprietary ownership in any rights, ownership, interests and intellectual property rights generated or created by Party B and Party B's subsidiary during the term of this Agreement, including without limitation, existing and future total copyrights, patents (including invention patents, utility model patents and appearance design patents), patent applications, trademarks, trade names, brands, software, technical secrets, commercial secrets, relevant reputations, domain names and other any similar rights (herein after referred to as "**the rights**"), whether or not developed by Party A or Party B. Party B shall not claim any of the rights from Party A. Party B shall sign all documents and take all actions for Party A to become the owner of the rights. Party B shall guarantee that there is no defects of right for the rights and will compensate any losses to Party A for any defects of rights.

3.4 Without Party A's prior written consent, Party B shall not and shall cause its subsidiaries not to transfer, sell, mortgage, permit or dispose of the rights in other ways.

3.5 Party B shall manage the rights according to Party A's instruction from time to time, including without limitation, the transferring or authorizing of the rights to Party A or a party designated by Party A to the extent permitted by the PRC laws.

3.6 The Parties admit that any oral or written information exchanged between the Parties in connection with this Agreement are regarded as confidential information. Each party shall maintain confidentiality of all such confidential information, and without written consent of other parties, any Party shall not disclose any relevant confidential information to any third party, except for information that are: (a) known to the public (not disclosed to the public by the Party receiving the information); (b) disclosed according to the requirements of applicable laws or any stock exchange; or (c) required to be disclosed by any Party to its legal or financial consultant to fulfill transactions contemplated hereunder, provided that such legal or financial consultant is also bound by confidentiality obligations similar to those set forth in this article. Disclosure of any confidential information by the employees or institutions employed by any Party shall be deemed as disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This article shall survive the termination of this Agreement, notwithstanding the reason for the termination.

3.7 Party B shall not sign any documents or make relevant commitments that conflict with the legal documents, such as agreements in the process of implementation signed by Party A and its Designated Party; Party B shall not cause conflict of interests between Party B, Party A and Party A's shareholder through action or omission. In case of such conflict of interest (Party A is entitled to decide whether such conflict of interest exists), Party B shall immediately take measures to eliminate it as much as possible, subject to the approval by Party A or Party A's Designated Party. In case that any measures to eliminate the conflict of interest are rejected, Party A is entitled to execute the purchase right in the "Exclusive Option Agreement".

3.8 Within the term of this Agreement, all customer information relating to Party B's business and the Services provided by Party A and other related documents shall be possessed by Party A.

3.9 The Parties hereby agree that Article 3 shall survive the modification, cancellation or termination of this Agreement.

4. **Representations, Warranties and Covenants**

4.1 Party A hereby represents, warrants and covenants as follows:

(1) Party A is a wholly foreign owned company legally registered and validly existing in accordance with the PRC laws, is an independent legal person, possesses complete and independent legal status and capacity, has obtained appropriate authorization to sign, deliver and execute this Agreement, and can serve as the subject of litigation independently.

(2) Party A signs and executes this Agreement in accordance with its legal person qualification and within its business scope, with necessary permits, records and qualifications to provide the services hereof. Party A has taken necessary corporate action, obtained appropriate authorization and also the permission and approval of third party and governmental institutions to fulfill the transactions contemplated hereunder, and will not violate laws or restrictions applicable to Party A.

(3) After the execution and delivery of this Agreement, this Agreement will constitute Party A's legal, valid and binding obligations, and shall be enforceable against it in accordance with its terms.

4.2 Party B hereby represents, warrants and covenants as follows:

(1) Party B is a company legally registered and validly existing in accordance with the PRC laws, is an independent legal person, has complete and independent legal status and capacity, has obtained appropriate authorization to sign, deliver and execute this Agreement, and can serve as the subject of litigation independently.

(2) Party B's acceptance of the services provided by Party A does not violate any the PRC laws; Party B signs and executes this Agreement in accordance with its legal person qualification and within its business scope; Party B has taken necessary corporate action, obtained appropriate authorization and also the permission and approval of third party and governmental institutions to fulfill the transactions contemplated hereunder, and will not violate laws or restrictions applicable to Party B.

(3) After the execution and delivery of this Agreement, this Agreement will constitute Party B's legal, valid and binding obligations, and shall be enforceable against it in accordance with its terms.

(4) There are no existing or threatened litigation, arbitration or other judicial or administrative procedures known to Party B that may affect Party B's ability to perform the obligations herein. In case of any litigation, arbitration or other judicial or administrative penalty occurring or possibly occurring to Party B's assets, businesses or income, Party B shall instantly notify Party A after learning of the fact.

(5) Party B has already disclosed all contracts, government approvals and licenses that may have significant adverse effect on Party B's ability to fully fulfill the obligations herein or documents binding Party B's assets or businesses. There is no misrepresentation or omission of any major facts in documents provided by Party B to Party A previously.

(6) Party B shall pay service fees to Party A in full according to the clauses herein and maintain the continuous validity of related licenses and qualifications of business of Party B and Party B's subsidiaries, and assist Party A, provide sufficient cooperation with Party A, actively cooperate over the services provided by Party A in all affairs for Party A to effectively execute the responsibilities and obligations herein, and also accept reasonable comments and suggestions from Party A relating to the businesses of Party B and Party B's subsidiaries.

(7) Without Party A's prior written consent, beginning from the signing date of this Agreement, Party B shall not and shall cause Party B's subsidiary not to sell, transfer, mortgage or dispose in

through other ways any assets (except for assets of less than RMB1,000,000 necessary for normal business operation), business, right of management and legitimate rights and interests.

(8) Without Party A's prior written consent, Party B shall not pay any expenses to any third party for any reason except for reasonable expenditures in the course of normal business operation, and shall not exempt any third party's debts or borrow or lend loan to any third party, or provide guarantee or warranty, or allow any third party to place other security interests on Party B's assets or interests.

(9) Without Party A's prior written consent, beginning from the signing date of this Agreement, Party B shall not and shall cause Party B's subsidiary not to incur, inherit, guarantee or tolerate any debts (except debt of less than RMB1,000,000 necessary for normal business operation).

(10) Without Party A's prior written consent, beginning from the signing date of this Agreement, Party B shall not and shall cause Party B's subsidiary not to sign any major contracts (except the contract of less than RMB1,000,000 necessary for normal business operation) or sign any other contracts, agreements or arrangements conflicting with this Agreement or possibly damaging Party A's rights and interests herein.

(11) Party B shall not cause conflict of interest between Party B and Party A and its shareholders in the manner of act or omission. In the event of such conflict of interest (Party A is entitled to decide whether such conflict of interest arises unilaterally), Party B shall take measures to eliminate as soon as possible with the consent of Party A or its Designated Party.

(12) Without Party A's prior written consent, Party B shall not and shall cause Party B's subsidiary not to be merged into or constitute a joint entity with any third party, invest in or purchase any third party or be invested in, purchased or controlled, increase or decrease the registered capital, change the corporation form or registered capital structure in other ways or accept the investment and capital increase of existing shareholders or third party in Party B, or liquidate and dissolve beginning from the signing date herein.

(13) To the extent permitted by relevant the PRC laws, Party B will appoint candidates recommended by Party A as Party B's director; Except for written permission from Party A or with legal reasons, Party B shall not refuse to appoint the candidate recommended by Party A by any reasons.

(14) Party B shall hold any and all governmental licenses, certificates, authorizations and approvals necessary for operating business during the term of this Agreement, and also shall ensure all foregoing governmental licenses, certificates, authorizations and approvals are effective and legal during the entire term of this Agreement. In case of alteration and/or increase of governmental licenses, certificates, authorizations and approvals for Party B to operate business during the term of this Agreement due to changes of provisions of relevant government authorities, Party B shall implement the alteration and/or supplementation according to the requirements of related local laws.

(15) Immediately notify Party A of occurrence or possible occurrence of situations that may have material adverse effect on Party B's business and operation, and put forth its best effort to prevent such situation from occurring and/or prevent losses from increasing.

(16) Without Party A's prior written consent, Party B and /or Party B's subsidiary shall not modify articles of association, change principal business, change business scope, model, profit model, marketing strategies, business principles or make material adjustments in customer relations.

(17) Without Party A's prior written consent, Party B and /or Party B's subsidiary shall not have any arrangement of entering into any partnership or joint venture or profit sharing with any third party, or other arrangements, such as payment of usage fees, service fees or consulting fees, to transfer benefits or share profits.

(18) Upon Party A's request, Party B shall provide information about Party B's operation management and financial condition to Party A from time to time.

(19) Without Party A's prior written consent, Party B shall not disclose or distribute profits, dividends or any other interests to other shareholders.

(20) Provide Party A any technologies or other information that is necessary or useful for Party A to provide services contemplated herein, and permit Party A to use relevant equipment, materials, information of Party B deemed necessary or useful in providing services hereunder.

(21) Without Party A's prior written consent, Party B shall not alter, change or dismiss Party B's director and senior manager.

4.3 The Parties represents to each other: In the event that the PRC laws allows Party A to directly hold Party B's equities and permits Party A and/or Party A's subsidiaries (if any) to be engaged in Party B's business, and if Party A intends to directly hold Party B's equities, the Parties will terminate this Agreement immediately.

5. **Validation and Effective Term**

This Agreement shall take effect as of the signing date. Unless this Agreement is terminated according to Article 6.2 herein, the Agreement shall remain effective for ten (10) years which may be extended by Party A. If Party A fails to confirm the renewal of this Agreement upon the expiration of this Agreement, this Agreement shall be automatically renewed until Party A delivers the confirmation letter to determine the renewal term of this Agreement.

6. **Termination**

6.1 Unless otherwise renewed according to relevant sections hereunder, this Agreement shall be terminated on the expiration date.

6.2 This Agreement shall be terminated:

(a) On the effective date of Party B's bankruptcy, liquidation, termination or dissolution in accordance with the law prior to the expiration date of this Agreement;

(b) On the effective date of the transfer of Party B's equities and assets to Party A pursuant to the "Exclusive Option Agreement" signed by the Parties and Party B's existing shareholder on July 2, 2019;

(c) On the date when Party A is officially registered as Party B's sole shareholder after Party A is permitted to directly hold Party B's equities under the PRC laws and Party A and/or Party A's subsidiaries and branches can legally engage in Party B's business;

(d) On the expiration date of the written notification of terminating this Agreement sent by Party A to Party B 30 days in advance at any time within the effective term of this Agreement;

(e) Terminated in advance in accordance with the provisions of Article 7 herein.

6.3 Party B shall not terminate this Agreement during the term of this Agreement. Party A shall not undertake the responsibility for breach of this Agreement if it terminates this Agreement unilaterally in accordance with Article 6.2(d).

6.4 The rights and obligations of Article 3,5,7,8,10,11 and 16.3 shall survive the termination of this Agreement.

6.5 Each Party's payment obligations (including but not limited to the service fees) herein due on the termination date of this Agreement or before the expiry date of this Agreement will not be exempted and any liability for breach of the contract before the termination of this Agreement will also not be exempted when this Agreement is terminated in advance or expired for any reason. All payable service fees before the termination and expiry of this Agreement shall be paid to Party A within 15 working days as of the termination date of this Agreement.

7. Liability for Breach of this Agreement

7.1 Unless otherwise specified in other articles herein, if Party B(the "**Defaulting Party**") fails to fulfill certain obligations herein or violates this Agreement in other ways, Party A (the "**Damaged Party**") may: (a) notify the Defaulting Party of the nature and scope of the violation in writing and ask the Defaulting Party to remediate at its own expense within a reasonable period of time (hereinafter referred to as "**Remediation Period**"); and if the Defaulting Party fails to take remedial measures during the Remediation Period, the Damaged Party is entitled to ask the Defaulting Party to undertake all responsibilities for its violation and also compensate all actual economic losses due to the Damaged Party, including without limitation, the legal fees incurred in litigation and arbitration proceedings relating to the violation. The Damaged Party is also entitled to ask the Defaulting Party to perform its contractual obligations and petition the court or the relevant arbitration institution to issue an order of specific performance or compulsory performance by the Defaulting Party; (b) terminate this Agreement and ask the Defaulting Party to undertake all responsibilities for its violation and also compensate all damages; or (c) place the pledged equity on discount, auction or selling according to the Equity Interest Pledge Agreement signed on July 2, 2019 by and among the Parties and Party B's existing shareholders, be entitled to compensation priority in the amount of discount, auction and selling, and ask the Defaulting Party to undertake all losses hereof. While exercising the foregoing remedial right, the Damaged Party is entitled to other remedial rights regulated herein and under the relevant laws and regulations.

7.2 The Parties hereby agree and confirm that, unless otherwise compulsorily provided by the PRC laws, if Party B is the Defaulting Party, the Damaged Party is entitled to terminate this Agreement unilaterally and ask the Defaulting Party to compensate the losses.

8. **Governing Laws, Dispute Resolution and Modification of Law**

8.1 The signing, validation, interpretation, implementation, revision and termination of this Agreement and settlement of disputes herein shall be governed by the PRC laws.

8.2 Any disputes arising from the interpretation and implementation of this agreement shall be firstly solved through the Parties' friendly negotiations. In case that the consensus on settlement of such disputes is not reached within 30 days after any Party asks the other party to reach solution through friendly negotiations, any Party can submit the disputes to China International Economic and Trade Arbitration Commission, which gives verdict according to the prevailing arbitration rule at that time. The arbitration shall take place in Beijing and language for arbitration shall be Chinese. The arbitration award is final and binding on each party. The arbitral tribunal can order Party B to compensate the losses of Party A with Party B's equity interests, assets or property rights and interests, reach judgment of mandatory relief through mandatory transfer of related business or assets or order Party B to declare bankruptcy. After the arbitration award becomes effective, any Party is entitled to petition the relevant court to execute the arbitration award. If necessary, the arbitral institution is entitled to order the Defaulting Party to cease the breach of this Agreement or refrain from actions that would increase the losses to Party A before making final verdict for the disputes of all parties. The courts in Hong Kong, Cayman Islands, China or other places with right of jurisdiction (including the court in the place of Party B, or the court in the place of main asset of Party A or Party B shall be deemed as the court with right of jurisdiction) similarly are entitled to confer or execute the verdict of the arbitral tribunal and is also entitled to make judgment or execute temporary relief for Party B's equity or property interests, and give verdict or judgment of providing certain temporary relief for the party instigating the arbitration before the establishment of arbitral tribunal or in other appropriate circumstances, such as reaching verdict or judgment of ordering the Defaulting Party to cease the breaching of this Agreement or not to cause additional losses to Party A.

8.3 In the arbitration for any disputes arising from the interpretation and implementation of this Agreement, the Parties herein shall continue executing other rights and obligations herein respectively except the matters herein in dispute.

8.4 Due to the issuing or alteration of any the PRC laws, rules or regulations or due to the change in interpretation or application of such laws, rules or regulations any time after the signing date, the following agreement shall be applicable: to the extent permitted by the PRC laws, (a) if the alteration of laws or newly issued regulations are more preferential for a Party compared to the relevant laws, decrees, orders or regulations that were in effect on the signing date hereof, each Party shall actively and immediately apply for obtaining the benefits brought by the modification or new

regulations and put forth their best effort to obtain the approval for the application; or (b) in case that any Party's economic benefit is directly or indirectly adversely influenced due to the alteration of foregoing laws or newly issued regulations, this Agreement shall be continuously executed as scheduled. All parties shall obtain the exemption from the altered or new regulations through legal means. If the negative effect on the economic benefit of any Party cannot be resolved under this Agreement, all Parties shall immediately negotiate and make all necessary alterations to this Agreement after receiving the notification of the affected Party to safeguard the economic benefit of the affected Party.

9. **Force Majeure**

9.1 "**Force majeure**" refers to events that cannot be foreseen, avoided and overcome so that the this Agreement cannot be executed in part or full. Such events include but are limited to earthquake, typhoon, flood, water disaster, war, strike, turmoil, governmental behavior, changes to legal regulations or their application.

9.2 In case of the occurrence of a force majeure event, a Party's obligation that is being affected by force majeure shall be automatically suspended during the delay caused by force majeure, and the party's period of implementation of this Agreement shall be automatically prolonged. The prolonged period is the period of the suspension, and the party shall not undertake responsibility and suffer from punishment for it. In case of force majeure, all parties shall instantly negotiate with each other to seek a fair solution and try to minimize effect of force majeure by exerting all reasonable efforts.

10. **Compensations**

With regard to any litigation and claim for compensation directed at Party A or any losses, damages, responsibilities or expenses incurred arising from the consultation and services provided by Party A pursuant to Party B's requests, Party B shall compensate Party A so that Party A is free of damages unless such losses, damages, responsibilities or expenses are incurred due to party A's grievous fault or intentional misconduct.

11. **Notices**

11.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such parties set forth in Exhibit I. A confirmation copy of each notice shall also be sent by email. The date on which such notices shall be deemed to have been effectively given shall be determined as follows:

(1) Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively delivered on the date of receipt or refusal at the address specified for notices.

(2) Notices given by facsimile transmission shall be deemed effectively delivered on the date of successful transmission (subject to transmission confirmation information automatically generated).

11.2 Any party can change the receiving address, fax and/or e-mail address when notifying other parties in accordance with the article herein.

12. **Transfer**

12.1 Without prior written consent of Party A, Party B shall not transfer the rights and obligations herein to any third party.

12.2 Party B agrees that Party A can notify Party B of transferring the rights and obligations herein to any third party in writing in advance without soliciting Party B's consent.

13. **Severability**

In case that one or several of the terms of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. All parties shall strive for replacing such invalid, illegal or unenforceable terms with effective ones to the extent permitted by law and in accordance with the expectations of each party through friendly negotiation, and the economic effect of such effective terms shall be as close as possible to the that of those invalid, illegal or unenforceable terms.

14. **Revision and Supplementation**

14.1 Any revision and supplementation of this Agreement shall be made in writing. Any revision and supplementary agreement signed by the Parties relating to this Agreement shall be the inalienable part of this Agreement, having the same legal effect.

14.2 If revision of this Agreement is proposed by the Stock Exchange of Hong Kong Limited or other regulatory institutions, or is required according to securities listing regulations of the Stock Exchange of Hong Kong Limited or related regulations, rules and guiding requirements, this Agreement shall be revised by the Parties reasonably.

15. **Text**

This Agreement has two copies with one held by each Party, having the same legal effect.

16. **Miscellaneous**

16.1 Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

16.2 This Agreement shall have binding force on successors of the Parties and their respective transferees who are approved by the Parties.

16.3 Any Party may waive the rights of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

16.4 The titles of this Agreement are for convenience in reading only, and shall not be used to interpret, explain or influence the meanings regulated herein.

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(This page is intentionally left blank and is the signing page of this Exclusive Business Cooperation Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Business Cooperation Agreement as of the date and at the address first above written.

Genetron (Tianjin) Co., Ltd.

/s/ Seal of Genetron (Tianjin) Co., Ltd.

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

(This page is intentionally left blank and is the signing page of this Exclusive Business Cooperation Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Business Cooperation Agreement as of the date and at the address first above written.

Genetron Health (Beijing) Co., Ltd.

/s/ Seal of Genetron Health (Beijing) Co., Ltd.

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

Exhibit 10.14

Shareholder Voting Rights Entrustment Agreement

This Shareholder Voting Rights Entrustment Agreement (hereinafter referred to as the "**Agreement**") is signed among following Parties on July 30, 2019 in Beijing, the People's Republic of China (the "**PRC**").

Party A: **Genetron (Tianjin) Co., Ltd.,** a limited liability company, organized and existing under the PRC laws, with its address at Room 113 (Deqing (Tianjin) Business Secretary Co., Ltd. No. 0720), Guotai Building No. 2, East of Yingbin Avenue, Tianjin Pilot Free Trade Zone (Central Business District), China.

Party B: **Wang Sizhen,** a Chinese citizen with Chinese Identification No.: [ ]; and

Wei Shuyan, a Chinese citizen with Chinese Identification No.: [ ]; and

Wang Xiaoge, a Chinese citizen with Chinese Identification No.: [ ]; and

Beijing Genetron Junmeng Investment Management Center (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 202, 2nd Floor, Building 10, Zone No.1, Courtyard No.8, Life Park Road, Zhongguancun Life Science Park, Huilongguan Town, Changping District, Beijing, China (the "**Genetron Junmeng**"); and

Zhuhai Genetron Junhe Investment Management Center (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 105 -36710 (Centralized Office), No. 6, Baohua Road, Hengqin New District, Zhuhai, China (the "**Genetron Junhe**"); and

Beijing Genetron Junlian Investment Management Center (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 203, 2nd Floor, Building 10, Zone No.1, Courtyard No.8, Life Park Road, Zhongguancun Life Science Park, Huilongguan Town, Changping District, Beijing, China (the "**Genetron Junlian**"); and

Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 201(in Shenzhen Qianhai Secretary Business Service Co., Ltd.), Building A, No.1, Qianwan 1st Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen (the "**Jiadao Gongcheng**"); and

Shenzhen Haixia Life Science Investment Partnership (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 201(in Shenzhen Qianhai Business Secretary Co., Ltd.), Building A, No.1, Qianwan 1st Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, China (the "**Haixia Fund**"); and

Yueyin (Tianjin) Asset Management Center (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at 1-103-6, Chuangzhi Building, No. 482, Anime Middle Road, Tianjin Eco-city (the "**Yueyin Tianjin**"); and

Gongqingcheng Sharing Houde Guoqian Innovative Investment Management Partnership (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at 405-141, Gongqingcheng Private Equity Fund Park, Jiujiang City, Jiangxi Province, China (the "**Gongqingcheng Sharing**"); and

Yi Kang (Ningbo) Medical Investment Management Co., Ltd., a limited liability company, organized and existing under the PRC laws, with its address at Room 6038, Building 2, No. 406, Xinqijingang Road, Beilun District, Ningbo City, Zhejiang, China (the "**Yikang Ningbo**"); and

Suzhou Sharing High-Tech Medical Industry Venture Capital Investment Enterprise (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at No. 37, Keling Road, Science and Technology City, Suzhou High-tech District, Suzhou City, Jiangsu Province (the "**Suzhou Sharing**"); and

Shanghai Yuanxing Yinshi Equity Investment Partnership (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 1111, No. 3255, Zhoujiazui Road, Yangpu District, Shanghai (the "**Yuanxing Yinshi**"); and

Zhuhai Jinchang Junyu Management Consulting Center (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 105-53163(centralized office area), No. 6, Baohua Road, Hengqin New District, Zhuhai City (the "**Zhuhai Jinchang**"); and

Shenzhen Shenshang Xingye Venture Capital Fund Partnership (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at A401-F03, No.3 Building, Longgang Tian'an Digital Innovation Park, Longcheng Street, Longgang District, Shenzhen City (the "**Shenshang Xingye**"); and

Shenzhen Chuanjiabao Venture Capital Fund Enterprise (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 201(in Shenzhen Qianhai Business Secretary Co., Ltd.), Building A, No.1, Qianwan 1st Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen City, China (the "**Chuanjiabao**"); and

Yueyin Xinxin (Tianjin) Asset Management Center (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at 1-107-20, Chuangzhi Building, No. 482, Anime Middle Road, Tianjin Eco-City, Tianjin (the "**Yueyin Xinxin**"); and

Zhuhai Hengqin Kunming Phase II Venture Capital Center (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 105-10089, No. 6, Baohua Road, Hengqin New District, Zhuhai (the "**Hengqin Kunming**"); and

Shenzhen Sharing Precision Medical Investment Partnership (Limited Partnership), a limited partnership organized and existing under the PRC

laws, with its address at 701, Building A, Block 4, Software Industry Base, Haitian 1st Road, Yuehai Street, Nanshan District, Shenzhen (the "**Shenzhen Sharing**"); and

Zhongsen Lvjian International Technology Co., Ltd., a joint stock company organized and existing under the PRC laws, with its address at 5D2-B, Building 2, No.1 Courtyard, Naoshikou Street, Xicheng District, Beijing (the "**Zhongsen Lvjian**"); and

Ningbo Meishan Bonded Port Area Xianggong Investment Partnership (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at G1300, Area A, Room 401, Building 1, No. 88, Meishan Qixing Road, Beilun District, Ningbo City, Zhejiang Province, China (the "**Xianggong Investment**"); and

Guangxi Yueyin Dade Investment Management Partnership (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room A223, Public Service Center, No. 1 Zhongma Street, Zhongma Qinzhou Industrial Park, Qinzhou City, Guangxi, China (the "**Guangxi Yueyin**", together with other Party B, except Wang Sizhen, Wei Shuyan, Wang Xiaoge, Genetron Junhe, Genetron Junlian, Genetron Junmeng, collectively referred to as "**Investor Party B**").

Party C: **Genetron Health (Beijing) Co., Ltd.,** a limited liability company organized and existing under the laws of PRC, with its address at Room 201, 2nd Floor, Building 11, Zone No.1, Courtyard No.8, Life Park Road, Zhongguancun Life Science Park, Huilongguan Town, Changping District, Beijing, China.

Whereas:

1. Party B is the current shareholder of Party C. By the signing date of this Agreement, Party B held all of Party C's equity (hereinafter referred to as "**Party C's Equity Interest**");

2. Party A is 100% held by Genetron Health (Hong Kong) Company Limited (a company registered under the laws of Hong Kong) (the "**Hong Kong Company**"), and the Hong Kong Company is 100% held by Genetron Holdings Limited (a company registered under the laws of the Cayman Islands) (the "**Cayman Company**").

3. The Parties hereunder signed an Exclusive Option Agreement (hereinafter referred to as the "**Exclusive Option Agreement**") on July 30, 2019. To the extent permitted by the PRC laws and corresponding requirements, if Party A makes a purchase request based on its independent judgment: (a) Party B shall transfer Party C's Equity Interest that it holds to Party A, and/or its designee (hereinafter referred to as the "**Designee**", who needs to be the Cayman Company or a subsidiary that is directly or indirectly wholly controlled by it) in whole or in part according to its requirements; (b) Party C shall transfer all or part of its assets to Party A and/or the Designee according to its requirements.

4. The Parties to this Agreement entered into an Equity Interest Pledge Agreement (hereinafter referred to as the "**Equity Pledge Agreement**") on July 30, 2019. Thus, Party B pledges all of the Equity Interest it holds in Party C (Party C's Equity Interest) to Party A as pledge guarantee for the Contract Obligations and Secured Indebtedness thereunder.

5. Party A and Party C entered into an Exclusive Business Cooperation Agreement (including revisions from time to time, hereinafter referred to as the "**Business Cooperation Agreement**") on July 2, 2019. Party A shall provide Party C with related exclusive technical services, technical consultations and other services based on the Business Cooperation Agreement.

6. To guarantee and protect the performance of the Business Cooperation Agreement and Party A's lawful rights and interests, the Parties intend to sign this Agreement on matters such as Party B's entrusted shareholder voting rights to Party A. Party B intends to authorize the individual or entity designated by Party A as its proxy to exercise its rights (defined as below) in Party C, while Party A intends to accept such arrangement.

The Parties agree as follows after friendly negotiation:

1. Proxy Rights

1.1 Party B severally and not jointly, unconditionally and irrevocably undertakes to sign the Power of Attorney (hereinafter referred to as the "**Power of Attorney**") with the same content and format as shown in Appendix I of this Agreement after signing this Agreement, and authorize Party A or Party A's director of its overseas parent holding company and liquidator or other successor performing such director's duties as agent (hereinafter referred to as the "**Trustee**") according to Party A's instructions to exercise all of its rights as Party C's shareholder and rights representing Party B in exercising all shareholders' rights in all matters of Party C according to Party C's current articles of association, joint venture contract, Transaction Documents(as defined in the "**Equity Pledge Agreement**"), and applicable laws and regulations. Such shareholder's rights (hereinafter referred to as "**Proxy Rights**") shall include but not limited to:

1） Exercising all of Party B's shareholder's rights, voting rights, as the shareholder of Party C, under the PRC laws (including all laws, rules, regulations, notices, interpretations or other binding documents promulgated by any central or regional legislative, administrative or judicial departments before or after signing this Agreement, which are hereinafter referred to as the "**PRC laws**") and Transaction Documents(as defined in the Equity Pledge Agreement)

and Party C's articles of association and joint venture contract (including any other shareholders' voting rights specified after the articles of association and joint venture contract are revised), including but not limited to rights to share dividends, sell or transfer or pledge Party C's Equity Interest in part or in whole;

2) According to particular clauses of election of the legal representative in Party C's articles of association and joint venture contract, acting as Party C's legal representative, or Chairman of the Board of Directors, director, manager and/or designate, appoint or replace Party C's legal representative (Chairman of the Board of Directors), director, supervisor, CEO (or manager) and other senior managers on behalf of Party B; when the actions of the directors, supervisors or senior managers of Party C damage the interests of Party C or its shareholders, filing a lawsuit or taking other legal acts against them.

3) Signing documents to exercise shareholder rights related to Party C's Equity Interest(but not including signing Transaction Documents(as define in the Equity Pledge Agreement) or any revision thereof) and documents archived in the relevant company registry.

4) Exercising voting rights at the time of Party C's bankruptcy, liquidation, dissolution or termination on behalf of Party C's registered shareholders;

5) Exercising the rights to allocate Party C's residual assets after Party C's bankruptcy, liquidation, dissolution or termination;

6) Deciding matters relating to the submission and registration of documents regarding Party C to and with government agencies; and

7) Lawfully exercising all of the shareholder's rights regarding disposition of Party C's assets, including but not limited to the rights to manage businesses about its assets, obtain its incomes and acquire its assets.

1.2 Without limiting generality of the power granted hereunder, Party A shall own the power and authorities hereunder, sign the share transfer contract (to which Party B must be a party) agreed and defined in the Exclusive Option Agreement on behalf of Party B, and perform the Equity Pledge Agreement and the Exclusive Option Agreement which were signed on the same day this Agreement was signed and to which Party B is also a party.

1.3 Party B as a shareholder of Party C shall not abuse its shareholder rights to the detriment of Party C's interests. If Party B abuses the rights of shareholders, Party A has the right to exercise the Purchase Right under the Exclusive Option Agreement.

1.4 Party B hereby specially undertakes that in case of Party C's bankruptcy, liquidation, dissolution or termination, all assets obtained by Party B after such bankruptcy, liquidation, dissolution or termination, including Party C's Equity Interest, shall be transferred to Party A for free or at the minimum prices to the extent permitted by the current PRC laws, or the current liquidator shall sell all of Party C's assets including the Equity Interest for the purpose of protecting interests of Party A's direct or indirect shareholders and/or the creditor's interests.

1.5 Party B agrees that Party A shall have rights to transfer the proxy rights to a third party at its discretion with respect to the matters under Article 1.1. The trustee and/or Party A shall exercise the proxy rights as if Party B is exercising its shareholder's rights personally. The proxy rights shall be granted and entrusted on the premise that the trustee is a member of Party A's Board of Directors, or a Chinese citizen designated by the Board of Directors through negotiation, and that Party B agrees to such authorization and consignment. When Party A notifies Party B in writing of replacing the trustee, Party B shall immediately agree that the other entity or Chinese citizen appointed by Party A may exercise such proxy rights, and sign the Power of Attorney with the content and format as shown in Appendix I of this Agreement. The new power of attorney shall supersede the original one once it is executed. Besides, Party B shall notify related personnel through a notice or other forms of announcement to announce or specify that the original Power of Attorney has been nullified. In addition, Party B shall not revoke the consignment and authorization for the trustee and/or Party A.

1.6 Subject to other terms of this Agreement (including but not limited to Article 12.1 and 12.2), Party B shall confirm and acknowledge all legal consequences resulting from the trustee's and/or Party A's exercising of above proxy rights, and undertake corresponding legal responsibilities.

1.7 All of the trustee's and/or Party A's behaviors related to Party C's Equity Interest and/or exercising of the proxy rights shall be deemed as Party B's own behaviors. And all documents(but not including Transaction Documents(as define in the Equity Pledge Agreement) or any revision thereof) signed by the trustee and/or Party A shall be assumed to have been signed by Party B. The trustee and/or Party A may act in their discretion without Party B's prior consent. Party B hereby specially acknowledge and approves the trustee's and/or Party A's such behaviors and/or documents.

1.8 Within the term of this Agreement, Party B agrees and confirms, without the prior written consent of Party A, shall not to personally perform all its shareholder rights related to Party C's Equity Interest which have been granted to Party A and/or the trustee.

1.9 In case that Party B is subject to death, incapacity, marriage, divorce, bankruptcy, liquidation, dissolution, or other circumstances which might impact its holding of Party C's Equity Interest, Party B's successor(including spouse, children, parents, siblings, grandparents) or current shareholder of Party C's Equity Interest or the assignee shall be deemed as a party to this Agreement and inherit/bear all of the Party B's rights and obligations under this Agreement.

2. Right to know

2.1 To exercise the proxy rights hereunder, Party A and/or the trustee shall have rights to obtain Party C's relevant information (including Party C's operations, businesses, customers, financial affairs and employees) and review relevant materials of Party C, while Party C shall be cooperative to help them acquire such information.

3. Exercise of the Proxy Rights

3.1 Party B shall fully assist the trustee and/or Party A in exercising the proxy rights, including promptly signing related legal documents when necessary (e.g. for the purpose of meeting requirements of documents which must be submitted for examination, approval, registration and archiving by government agencies, laws, rules, regulations, normative documents, corporate articles of association, joint venture contract, commands or orders of other government agencies), including but not limited to the Power of Attorney which specifies the scope of authorization (if stipulated by relevant laws, rules, regulations, articles of association, joint venture contract, or other normative documents).

3.2 Party B irrevocably agrees that when Party A makes a written request to exercise the proxy rights, Party B shall take actions to satisfy Party A's requests to exercise such rights in accordance with Party A's written request within three (3) days upon receiving the request.

3.3 Should the proxy rights hereunder cannot be authorized or exercised for any reason (other than Party B's or Party C's breach of this Agreement) at any time within the term of this Agreement, all Parties shall immediately seek an alternative plan the content of which is the consistent to this Agreement. If necessary, a supplemental agreement shall be signed to modify or revise terms of this Agreement, in order to continue realizing the purposes of this Agreement.

4. Disclaimer and Indemnification

4.1 The Parties of this Agreement confirm that in any case, Party A shall not be required to undertake any responsibility, make any economic or other compensations to any third party for its or its designated trustee's exercise of the proxy rights hereunder.

4.2 Subject to other terms of this Agreement (including but not limited to Article 12.1 and Article 12.2), Party B(but not including Investor Party B) and Party C agree to indemnify Party A from all actual or potential losses and damages for its or its designated trustee's exercise of the proxy rights, including but not limited to the losses arising from a third party's lawsuits, recovery, arbitrations or claims or government authorities' administrative surveys or punishments. However, Party A shall not be indemnified from the losses resulting from Party A's and/or the trustee's deliberate or gross negligence.

5. Representations and Warranties

5.1 Party B hereby severally and not jointly represents and warrants as follows:

5.1.1 Party B has completed and independent legal status and capacity. Besides, Party B has been legitimately authorized to sign, deliver and perform this Agreement as an independent subject of litigations.

5.1.2 Party B possesses the full power and authorities to sign and deliver this Agreement and all other documents related to transactions hereunder. Party B also possesses the full power and authorities to complete such transactions. This Agreement shall be legitimately and appropriately signed and delivered. It shall constitute legitimate and binding obligations, which shall be compulsorily fulfilled according to this Agreement.

5.1.3 Party B is Party C's legitimate shareholder registered with an administration for industry and commerce and recorded on the Register of Shareholders when this Agreement takes effects. The proxy rights shall not include any third-party rights except for those specified under this Agreement, the Equity Pledge Agreement, the Exclusive Option Agreement and Transaction Documents (as defined in the Equity Pledge Agreement). According to this Agreement, Party A and/or the trustee may completely and fully exercise the proxy rights based on Party C's current articles of associations and joint venture contract.

5.1.4 Party B's signing, delivery or performance of this Agreement and completion of the transactions hereunder will not violate the PRC laws, or any agreements, contracts or other arrangements that Party B enters into with a third party.

5.2 Party A and Party C hereby represents and warrants as follows:

5.2.1 They are limited liability companies legitimately incorporated and validly existing under laws of their registered place. They have complete and independent legal status and capacity for signing, delivering and performing this Agreement as an independent subject of litigations.

5.2.2 They possess the full internal corporate power and authorities to sign and deliver this Agreement and all other documents related to transactions hereunder. They also possess the full power and authorities to complete such transactions.

5.3 Party C hereby further represents and warrants as follows:

5.3.1 Party B is Party C's lawful shareholder when this Agreement takes effects. The proxy rights shall not include any third-party rights except for those specified under this Agreement, the Equity Pledge Agreement and the Exclusive Option Agreement. According to this Agreement, Party A and/or the trustee may completely and fully exercise the proxy rights based on Party C's current articles of association and joint venture contract.

5.3.2 Party B's signing, delivery or performance of this Agreement and conclusion of the transactions hereunder will not violate the PRC laws, or any agreements, contracts or other arrangements that Party B enters into with a third party and is bound as one party.

6. Transfer

Party A shall be authorized to sublicense or transfer this Agreement and/or its rights related to this Agreement at its discretion without notifying Party B or Party C in advance, or Party B's or Party C's prior consent.

7. Term of the Agreement

7.1 On the premise that Party B or Party B's successor or current assignee of Party C's Equity Interest is Party C's shareholder, this Agreement shall be irrevocable and remain valid from the date of signing this Agreement unless otherwise instructed by Party A, or Party A terminates this Agreement according to Article 7.2 or Article 8 before it expires. Once Party A informs Party B in writing of terminating this Agreement in whole or in part or replacing the trustee, Party B shall immediately revoke its consignment and authorization for Party A and the trustee. Besides, Party B shall immediately sign a Power of Attorney in the format as shown in Appendix I of this Agreement to authorize and entrust other personnel or subjects nominated by Party A with the same terms of this Agreement according to Party A's written instructions.

7.2 This Agreement shall be automatically terminated: (a) on the date on which Party A or the Designee is formally registered as Party C's sole shareholder once the

PRC laws stipulate that Party A or the Designee may directly hold Party C's Equity Interest and lawfully engage in Party C's businesses; or (b) if Party A or the Designee purchases all assets of Party C in accordance with the provisions of the Exclusive Option Agreement, and legally engage in Party C's business by using Party C's assets.

8. Liability for Breach of Contract

8.1 Subject to other terms of this Agreement (including but not limited to Article 12.1 and 12.2), All Parties of this Agreement agree and confirm that if any party (hereinafter referred to as the "**Defaulting Party**") violates any clause hereunder, or fails to perform or delays its performance of any obligation hereunder, such party shall be deemed to have constituted a breach of this Agreement (hereinafter referred to as "**breach**"). In this case, any of other non- Breaching Parties (hereinafter referred to as the "**Non-Defaulting Parties**") shall have rights to ask the Defaulting Party to take corrective or remedial actions within a reasonable deadline. If the Defaulting Party fails to take corrective or remedial actions within a reasonable term or within ten (10) days after the other Party notifies the Defaulting Party in writing and makes the request for correction:

8.1.1 The Non-Defaulting Parties shall have rights to unilaterally and immediately terminate this Agreement and ask the Defaulting Party to compensate for damages provided that Party B or Party C is the Defaulting Party;

8.1.2 If Party A is the Defaulting Party, the Non-Defaulting Parties shall indemnify Party A from the compensation for damages. Unless otherwise specified by laws, this Agreement shall not be terminated or rescinded in any other cases.

8.2 Notwithstanding other provisions of this Agreement, Article 8 shall survive the termination of this Agreement.

9. Confidentiality

All Parties admit that all oral or written materials exchanged with respect to this Agreement are confidential. All Parties are required to keep such materials confidential. Without the prior written consent of all other Parties, no party is allowed to disclose any related materials to a third party unless in following cases: (a) Such materials have been known to the public (but not disclosed by the party receiving such materials); (b) The materials are required to be disclosed by applicable laws or rules of any securities exchange; or (c) Any party of this Agreement discloses the materials to its legal adviser or financial adviser regarding the transactions specified hereunder, while such legal adviser or financial adviser is also bound by the same confidentiality obligations as those

under this article; or(d) Any party that is a limited partnership(or a direct or indirect affiliate or subsidiary of a limited partnership) discloses the above confidential information to the general partner, manager and existing or potential limited partners of the limited partnership. The disclosure of any confidential information by staff or organizations hired by any party of this agreement shall be deemed as such party's disclosure of such confidential materials, and such party shall undertake legal responsibilities for violating this Agreement. This article shall survive the termination of this Agreement regardless of the reason why this Agreement is terminated.

10. Governing Laws and Dispute Resolution

10.1 The signing, effectiveness, interpretation, performance, modification and termination of this Agreement as well as dispute resolution hereunder shall be governed by the PRC laws.

10.2 In case that any dispute occurs in interpreting and performing this Agreement, the Parties of this Agreement shall firstly try to resolve it through friendly negotiation. If the Parties fail to reach a consensus on such dispute resolution through negotiation within thirty (30) days as required by any party, any party may submit such dispute to the China International Economic and Trade Arbitration Commission, which will resolve the dispute through arbitration according to current effective arbitration rules. The arbitration shall be performed in Beijing in Chinese. The arbitration awards shall be final and binding on all Parties. After arbitration awards take effect, any party shall be authorized to apply to a competent court for enforcing arbitration awards. The arbitration tribunal may decide upon compensation with respect to Party C's rights and interests in the Equity Interest, assets or property, or compensate Party A for the losses resulting from other Parties' breach of this Agreement, adjudicate compulsory remedies or order Party C to go bankrupt regarding related businesses or compulsory asset transfer. If necessary, arbitration organizations shall have rights to firstly ask the Defaulting Party to immediately stop its defaults before giving the final awards on disputes of all Parties concerned, or prohibit the Defaulting Party from conducting acts which might aggravate Party A's losses. Courts of Hong Kong, Cayman Islands or other competent courts (including courts of the place where Party C lives, or courts of the place where Party C's or the Party A's main assets are) shall have rights to grant or execute awards of an arbitration tribunal. They shall have rights to adjudicate or enforce temporary relief with respect to Party C's rights and interests in the Equity Interest or property. They shall also have rights to offer temporary relief to the party making a request for arbitration by giving awards or judgments before the tribunal court forms. For instance, the Defaulting Party may be adjudicated or arbitrated to immediately suspend their breaches or forbidden to conduct any act which might further aggravate the Party A's losses.

10.3 When any dispute occurs in interpreting or performing this Agreement, or any dispute is under arbitration, all Parties of this Agreement shall continue exercising their rights and performing their respective obligations hereunder except for disputed matters.

10.4 If any law, rule or regulation of the PRC are promulgated or revised after the date of signing this Agreement, or the interpretation or applicability of such laws, rules or regulations changes, the following provisions shall apply: in the case of the PRC laws permitting (a) If the revised laws or newly promulgated rules are more beneficial for any party than pertinent laws, rules or regulations which take effects after signing this Agreement without imposing material adverse impacts upon other Parties, the Parties of this Agreement shall promptly apply for gaining benefits from such modifications or new rules and try their best to have the application approved; or (b) The original clauses of this agreement shall further prevail if such revised laws or newly enacted rules directly or indirectly impose material adverse impacts upon any party's economic benefits hereunder. The Parties shall try to be exempt from obeying these revised laws or new rules by all lawful means. If the adverse impacts on any party's economic benefits can't be alleviated according to this Agreement, all Parties shall promptly negotiate with each other and make all necessary revisions to this Agreement after the affected party notifies all other Parties, in order to perform all such requisite revisions and protect the affected party's economic benefits.

11. Notices

11.1 All notices and other communications which are issued as required or permitted by this Agreement shall be delivered by special personnel or sent to corresponding Parties' address and fax number listed on Appendix II through registered mail, postage prepaid, commercial express delivery services or fax. After sending each notice, an email shall be sent for confirming the delivery. Such notices shall be deemed to have been delivered as follows:

11.1.1 The notices shall be deemed to have been delivered to the designated address on the date of sending or rejection if they are delivered by special personnel, express delivery services or registered mail, postage prepaid.

11.1.2 The notices shall be deemed to have been delivered if they are sent by fax, confirmed by automatically generated information on delivery. (It should be evidenced by an automatically generated delivery confirmation)

11.2 Any party may issue a notice to all other Parties according to this article to inform them of the address, fax and/or email address changed from time to time.

12. Others

12.1 Notwithstanding any other provision of this Agreement or other Transaction Documents (as defined in the Equity Pledge Agreement) or any other document or law, Party B's obligations and responsibilities under this Agreement are several and non-joint. This clause shall survive for the terminating this Agreement regardless of the reason why this Agreement is terminated.

12.2 Notwithstanding any other provision of this Agreement or other Transaction Documents (as defined in the Equity Pledge Agreement) or any other document or law, (1) Party A shall not exercise any of its powers under this Agreement regarding to any Investor Party B, unless Party A exercises this power to all Party B at the same time or all directors of Cayman Company agree otherwise; (2) Investor Party B's all and any obligations or liabilities under this Agreement and other Transaction Documents (as defined in the Equity Pledge Agreement) are limited to the respective Equity Interest of Party C held by them. Except for the Equity Interest of Party C held by the Investor Party B, no party may make any claims on the other assets of the Investor Party B in respect of all or any obligations under this Agreement and other Transaction Documents (as defined in the Equity Pledge Agreement); and (3) if the Investor Party B violates any warranties, undertakings, agreements, representations or conditions of this Agreement, the Equity Pledge Agreement, the Exclusive Option Agreement, the Business Cooperation Agreement or other Transaction Documents(as defined in the Equity Pledge Agreement), Party A's sole right is to exercise the Pledge to Party C's Equity Interest held by the Investor Party B in accordance with Article 8 of the Equity Pledge Agreement or exercise the right to purchase the Equity Interest of Party C held by the Investor Party B in accordance with the Exclusive Option Agreement. However, Investor Party B does not assume any other liability for Party A or any other person. This clause shall survive the termination of this Agreement whatever the reason for terminating this Agreement.

12.3 All revisions, modifications and supplementations of this Agreement shall be in writing. They shall take effects after they are signed or stamped by all Parties hereunder and governmental registration procedures (if applicable) are completed.

12.4 Party A may unilaterally notify Party B and Party C in writing anytime of unconditionally terminating this Agreement at discretion without assuming any responsibility. Party B and Party C shall have no rights to unilaterally terminate this Agreement.

12.5 If revision of this Agreement is proposed by the Stock Exchange of Hong Kong Limited or other regulatory institutions, or is required according to securities listing regulations of the Stock Exchange of Hong Kong Limited or related regulations, rules and guiding requirements, this Agreement shall be revised by the Parties reasonably.

12.6 All expenses and actual outlays related to this Agreement, including but not limited to lawyers' fees, flat costs, stamp duties, any other taxes and fees, shall be borne by Party C.

12.7 This Agreement is made in twenty-four (24) copies. Each party shall hold one (1) copy. All copies shall have equal legal forces.

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(This page is intentionally left blank and is the signing page of this Shareholder Voting Rights Entrustment Agreement)

IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Genetron (Tianjin) Co., Ltd. (seal)

/s/ Seal of Genetron (Tianjin) Co., Ltd.

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Genetron Health (Beijing) Co., Ltd. (seal)

/s/ Seal of Genetron Health (Beijing) Co., Ltd.

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Wang Sizhen

By: /s/ Wang Sizhen

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Wei Shuyan

By: /s/ Wei Shuyan

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Wang Xiaoge

By: /s/ Wang Xiaoge

(This page is intentionally left blank and is the signing page of this Shareholder Voting Rights Entrustment Agreement)

IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Beijing Genetron Junmeng Investment Management Center (Limited Partnership) (seal)

/s/ Seal of Beijing Genetron Junmeng Investment Management Center (Limited Partnership)

The Authorized Representative /s/ Wang Sizhen

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Zhuhai Genetron Junhe Investment Management Center (Limited Partnership) (seal)

/s/ Seal of Zhuhai Genetron Junhe Investment Management Center (Limited Partnership)

The Authorized Representative: /s/ Wang Sizhen

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Beijing Genetron Junlian Investment Management Center (Limited Partnership)□seal□

/s/ Beijing Genetron Junlian Investment Management Center (Limited Partnership)

The Authorized Representative: /s/ Gao Jing

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership) (seal)

/s/ Seal of Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership)

The Authorized Representative: /s/ Kung Hung Ka

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Shenzhen Haixia Life Science Investment Partnership (Limited Partnership) (seal)

/s/ Seal of Shenzhen Haixia Life Science Investment Partnership (Limited Partnership)

The Authorized Representative: /s/ Sun Junjie

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Yueyin (Tianjin) Asset Management Center (seal)

/s/ Seal of Yueyin (Tianjin) Asset Management Center

The Authorized Representative: /s/ Zheng Yufen

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Gongqingcheng Sharing Houde Guoqian Innovative Investment Management Partnership (Limited Partnership) (seal)

/s/ Seal of Gongqingcheng Sharing Houde Guoqian Innovative Investment Management Partnership (Limited Partnership)

The Authorized Representative: /s/ Huang Fanzhi

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Yi Kang (Ningbo) Medical Investment Management Co., Ltd. (seal)

/s/ Seal of Yi Kang (Ningbo) Medical Investment Management Co., Ltd.

The Authorized Representative: /s/ Li Yuanyuan

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Suzhou Sharing High-Tech Medical Industry Venture Capital Investment Enterprise (Limited Partnership) (seal)

/s/ Seal of Suzhou Sharing High-Tech Medical Industry Venture Capital Investment Enterprise (Limited Partnership)

The Authorized Representative: /s/ Bai Wentao

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Shanghai Yuanxing Yinshi Equity Investment Partnership (Limited Partnership) (seal)

/s/ Seal of Shanghai Yuanxing Yinshi Equity Investment Partnership (Limited Partnership)

The Authorized Representative: /s/ Zhuo Fumin

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Zhuhai Jinchang Junyu Management Consulting Center (Limited Partnership) (seal)

/s/ Seal of Zhuhai Jinchang Junyu Management Consulting Center (Limited Partnership)

The Authorized Representative: /s/ Wang Sizhen

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Shenzhen Shenshang Xingye Venture Capital Fund Partnership (Limited Partnership) (seal)

/s/ Seal of Shenzhen Shenshang Xingye Venture Capital Fund Partnership (Limited Partnership)

The Authorized Representative: /s/ Lin Muxiong

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Shenzhen Chuanjiabao Venture Capital Fund Enterprise (Limited Partnership) (seal)

/s/ Seal of Shenzhen Chuanjiabao Venture Capital Fund Enterprise (Limited Partnership)

The Authorized Representative: /s/ Wu Shan

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Yueyin Xinxin (Tianjin) Asset Management Center (Limited Partnership) (seal)

/s/ Seal of Yueyin Xinxin (Tianjin) Asset Management Center (Limited Partnership)

The Authorized Representative: /s/ Zheng Yufen

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Zhuhai Hengqin Kunming Phase II Venture Capital Center (Limited Partnership) (seal)

/s/ Seal of Zhuhai Hengqin Kunming Phase II Venture Capital Center (Limited Partnership)

The Authorized Representative: /s/ Lai Xiaoli

(This page is intentionally left blank and is the signing page of this Shareholder Voting Rights Entrustment Agreement)

IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Shenzhen Sharing Precision Medical Investment Partnership (Limited Partnership) (seal)

/s/ Seal of Shenzhen Sharing Precision Medical Investment Partnership (Limited Partnership)

The Authorized Representative: /s/ Bai Wentao

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Zhongsen Lvjian International Technology Co., Ltd. (seal)

/s/ Seal of Zhongsen Lvjian International Technology Co., Ltd.

The Authorized Representative: /s/ Zhu Qingyuan

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IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Ningbo Meishan Bonded Port Area Xianggong Investment Partnership (Limited Partnership) (seal)

/s/ Seal of Ningbo Meishan Bonded Port Area Xianggong Investment Partnership (Limited Partnership)

The Authorized Representative: /s/ Cai Cong

(This page is intentionally left blank and is the signing page of this Shareholder Voting Rights Entrustment Agreement)

IN WITNESS WHEREOF, the Parties have executed this Shareholder Voting Rights Entrustment Agreement as of the date and at the address first above written.

Guangxi Yueyin Dade Investment Management Partnership (Limited Partnership) (seal)

/s/ Seal of Guangxi Yueyin Dade Investment Management Partnership (Limited Partnership)

The Authorized Representative: /s/ Zheng Yufen

Exhibit 10.15

Equity Interest Pledge Agreement

This Equity Interest Pledge Agreement (hereinafter referred to as this "Agreement") has been executed by and among the following parties on July 30, 2019 in Beijing:

Party A: **Genetron (Tianjin) Co., Ltd.**, a limited liability company organized and existing under the PRC laws, with its address at Room 113(Deqing (Tianjin) Business Secretary Co., Ltd. No. 0720), Guotai Building No. 2, East of Yingbin Avenue, Tianjin Pilot Free Trade Zone (Central Business District) (hereinafter referred to as the "**Pledgee**").

Party B: **Wang Sizhen**, a Chinese citizen with Chinese Identification No.: [ ]

Wei Shuyan, a Chinese citizen with Chinese Identification No.: [ ]

Wang Xiaoge, a Chinese citizen with Chinese Identification No.: [ ]

Beijing Genetron Junmeng Investment Management Center (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 202, 2nd Floor, Building 10, Zone No.1, Courtyard No.8, Life Park Road, Zhongguancun Life Science Park, Huilongguan Town, Changping District, Beijing, China (the "**Genetron Junmeng**"); and

Zhuhai Genetron Junhe Investment Management Center (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 105-36710 (Centralized Office), No. 6, Baohua Road, Hengqin New District, Zhuhai (the "**Genetron Junhe**"); and

Beijing Genetron Junlian Investment Management Center (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Romm 203, 2nd Floor, Building 10, Zone No.1, Courtyard No.8, Life Garden Road, Zhongguancun Life Science Park, Huilongguan Town, Changping District, Beijing, China (the "**Genetron Junlian**"); and

Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 201 (in Shenzhen Qianhai Secretary Business Service Co., Ltd.), Building A, No.1, Qianwan 1st Road, Qianhai Shenzhen -Hong Kong Cooperation Zone, Shenzhen (the "**Jiadao Gongcheng**"); and

Shenzhen Haixia Life Science Investment Partnership (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 201(in Shenzhen Qianhai Business Secretary Co., Ltd.), Building A, No.1, Qianwan 1st Road, Qianhai Shenzen-Hong Kong Cooperation Zone, Shenzhen, China (the "**Haixia Fund**"); and

Yueyin (Tianjin) Asset Management Center (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at 1-103-6, Chuangzhi Building, No. 482, Anime Middle Road, Tianjin Eco-city (the "**Yueyin Tianjin**"); and

Gongqingcheng Sharing Houde Guoqian Innovative Investment

Management Partnership (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at 405-141, Gongqingcheng Private Equity Fund Park, Jiujiang City, Jiangxi Province (the "**Gongqingcheng Sharing**"); and

Yi Kang (Ningbo) Medical Investment Management Co., Ltd., a limited liability company, organized and existing under the PRC laws, with its address at Room 6038, Building 2, No. 406, Xinqijingang Road, Beilun District, Ningbo City, Zhejiang Province, China (the "**Yikang Ningbo**"); and

Suzhou Sharing High-Tech Medical Industry Venture Capital Investment Enterprise (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at No. 37, Keling Road, Science and Technology City, Suzhou High-tech District, Suzhou City, Jiangsu Province (the "**Suzhou Sharing**"); and

Shanghai Yuanxing Yinshi Equity Investment Partnership (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 1111, No. 3255, Zhoujiazui Road, Yangpu District, Shanghai (the "**Yuanxing Yinshi**"); and

Zhuhai Jinchang Junyu Management Consulting Center (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 105-53163(centralized office area), No. 6, Baohua Road, Hengqin New District, Zhuhai City (the "**Zhuhai Jinchang**"); and

Shenzhen Shenshang Xingye Venture Capital Fund Partnership (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at A401-F03, No.3 Building, Longgang Tian'an Digital Innovation Park, Longcheng Street, Longgang District, Shenzhen City (the "**Shenshang Xingye**"); and

Shenzhen Chuanjiabao Venture Capital Fund Enterprise (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 201(in Shenzhen Qianhai Business Secretary Co., Ltd.), Building A, No.1, Qianwan 1st Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen City, China (the "**Chuanjiabao**"); and

Yueyin Xinxin (Tianjin) Asset Management Center (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at 1-107-20, Chuangzhi Building, No. 482, Anime Middle Road, Tianjin Eco-City, Tianjin (the "**Yueyin Xinxin**"); and

Zhuhai Hengqin Kunming Phase II Venture Capital Center (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room 105-10089, No. 6, Baohua Road, Hengqin New District, Zhuhai City (the "**Hengqin Kunming**"); and

Shenzhen Sharing Precision Medical Investment Partnership (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at 701, Building A, Block 4, Software Industry Base, Haitian 1st Road, Yuehai Street, Nanshan District, Shenzhen (the "**Shenzhen Sharing**"); and

Zhongsen Lvjian International Technology Co., Ltd., a joint stock company organized and existing under the PRC laws, with its address at 5D2-B, Building 2, No.1 Courtyard, Naoshikou Street, Xicheng District, Beijing (the "Zhongsen Lvjian"); and

Ningbo Meishan Bonded Port Area Xianggong Investment Partnership (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at G1300, Area A, Room 401, Building 1, No. 88, Meishan Qixing Road, Beilun District, Ningbo City, Zhejiang Province, China (the "**Xianggong Investment**"); and

Guangxi Yueyin Dade Investment Management Partnership (Limited Partnership), a limited partnership organized and existing under the PRC laws, with its address at Room A223, Public Service Center, No. 1 Zhongma Street, **Zhongma** Qinzhou Industrial Park, Qinzhou City, Guangxi, China (the "Guangxi Yueyin", together with other Party B, except Wang Sizhen, Wei Shuyan, Wang Xiaoge, Genetron Junhe, Genetron Junlian, Genetron Junmeng, collectively referred to as "**Investor Party B**").(All Party B hereinafter collectively referred to as the "**Pledgors**")

Party C: **Genetron Health (Beijing) Co., Ltd.**, a limited liability company organized and existing under the PRC laws, with its address at Room 201, 2nd Floor, Building 11, Zone No.1, Courtyard No.8, Life Park Road, Zhongguancun Life Science Park, Huilongguan Town, Changping District, Beijing, China.

In this Agreement, each of the Pledgee, the Pledgors and Party C shall be hereinafter referred to as a "**Party**" respectively, and as the "**Parties**" collectively.

Whereas:

1. The Pledgors as of the signing date hereof are shareholders of Party C, and hold 100% of the Equity Interest of Party C, among which Wang Sizhen holds 14.695% of the Equity Interest(corresponding to Party C's capital contribution of RMB 8,440,600), Wei Shuyan holds 11.050%(corresponding to Party C's capital contribution of RMB 6,347,300), Wang Xiaoge holds 6.544%(corresponding to Party C's capital contribution of RMB 3,759,000), Genetron Junmeng holds 10.460%(corresponding to Party C's capital contribution of RMB 6,008,300), Genetron Junhe holds 7.689%(corresponding to Party C's capital contribution of RMB 4,416,500), Genetron Junlian holds 7.511%(corresponding to Party C's capital contribution of RMB 4,314,200), Jiadao Gongcheng holds 8.857%(corresponding to Party C's capital contribution of RMB 5,087,400), Chuanjiabao holds 0. 883%(corresponding to Party C's capital contribution of RMB 507,200), Suzhou Sharing holds 2.925%(corresponding to Party C's capital contribution of RMB 1,680,000), Shenzhen Sharing holds 0. 883% (corresponding to Party C's capital contribution of RMB 507,200), Yueyin Tianjin holds 1.495%(corresponding to Party C's capital contribution of RMB 858,800), Yueyin Xinxin holds 0. 883%(corresponding to Party C's capital contribution of RMB 507,200), Gongqingcheng Sharing holds 4.128%(corresponding to Party C's capital contribution of RMB 2,371,200), Xianggong Investment holds 0.530%(corresponding to Party C's capital contribution of RMB 304,300), Hengqin Kunming holds 0.883%(corresponding to Party C's capital contribution of RMB 507,200), Yuanxing Yinshi holds 2.563%(corresponding

to Party C's capital contribution of RMB 1,472,200), Haixia Fund holds 8.010%(corresponding to Party C's capital contribution of RMB 4,600,600), Shenshang Xingye holds 1.538%(corresponding to Party C's capital contribution of RMB 883,300), Yikang Ningbo holds 1.865%(corresponding to Party C's capital contribution of RMB 1,071,000), Zhongsen Lvjian holds 0.618%(corresponding to Party C's capital contribution of RMB 354,700), Zhuhai Jinchang holds 3.400%(corresponding to Party C's capital contribution of RMB 1,952,900), Guangxi Yueyin 2.590%(corresponding to Party C's capital contribution of RMB 1,487,700). Party C is a limited liability company registered in Beijing, China.

2. The Pledgee is 100% held by Genetron Health (Hong Kong) Company Limited(a company registered under the laws of Hong Kong)(the "**Hong Kong Company**"), and the Hong Kong Company is 100% held by Genetron Holdings Limited(a company registered under the laws of the Cayman Islands)(the "**Cayman Company**").

3. The Pledgee is a wholly foreign owned enterprise registered in Tianjin, China. The Pledgee and Party C executed the Exclusive Business Cooperation Agreement (including revisions from time to time, hereinafter referred to as the "**Business Cooperation Agreement**") on July 2, 2019. The Pledgee provides relevant exclusive technical services, technical consultations and other services to Party C based on the Business Cooperation Agreement.

4. The Parties of this Agreement executed an Exclusive Option Agreement(including revisions from time to time, hereinafter referred to as the "**Exclusive Option Agreement**") on July 30, 2019. To the extent permitted by the PRC laws and corresponding requirements, if the Pledgee decides to make the purchase request in its sole discretion: (a)the Pledgors shall transfer all or part of their Equity Interest held in Party C to the Pledgee and/or its designee(hereinafter referred to as the "**Designee**", who needs to be the Cayman Company or a subsidiary that is directly or indirectly wholly controlled by it) according to its requirements; (b) Party C shall transfer all or part of its assets to the Pledgee and/or the Designee according to the requirements of the Pledgee and/or the Designee.

5. The Parties of this Agreement executed a Shareholder Voting Rights Entrustment Agreement (including revisions from time to time, hereinafter referred to as the "**Shareholder Voting Rights Entrustment Agreement**") on July 30, 2019. The Pledgors have irrevocably entrusted the person designated by the Pledgee with the full power to exercise all their rights to entrust and vote as Party C's shareholder.

6. As the Pledgors' guarantee of the performance of the Contract Obligations (as defined below) and the settlement of the Secured Indebtedness (as defined below), the Parties intend to execute this Agreement on the provision of Equity Interest pledge by Party B to Party A. The Pledgors severally and not jointly

pledge all the Equity Interest they held in Party C to the Pledgee to provide pledge guarantee for securing the complete and due performance of such obligations and debt. Party C agrees with such equity interest pledge arrangements.

1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

1.1 "**Pledge**": shall refer to the Security Interest granted by the Pledgors to the Pledgee pursuant to Article 2 of this Agreement, i.e., the right of the Pledgee to be paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from the auction or sale of the Equity Interest.

1.2 "**Equity Interest**" shall refer to all Party C's equity interest lawfully held by the Pledgors from the effective date of this Agreement, such that the Pledgors have rights to dispose and pledge it to the Pledgee according to provisions of this Agreement as guarantee for Party C's fulfillment of its Contractual obligations and Secured Indebtedness hereunder (including the Pledgors' current Equity Interest constituting Party C's registered capital and all related Equity Interest) and increase Equity Interest as per Article 6.7 of this Agreement.

1.3 "**Term of the Pledge**" shall refer to the term set forth in Article 3 of this Agreement.

1.4 "**Event of Default**" shall refer to any of the circumstances set forth in Article 7 of this Agreement.

1.5 "**Notice of Default**" shall refer to the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

1.6 "**Contract Obligations**" shall refer to all the obligations of the Pledgors under the Exclusive Option Agreement and Shareholder Voting Rights Entrustment Agreement; and all the obligations of Party C under the Transaction Agreement; and all the obligations of the Pledgors and Party C under this Agreement.

1.7 "**Transaction Agreement**" shall refer to this Agreement, the Business Cooperation Agreement, as well as the Commitment Letter, Exclusive Option Agreement and Shareholder Voting Rights Entrustment Agreement issued by the Pledgors to the Pledgee on July 30, 2019, or one or more of them.

1.8 "**Secured Indebtedness**" shall refer to (a) all debts that Party C owes to the Pledgee, including but not limited to consultation and service fees that Party C

shall pay to the Pledgee according to the Business Cooperation Agreement (whatever on the given maturity date, ahead of time or in other ways), and the interest, liquidated damages(if any), compensation, lawyers' fees, arbitration fees, and fees for exercising rights of pledge such as Equity Interest evaluation and auction; (b)all the direct, indirect and derivative losses and losses of anticipated profits, suffered by the Pledgee, incurred as a result of any Event of Default by the Pledgors or Party C. The amount of such loss shall be calculated in accordance with the reasonable business plan and profit forecast of the Pledgee, and(c)all expenses occurred in connection with enforcement by the Pledgee of the Pledgors and/or Party C's Contract Obligations. Subject to other terms of this Agreement(including but not limited to Article 19.1 and 19.2), the amount of credit guaranteed by Party B shall not be less than RMB 57,438,800, among which the amount of credit guaranteed by Wang Sizhen shall not be less than RMB 8,440,600, the amount of credit guaranteed by Wei Shuyan shall not be less than RMB 6,347,300 the amount of credit guaranteed by Wang Xiaoge shall not be less than RMB 3,759,000, the amount of credit guaranteed by Genetron Junmeng shall not be less than RMB 6,008,300, the amount of credit guaranteed by Genetron Junhe shall not be less than RMB 4,416,500, the amount of credit guaranteed by Genetron Junlian shall not be less than RMB 4,314,200, the amount of credit guaranteed by Jiadao Gongcheng shall not be less than RMB 5,087,400, the amount of credit guaranteed by Chuanjiabao shall not be less than RMB 507,200, the amount of credit guaranteed by Suzhou Sharing shall not be less than RMB 1,680,000, the amount of credit guaranteed by Shenzhen Sharing shall not be less than RMB 507,200, the amount of credit guaranteed by Yueyin Tianjin shall not be less than RMB 858,800, the amount of credit guaranteed by Yueyin Xinxin shall not be less than RMB 507,200, the amount of credit guaranteed by Gongqingcheng Sharing shall not be less than RMB 2,371,200, the amount of credit guaranteed by Xianggong Investment shall not be less than RMB 304,300, the amount of credit guaranteed by Hengqin Kunming shall not be less than RMB 507,200, the amount of credit guaranteed by Yuanxing Yinshi shall not be less than RMB 1,472,200, the amount of credit guaranteed by Haixia Fund shall not be less than RMB 4,600,600, the amount of credit guaranteed by Shenshang Xingye shall not be less than RMB 883,300, the amount of credit guaranteed by Yikang Ningbo shall not be less than RMB 1,071,000, the amount of credit guaranteed by Zhongsen Lvjian shall not be less than RMB 354,700, the amount of credit guaranteed by Zhuhai Jinchang shall not be less than RMB 1,952,900, the amount of credit guaranteed by Guangxi Yueyin shall not be less than RMB 1,487,700.

1.9 "**PRC laws**" shall include all laws, regulations, rules, notices, interpretations or other binding documents legislated by any central or regional legislation, administrative or judicial department before or after the execution of this Agreement.

1.10 "**Security Interest**" shall include security, mortgage, third-party rights or Interest, all rights to purchase Equity Interest, rights of acquisition, pre-emptive rights, rights of set-off, retained title or other collateral arrangements.

2. Pledge

2.1 The Pledgors hereby severally and not jointly pledge the respective Equity Interest to the Pledgee in the first order of priority to guarantee prompt and full repayment of Secured Indebtedness and performance of Contract Obligations. Party C agrees that the Pledgors may pledge the Equity Interest to the Pledgee as per this Agreement.

2.2 All Parties understand and acknowledge that the estimated monetary value generated for Secured Indebtedness or related estimated value shall be changeable and floating until the settlement date (refer to Article 2.4 for the definition). The Pledgors and the Pledgee may adjust and confirm the maximum amount of Secured Indebtedness secured by the Equity Interest from time to time by the settlement date by revising and supplementing this Agreement with both Parties' consent in case of any change to the estimated monetary value of Secured Indebtedness and Equity Interest.

2.3 In any of following events (hereinafter referred to as "**Events for Settlement**"), the value of Secured Indebtedness shall be determined based on the total amount of payable guaranteed that is not paid to the Pledgee on the latest date before any event for settlement occurs or on the date of the event (hereinafter referred to as "**Confirmed Debts**"):

(a) The Business Cooperation Agreement has expired or has been terminated according to the relevant articles;

(b) The Pledgee issues a Notice of Default to the Pledgors as per Article 7.3, because any Event of Default specified in Article 7 of this Agreement has occurred and is still unsolved;

(c) After proper investigation, the Pledgee reasonably determines that Party B and/or Party C have become insolvent or might become insolvent; or

(d) Any other event occurs, under which Secured Indebtedness shall be determined as provided by the PRC laws.

2.4 To avoid ambiguity, the date on which the event for settlement occurs shall be deemed the settlement date (hereinafter referred to as the "**Settlement Date**"). The Pledgee shall have rights to exercise the Pledge according to Article 8 at its discretion on the Settlement Date or thereafter.

2.5 Within the Term of the Pledge (as defined in Article 3.1), the Pledgee shall have rights to accept any dividend, bonus or other distributable interests generated because of the Equity Interest and use it to give priority to the Pledgee. The Pledgors shall deposit or cause Party C to deposit such fructus in the account designated by the Pledgee in writing after receiving the Pledgee's written requirements. The Pledgors shall not withdraw such fructus deposited in the account deposited in the account designated by the Pledgee in writing without the written consent of the Pledgee.

2.6 Within the term of this Agreement, the Pledgee shall not assume any responsibility for any Equity Interest depreciation unless otherwise caused by the Pledgee's intentions or gross negligence. In this case, the Pledgors shall have no right to make any claim or request to the Pledgee.

2.7 Without violating Article 2.6 of this Agreement, the Pledgors agree that the Pledgee may auction or sell the Equity Interest on behalf of the Pledgors anytime provided that any value of the Equity Interest is likely to decline and thereby probably impairs the Pledgee's Rights, and the Pledgors agree that the proceeds from such auction or sales shall be used for debt repayment or such money shall be held in escrow by a notary office of the area where the Pledgee is (All expenses thereby incurred shall be deducted from the proceeds from such auctions or sales).

2.8 The Equity Interest pledge hereunder is a continuous guarantee. It shall be effective until full performance of all Contract Obligations and full repayment of Secured Indebtedness. The Pledgee's exemption or tolerance of the Pledgors' any default or the Pledgee's late exercising of any right under the Transaction Agreement and this Agreement shall not affect the Pledgee's subsequent rights to require the Pledgors or Party C to strictly perform the Transaction Agreement and this Agreement thereafter according to this Agreement, the relevant PRC laws and the Transaction Agreement, or affect the Pledgee's subsequent rights against the Pledgor's or Party C's breach of the Transaction Agreement and/or this Agreement.

3. Term of the Pledge

3.1 The pledge shall take effect from the date of registration of the pledge of the Equity Interest under this Agreement at the registration of the industrial and commercial administration department (hereinafter referred to as the "**Registration Authority**") of the locality of Party C. The validity period of the pledge (hereinafter referred to as the "**Term of the Pledge**") is from the effective date mentioned above until (a) the last Secured Indebtedness and Contract Obligations guaranteed by the Pledge are fully paid and fulfilled; or(b) the Pledgee and/or the Designee shall, subject to the PRC laws, decide to purchase the entire Equity Interest of Party C held by the Pledgors in accordance with the Exclusive Option Agreement, and the Equity Interest of Party C has been transferred to the Pledgee and/or the Designee in accordance with the laws, and the Pledgee and the Designee can legally engage in the business of Party C; or(c) The Pledgee and/or the Designee decides to purchase all the assets of Party C in accordance with the Exclusive Option Agreement subject to the PRC laws, and all the assets of Party C have

been transferred to the Pledgee and/or the Designee in accordance with the laws, and the Pledgee and the Designee can legally engage in the business of Party C using the above assets; or(d) The Pledgee unilaterally requests termination of this Agreement (the right of the Pledgee to terminate this Agreement is the right without any restrictive conditions, and the right is only enjoyed by the Pledgee. The Pledgors or Party C does not have the right to terminate this Agreement unilaterally); or(e) Termination in accordance with the requirements of applicable PRC laws and regulations.

3.2 During the Term of the Pledge, if Party B and/or Party C fails to perform its Contract Obligations or pay the Secured Indebtedness (including payment of exclusive consulting or service fees according to the Business Cooperation Agreement or failure to comply with any other aspects of the Transaction Agreement), the Pledgee shall have the right but not the obligation to dispose of the Pledge in accordance with the provisions of this Agreement.

4. Pledge Registration

4.1 The Pledgors and Party C agree and undertake that, after signing this Agreement, Party C must immediately and the Pledgors must procure Party C to immediately record the arrangements for the Equity Interest pledge hereunder on Party C's Register of Shareholders on the date of signing this Agreement; and an application shall be submitted to the registration authority for registering the Equity Interest pledge according to the Measures for the Registration of Equity Interest Pledge at Administrative Departments for Industry and Commerce within twenty(20) days after signing this Agreement or within a longer term agreed by the Pledgee. The registration authority shall completely and accurately record matters about such Equity Interest pledge on the register of Equity Interest pledge.

4.2 Within the Term of the Pledge specified hereunder, the Pledgors shall submit original contribution certificate for the Equity Interest and the register of shareholders documenting pledge (and other documents reasonably required by the Pledgee, including but not limited to the notice on pledge registration issued by the administration for industry and commerce) to the Pledgee within one week from the completion date of the Pledge registration in accordance with above Article 4.1. The Pledgee shall keep such documents within the entire pledge term specified hereunder.

5. Representations and Warranties of the Pledgors and Party C

The Pledgors severally and not jointly represent and warrant to the Pledgee as the following Article 5.1 to 5.13:

5.1 The Pledgor has complete and independent legal status and capacity under the law of the place of registration. Besides, the Pledgor has been legitimately authorized to sign, deliver and perform this Agreement. The Pledgor may be an independent subject of litigations.

5.2 The Pledgor is the sole legal owner and beneficiary of the Equity Interest. The Pledgor has full rights and power to pledge the Equity Interest to the Pledgee according to this Agreement, while the Pledgor shall be also authorized to dispose of the Equity Interest and any part of the Equity Interest. Unless the Pledgor and the Pledgee additionally enter into an agreement, the Pledgor shall possess the legitimate and full title of the Equity Interest.

5.3 Except as otherwise provided in the Transaction Agreement, the Pledgee shall have rights to dispose and transfer the Equity Interest in accordance with this Agreement.

5.4 Except as otherwise provided in the Pledge or the Transaction Agreement, the Pledgor doesn't set any security interest or other encumbrances on the Equity Interest. There is no dispute on the Equity Interest's ownership, outstanding tax or fee on the Equity Interest. The ownership of the Equity Interest isn't detained or subject to restraints of other legal proceedings or similar threats and can be pledged and transferred according to applicable laws.

5.5 The Pledgor's signing of this Agreement or exercising of any right hereunder or performance of obligations hereunder will not violate or go against any laws, regulations, court awards, arbitration authority's awards, administrative authorities' decisions, agreements or contracts binding upon the Pledgor's assets under which the Pledgor is party, or any commitments that the Pledgor makes to any third party.

5.6 All documents, materials, statements and vouchers that the Pledgor offers to the Pledgee shall be accurate, true, complete and effective no matter if they are offered before or after this agreement takes effect or within the pledge term.

5.7 This Agreement shall constitute lawful, valid and binding obligations on the Pledgor after it is appropriately executed by the Pledgor.

5.8 The Pledgor has full rights and authorities to sign and deliver this Agreement and all other documents on aforementioned transactions hereunder to be executed. In addition, the Pledgor has full rights and authorities to complete such transactions.

5.9 Apart from registering the Equity Interest pledge with a registration authority, any third party's consent, permission, waiver or authorization, or any government organization's approval, permission or exemption, or registration

or filing formalities handled with any government agency, which are necessary for signing and performing this Agreement and making the Equity Interest pledge effective hereunder, have been obtained or handled, and will keep fully effective within the term of this Agreement.

5.10 The pledge hereunder constitutes the first Security Interest upon the Equity Interest under this Agreement.

5.11 All taxes and fees for obtaining the Equity Interest have been fully paid by the Pledgor.

5.12 The Pledgor, or its property or Equity Interest is not subject to any outstanding lawsuits, legal proceedings or requests or those that are known by the Pledgor to be threatening from any court or arbitration tribunal. Besides, the Pledgor, or its property or Equity Interest is not subject to any of such lawsuits, legal proceedings or requests from any government agency or administrative authority. There is no material or adverse impacts imposed upon the Pledgor's economic conditions or abilities to fulfill obligations and perform the guarantee responsibilities hereunder.

5.13 Unless otherwise specified hereunder, the Pledgee shall not be hindered from exercising its rights as Pledgee hereunder anywhere and anytime.

5.14 Wang Sizhen, Wei Shuyan and Wang Xiaoge agree to assume joint liability to the Pledgee for the representations and warranties made by Party C under this Agreement.

5.15 The Pledgors severally and not jointly warrant to the Pledgee that the representations and warranties as stated in the above Article 5.1 to 5.13 shall be true, correct, accurate, complete and fully obeyed anytime under all circumstances before all Contract Obligations are fulfilled or the Secured Indebtedness are fully repaid.

Party C represents and warrants to the Pledgee as follows:

5.16 Party C is a limited liability company lawfully incorporated and validly existing under the PRC laws. Being qualified as independent legal entity, it may act as independent subject of litigation. Formally registered with a competent administration for industry and commerce, Party C has passed all previous annual reports or lawfully submitted the annual reports. With complete and independent legal status and standing, Party C has been appropriately authorized to sign, deliver and perform this Agreement.

5.17 This contract shall constitute legitimate, effective and binding obligations upon Party C after it is appropriately executed by Party C and takes effect.

5.18 Party C owns the full power and authorities to sign and deliver this agreement and all other documents related to transactions hereunder. Party C also owns the full power and authorities to complete such transactions.

5.19 There is no material Security Interest or other encumbrances which might affect the Pledgee's Rights or Interest in Equity Interest, including but not limited to transfer of any of Party C's intellectual property or any assets with a worth no less than RMB500,000, or any encumbrance in property or rights to use such assets.

5.20 The Equity Interest, or Party C or its assets are not subject to any outstanding lawsuits, arbitrations or other legal proceedings or those known to be threatening by Party C from any court or arbitration tribunal. Besides, the Pledgor, or its property or Equity Interest is not subject to any of such lawsuits, arbitrations or legal proceedings from any government agency or administrative authority. There is no material or adverse impacts imposed upon Party C's economic conditions or the Pledgor's or Party C's abilities to perform the obligations and guarantee responsibilities hereunder.

5.21 Party C hereby agrees to assume joint liability for the Pledgors' representations and warranties under this Agreement.

5.22 Party C's signing of this Agreement and exercising of its rights hereunder or fulfillment of its obligations under this Agreement will not violate or conflict with any laws, rules, any court judgments, any arbitration authority's awards, any administrative authority's decisions, any agreement or contract under which Party C is bound as a party or its assets are bound, or any commitment that Party C makes to any third party.

5.23 All documents, materials, statements and proofs that Party C provides to the Pledgee shall be accurate, true, complete and valid no matter whether they are provided before or after this Agreement takes effects within the Term of the Pledge.

5.24 Apart from registering the Equity Interest pledge with a registration authority, any third party's consent, permission, waiver or authorization, or any government organization's approval, permission or exemption, or registration or filing formalities handled with any government agency, which are necessary for signing and performing this contract and making the Equity Interest pledge effective hereunder, have been obtained or handled, and will continue to be effective within the term of this Agreement.

5.25 The pledge hereunder constitutes the first lien secured Interest upon the Equity Interest under this Agreement.

5.26 Party C hereby undertakes to the Pledgee that all the above representations and warranties shall be true and correct under any circumstance at any time before all Contract Obligations are performed or the Secured Indebtedness is fully repaid, and Party C will completely abide by such representations and warranties.

6. Undertakings and Further Consents of the Pledgors and Party C

6.1 Within the term of this Agreement, the Pledgors shall hereby severally and not jointly undertake to the Pledgee that:

6.1.1 Except for performing the Exclusive Option Agreement or other Transaction Agreements, the Pledgor shall not transfer or permit others to transfer the Equity Interest in whole or in part, impose or permit others to impose any new pledge, Security Interest or other encumbrance on the Equity Interest which might affect the Pledgee and Interest in the Equity Interest without the prior written consent of the Pledgee. For the Equity Interest transfer performed with the Pledgee's written consent, the Pledgor shall firstly use the proceeds from such Equity Interest transfer for repaying Secured Indebtedness to the Pledgee or hold the proceeds in escrow by a third person designated by the Pledgee.

6.1.2 The Pledgor must obey and exercise all laws, rules and regulations applicable to the Pledge. Within five(5) days after receiving any notice, order or suggestion on the Pledge from related competent authorities (or any other related departments), the Pledgor shall show the Pledgee such notices, orders or suggestions, or bring forth objections or statements regarding them according to the Pledgee's reasonable requirements or with the Pledgee's consent.

6.1.3 The Pledgor shall immediately notify the Pledgee of all events which might affect the Pledgee, the Equity Interest, or any rights of it, or any events affecting the Interest under the Transaction Agreement and this Agreement (including but not limited to any lawsuit, arbitration, other requests, any third party's dispute over the Equity Interest title, any civil or criminal/administrative proceedings, arbitrations or any other legal proceedings filed against the Pledgor or Equity Interest when the Pledgee's Pledge is or might be subject to any third party's adverse impacts, or potential threats of confronting any aforementioned lawsuit, arbitration or legal proceeding judged by the Pledgor), notices received by the Pledgor, and any event which might affect any warranties or obligations of the Pledgor under this Agreement, and take all necessary measures to protect the Pledgee's Rights and Interest in the pledged Equity Interest according to the Pledgee's reasonable requirements.

6.2 The Pledgors severally and not jointly agree that the Pledgee's exercise of the Pledge hereunder shall not be interrupted by the Pledgor or any successor or representative of the Pledgor or any others through legal proceedings.

6.3 To protect or improve the Security Interest granted for repaying Secured Indebtedness and performing Contract Obligations, and ensure the Pledgee's exercise of the Security Interest over the pledged Equity Interest and such rights, Party C shall immediately and the Pledgors shall cause Party C to register the Equity Interest pledge hereunder with related registration authority within twenty(20) days after signing this Agreement or within a longer period agreed by the Pledgee. Besides, the Pledgors shall appropriately sign and cause other Parties concerned in the Equity Interest pledge to sign all documents designated by the Pledgee (including but not limited to the supplemental agreement of this agreement), certificates, agreements, deeds and/or undertakings. The Pledgors also undertake to take and cause other Parties concerned in the Equity Interest pledge to take actions required by the Pledgee, assist the Pledgee in exercising its rights and authorities hereunder, and sign all related documents regarding the Equity Interest title with the Pledgee or the party designated by the Pledgee. The Pledgors undertake to provide the Pledgee with all notices, orders and decisions on the Pledge within reasonable deadlines at the Pledgee's request.

6.4 The Pledgors hereby severally and not jointly undertake to the Pledgee to obey and perform all warranties, undertakings, agreements, statements and requirements under this Agreement. Subject to other terms of this Agreement (including but not limited to Article 19.2), the Pledgors shall compensate the Pledgee all losses thereby incurred if the Pledgors fail to perform or only partially perform their warranties, undertakings, agreements, statements and requirements hereunder.

6.5 The Pledgors(severally and not jointly) shall make every effort (including offering other guarantees to the court or taking other measures to rescind the court's or other departments' coercive measures against the Equity Interest) in case that any court or other government agency takes any compulsory measures against the Equity Interest pledged hereunder.

6.6 Subject to other terms of this Agreement(including but not limited to Articles 19.1 and 19.2), if the Equity Interest is concerned in any property preservation or compulsory enforcement, or is likely to depreciate or be loss to impair the Pledge, the Pledgors shall immediately inform the Pledgee of such circumstances in writing, and cooperatively take effective measures for protecting the Pledge and Interest together with the Pledgee. The Pledgee may auction or sell the Equity Interest anytime, and firstly use the proceeds from such auction or sales for advance Secured Indebtedness repayment or drawing. All expenses thereby incurred shall be borne by the Pledgor.

6.7 Without the prior written consent of the Pledgee, the Pledgors(severally and not jointly) and/or Party C shall not by themselves(or assisting others to) increase, reduce or transfer Party C's registered capital (or their amount of contributions to Party C), or impose any encumbrance on the registered capital (including the Equity Interest). On the premise of following this provision, Party C's equity that the Pledgors register and obtain after the signing date of this Agreement (hereinafter referred to as the "**Extra Equity Interest**") and corresponding

capital stock of such Equity Interest in Party C's registered capital must be also deemed the Equity Interest that the Pledgors pledge to the Pledgee in accordance with this Agreement. The Pledgors and Party C shall immediately enter into a supplementary Equity Interest pledge agreement on the Extra Equity Interest with the Pledgee at the time of obtaining such extra Equity Interest, request Party C's Board of Directors to approve the supplementary Equity Interest pledge agreement. Besides, they shall offer the Pledgee all necessary documents for signing the supplementary Equity Interest pledge agreement, including but not limited to the original capital contribution certificate on such extra Equity Interest issued by Party C. The Pledgor and Party C shall handle formalities for registering the pledge of such extra Equity Interest(or changes) in accordance with Article 4.1 of this Agreement, and deliver related documents to the Pledgee for safekeeping according to Article 4.2 of this Agreement.

6.8 Unless otherwise instructed by the Pledgee in writing in advance, the Pledgors(severally and not jointly) and/or Party C agree that if the Equity Interest are transferred between the Pledgors and any third party (hereinafter referred to as the "**Equity Interest Assignee**") against this Agreement in part or in whole, the Pledgee and/or Party C shall ensure that the Equity Interest Assignee unconditionally admits the Pledge and handles the necessary formalities for registering the pledge changes (including but not limited to signing related documents) in order to guarantee survival of the Pledge.

6.9 If the Pledgee provides loans to Party C, the Pledgors(severally and not jointly) and/or Party C agree to grant the Pledgee the Pledge by pledging the Equity Interest as collateral, in order to guarantee the loan, and handle related formalities as soon as possible according to laws, regulations or local practices (if any), including but not limited to signing related documents and handling formalities for registering pledge or pledge changes.

6.10 The Pledgors shall not or allow anyone to take any actions which might have adverse effects on the Pledge or Equity Interest under the Transaction Agreement and this Agreement. Hereby, the Pledgors irrevocably waiver the preemptive rights when the Pledgee exercises the Pledge.

6.11 When it is necessary to transfer any Equity Interest for exercising the Pledge hereunder, the Pledgors undertake to make such transfer possible by taking all measures to the extent permitted by the PRC laws.

6.12 The Pledgors shall ensure that the procedures for convening meetings and ways for voting/making decisions by the Board of Directors for signing this Agreement, imposing the Pledge and exercising the Pledge do not violate laws, administrative regulations or Party C's articles of associations and joint venture contract.

6.13 Before the Contract Obligations are fulfilled and the Secured Indebtedness is fully repaid, the Pledgors shall not abandon the Equity Interest pledged to the Pledgee herein, and/or abandon the fructus generated for holding such Equity Interest, including but not limited to dividends.

6.14 Before all Contract Obligations are fulfilled and the Secured Indebtedness is fully repaid, the Pledgors shall not allow Party C to transfer, sell or dispose of any of its assets in any other way through any resolution without the Pledgee's prior written consent.

6.15 The Pledgors as shareholders of Party C shall not abuse their shareholder rights to damage Party C's interests. If there is a situation in which the Pledgors abuse the shareholder rights, the Pledgee has the right to exercise the Purchase Right under the Exclusive Option Agreement.

6.16 If any revision, supplementation or update of this Agreement cannot take effect until the corresponding procedures for examination/approval and/or registration of pledge changes are completed as stipulated by applicable laws, Party C shall, and Party B shall take all necessary measures to cooperate with Party C to register such changes with the relevant registration authorities within five(5) days of the revision, supplementation or update.

Party C undertakes and further agrees that:

6.17 If any third party's consent, permission, waiver or authorization or any government organization's approval, permission or exemption or registration or filing with any government organizations are necessary for signing/performing this Agreement and pledging the Equity Interest hereunder, Party C shall try its best to assist in handling such formalities and keep them fully effective within the term of this Agreement. Party C shall handle registration formalities for extending its business term if it expires within the term of this Agreement, in order to maintain effectiveness of this Agreement.

6.18 Without the Pledgee's prior written consent, Party C shall not help or allow the Pledgors to impose any new pledge on Equity Interest, or authorize any other Security Interest or encumbrances, or help or permit the Pledgors to transfer the Equity Interest.

6.19 Party C agrees to strictly perform the obligations under articles 6.3, 6.7, 6.8, 6.9, 6.11, 6.12, 6.14 and 6.15 under this Agreement.

6.20 Without the Pledgee's prior written consent, Party C shall not transfer or sell Party C's assets or impose or allow others to impose any Security Interest or other encumbrances which might impact the Pledgee's Equity Interest rights and interests, including but not limited to transfer of any of Party C's intellectual property or any assets with a worth of no less than RMB500,000 or any encumbrance in property or rights to use such assets.

6.21 When there is any lawsuit, arbitration or other request which might have adverse impacts upon interests of Party C, Equity Interest or the Pledgee under the Transaction Agreement and this Agreement, Party C undertakes to promptly notify the Pledgee in writing, and take all necessary measures for protecting the Pledgee's pledge rights over the pledged Equity Interest according to the Pledgee's reasonable requests.

6.22 Party C shall not or allow anyone to take any actions which might have adverse impacts upon the Pledgee's interests or Equity Interest under the Transaction Agreement and this Agreement.

6.23 Party C shall provide the Pledgee with financial statements of the preceding quarter of the Gregorian calendar (including but not limited to the balance sheet, income statement and cash flow statement) within the first month of each quarter of the Gregorian calendar.

6.24 Party C undertakes to take all necessary measures and sign all necessary documents in accordance with the reasonable requirements of the Pledgee so as to protect the Pledgee's pledge rights and interests in the pledged Equity Interest, exercise and realize such rights and interests.

6.25 When it is necessary to transfer any Equity Interest for exercising of the Pledge hereunder, Party C undertakes to make such transfer possible by taking all measures.

6.26 In the event of the pledgor's death, incapacity, marriage, divorce, bankruptcy, liquidation, dissolution or other circumstances which might impact its exercising of Party C's Equity Interest, the Pledgor's successor, or Party C's current shareholder or assignee shall be deemed as party of this Agreement to inherit/bear all of the Pledgor's rights and obligations under this Agreement.

6.27 This Agreement shall be terminated if Party C is required to be dissolved or liquidated by the PRC laws; Party C shall(and Party B shall allow Party C) shall transfer all its assets including the Equity Interest to Party A without charge or at the minimum prices and within the limits permitted by the current PRC laws, or the current liquidator shall dispose of all Party C's assets including the Equity Interest at its discretion for the purpose of protecting interests of shareholders and/or creditors of Party A's direct or indirect parents overseas.

6.28 All Parties undertake to each other that they shall terminate this Agreement immediately once the Pledgee is permitted by the PRC laws and the Pledgee decides to purchase all of Party C's Equity Interest from the Pledgors in accordance with the Exclusive Option Agreement.

7. Event of Default

7.1 All of following circumstances shall be deemed Event of Default:

7.1.1 The Pledgors violate or fail to perform any Contract Obligations under the Exclusive Option Agreement, the Shareholder Voting Rights Entrustment Agreement and/or this Agreement; Party C violates or fails to perform any Contract Obligations under the Transaction Agreement and/or this Agreement;

7.1.2 Any representation or warranty made by the Pledgors under Article 5 of this Agreement contain material misstatements or errors, and/or the Pledgors violate any warranty under Article 5 of this Agreement, and/or any undertakings under Article 6 of this Agreement;

7.1.3 Party C fails or Party B fails to assist Party C to register Equity Interest pledge with related registration authority according to Article 4.1;

7.1.4 The Pledgors and Party C violate any rules or articles of this Agreement;

7.1.5 Unless otherwise clearly specified in Article 6.1.1, the Pledgors transfer or intend to transfer or abandon pledged Equity Interest or transfer pledged Equity Interest without the Pledgee's written consent;

7.1.6 The Pledgors' loans, undertakings, compensations, commitments or other debts to a third party (a) are required to be repaid or performed ahead of time due to the Pledgors' breach of the relevant agreement with the third party; or (b) have become due, but cannot be repaid or performed on time;

7.1.7 The Pledgors cannot repay general debts or other debts;

7.1.8 Any approval, license, consent, permission or authorization from government organizations making this Agreement compulsorily enforceable, legitimate and effective is revoked, terminated, nullified or changes substantively;

7.1.9 The promulgation of applicable laws makes this Agreement illegal or makes it impossible for the Pledgors to continue to perform the obligations under this Agreement;

7.1.10 The Pledgee believes that the Pledgors' abilities to fulfill its obligations under this Agreement have been affected in case of adverse changes to the Pledgors' property.

7.1.11 Party C or its heir or trustee can only partially perform or refuses to perform its payment responsibilities under the Business Cooperation Agreement, and/or Party C can only partially repay or refuse to repay the Secured Indebtedness; and

7.1.12 Any other circumstances under which the Pledgee can't or might not exercise its rights of Pledge.

7.2 The Pledgors and Party C shall immediately notify the Pledgee in writing once any circumstances mentioned in Article 7.1 are known or discovered, or any events leading to above circumstances have occurred..

7.3 Subject to other terms of this Agreement (including but not limited to Article 19.1 and 19.2), unless the Event of Default listed in Article 7.1 has been solved to the Pledgee's satisfaction within thirty(30) days after receiving the Pledgee's notice, the Pledgee may issue a Notice of Default to the Pledgors when such Event of Default occurs or any time after the occurrence, and exercise all its remedial rights and power against the defaults under the PRC laws, Transaction Agreement and this Agreement, including but not limited to:

(a) asking Party C to immediately make all outstanding payments due under the Business Cooperation Agreement, repay all debts due under the Transaction Agreement, make all other payables due to the Pledgee, and/or repay the loan; and/or

(b) disposing of the Pledge according to Article 8 of this Agreement; and/or disposing of the pledged Equity Interest in other ways (including but not limited to giving discounts to the Equity Interest in whole or in part, and enjoying the priority of compensation from the proceeds of the Equity Interest auction and sales).

Subject to other terms of this Agreement (including but not limited to Article 19.1 and 19.2), the Pledgee shall have rights to exercise any of such rights based on its independent judgments and choices. Under this situation, all other Parties of this Agreement shall unconditionally agree and fully collaborate. The Pledgee shall not assume any responsibility for any loss resulting from its appropriate exercise of such rights and power.

7.4 The Pledgee shall be authorized to appoint its lawyer or other agent in writing to exercise any and all such rights and power, while the Pledgors or Party C shall not raise any objection to such appointment.

7.5 Subject to other terms of this Agreement (including but not limited to Article 19.1 and 19.2), the Pledgee shall be authorized to simultaneously or successively exercise any of its remedies. Before exercising its rights to auction or sell the Equity Interest under this Agreement, the Pledgee need not exercise other remedies in advance.

8. Exercise of the Pledge

8.1 Except for fulfilling the Exclusive Option Agreement or other Transaction Agreement, before all Contract Obligations are performed and the Secured Indebtedness is fully repaid, the Pledgors shall not transfer their rights or Equity Interest in Party C without the Pledgee's prior written consent.

8.2 The Pledgee may issue a Notice of Default to the Pledgors according to Article 7.3 in exercising the Pledge.

8.3 Subject to the provisions of Article 7.3, the Pledgee may compulsorily enforce the Pledge while issuing a Notice of Default according to Article 7.3 or any time after issuing such notice. The Pledgors shall cease to own any Equity Interest-related rights or interests once the Pledgee decides on the compulsory enforcement of the Pledge.

8.4 When the Pledgee exercises the Pledge, within the scope of the license and in accordance with applicable laws, the Pledgee shall have disposition rights of the pledged Equity Interest, all payments received from the Pledge in exercising the Pledge shall be disposed of in the following order:

(a) Pay all fees incurred for disposition of the Equity Interest and the Pledgee's exercising of its rights and power, including the lawyer fees and agent's fees;

(b) Pay taxes for disposing of the Equity Interest;

(c) If there is a surplus after the above payments are deducted, the balance (excluding interests) shall be paid to the Pledgors or held in escrow by a third party authorized to receive such money according to the relevant PRC laws or a local notary office of the place where the Pledgee is based (all expenses thereby incurred shall be deducted from such balance).

8.5 The Pledgors and Party C shall provide necessary assistance when the Pledgee disposes of the Pledge according to this Agreement, in order for the Pledgee to compulsorily enforce the Pledge according to this Agreement.

8.6 All actual outlays, taxes and legal fees related to the Equity Interest pledge and the Pledgee's exercising of rights under this Agreement shall be assumed by Party C, except for those borne by the Pledgee as specified by laws. The Pledgee shall be authorized to deduct such expenses from the money earned from its exercising of rights and power on an accrual basis.

8.7 The amount of the Secured Indebtedness independently confirmed by the Pledgee in exercising the Pledge over the Equity Interest according to this Agreement shall be deemed as conclusive evidence of Secured Indebtedness under this Agreement.

9. Transfer

9.1 The Pledgors shall not transfer their rights and obligations under this Agreement without the Pledgee's prior written consent.

9.2 The Pledgors and Party C agree that, on the premise of not violating the current PRC laws, the Pledgee may assign or transfer any of its rights exercisable under this Agreement, Transaction Agreement and other security documents to a third

party in any way and according to articles and requirements that it deems appropriate (including the rights to reassign) after notifying the Pledgors and Party C.

9.3 This Agreement shall be binding upon the Pledgors, Party C and their respective heirs and authorized assignees (if any) and shall be effective for the Pledgee, its heirs and assignees.

9.4 When the Pledgee transfers any or all of its rights and obligations under Transaction Agreement to its designated party anytime, the assignee shall enjoy and perform the Pledgee's rights and obligations under this Agreement as if it were an original party of this Agreement. The Pledgors and/or Party C shall sign pertinent agreements or other documents related to such transfer at the Pledgee's request when the Pledgee transfers its rights and obligations under the Transaction Agreement.

9.5 If the Pledgee changes according to the Transaction Agreement or this Agreement, the Pledgors and Party C shall enter into a new Equity Interest Pledge Agreement with the new Pledgee according to the same articles and requirements of this Agreement, and handle corresponding formalities for pledge registration.

9.6 The Pledgors shall strictly comply with provisions of this Agreement and other agreements executed by the Pledgors, including Transaction Agreement, and perform the obligations under this Agreement and other agreements (including Transaction Agreement) without any act or omission which might affect effectiveness and enforceability of such obligations. Unless otherwise instructed by the Pledgee in writing, the Pledgors shall not exercise any remaining rights in the Equity Interest pledged under this Agreement.

10. Termination

When the Term of the Pledge expires, this Agreement terminates, and the Pledgee shall cancel or terminate this Agreement as soon as possible to the extent feasible and practicable, and rescind the Equity Interest pledge under this Agreement. Besides, the Pledgors and Party C shall document the release of the Equity Interest pledge on Party C's Register of Shareholders and register such cancellation with the relevant registration authority. The reasonable expenses incurred for releasing the Equity Interest pledge shall be borne by Party C. Article 12, Article 13, Article 19.1 and Article 19.2 shall survive the termination of this Agreement.

11. Commissions and Other Expenses

All expenses and actual outlays related to this Agreement, including but not limited to lawyers' fees, flat costs, stamp duties, any other taxes and fees, shall be borne by Party C. Party C shall fully reimburse the Pledgee for such paid taxes and fees if the Pledgee is required to bear some related taxes and fees as stipulated by applicable laws.

12. Confidentiality

All Parties admit that all oral or written materials exchanged with respect to this Agreement are confidential. All Parties are required to keep such materials confidential. Without the prior written consent of all other Parties, no party is allowed to disclose any related materials to a third party unless in following cases: (a) such materials have been known to the public (but not disclosed by the party receiving such materials); (b) the materials are required to be disclosed by applicable laws or rules of any securities exchange; or (c) any Party of this Agreement discloses the materials to its legal adviser or financial adviser regarding the transactions specified hereunder, and such legal adviser or financial adviser is bound by the same confidentiality obligations as those under this article; or (d) any Party that is a limited partnership (or a direct or indirect affiliate or subsidiary of the limited partnership) discloses the above confidential information to the general partner, manager and existing or potential limited partners of the limited partnership. The disclosure of any confidential information by staff or organizations hired by any Party shall be deemed as such party's disclosure of such confidential materials, and such party shall assume legal responsibilities for violating this Agreement. This article shall survive the termination of this Agreement, notwithstanding the reason of termination.

13. Governing Laws and Dispute Resolution

13.1 The signing, effectiveness, interpretation, performance, modification and termination of this Agreement as well as dispute resolution hereunder shall be governed by the PRC laws.

13.2 In case that any dispute occurs in interpreting and performing this agreement, the Parties of this agreement shall firstly try to resolve it through negotiation in good faith. If the Parties fail to reach a consensus on such dispute resolution through negotiation within thirty(30) days as required by any Party, any Party may submit such dispute to the China International Economic and Trade Arbitration Commission, which will resolve the dispute through arbitration according to current effective arbitration rules. The arbitration shall be performed in Beijing in Chinese. The arbitration awards shall be final and binding upon all Parties. The arbitration tribunal may decide upon compensation with respect to Party C's rights in the Equity Interest, assets or property, or compensate the Pledgee for the losses resulting from other Parties' breach of this agreement, adjudicate compulsory remedies or order Party C to go bankrupt regarding related businesses or compulsory asset transfer. After arbitration awards take effects, any Party shall be authorized to apply to a competent court for enforcing arbitration awards. If necessary, arbitration organizations shall have rights to firstly ask the breaching party to immediately stop its defaults

before giving the final awards on disputes of all Parties concerned, or prohibit the breaching party from conducting acts which might aggravate the Pledgee's losses. Courts of Hong Kong, Cayman Islands or other competent courts (including courts of the place where Party C lives, or courts of the place where Party C's or the Pledgee's main assets are) shall have rights to grant or execute awards of an arbitration tribunal. They shall have rights to adjudicate or enforce temporary relief with respect to Party C's rights and interests in the Equity Interest or property. They shall also have rights to offer temporary relief to the party making a request for arbitration by giving awards or judgments before the tribunal court forms. For instance, the breaching party may be ordered by way of court judgment or arbitrated award to immediately suspend their breaches or conduct which might further aggravate the Pledgee's losses.

13.3 When any dispute occurs in interpreting or performing this Agreement, or any dispute is under arbitration, Parties of this Agreement shall continue to exercise their rights and performing their respective obligations under this Agreement except for disputed matters.

13.4 If any law of the PRC, rule or regulation is promulgated or revised after the date of signing this agreement, or the interpretation or applicability of such law, rule or regulation changes, the following provisions shall apply: In the case of PRC laws(a) if the revised laws or newly promulgated rules are more preferential for any Party as compared to laws, rules or regulations in effect at the time this Agreement was executed without imposing material adverse impacts upon other Parties, the Parties of this Agreement shall promptly apply for obtaining benefits from such modifications or new rules and try their best to have the application approved; or (b) the original articles of this Agreement shall prevail if such revised laws or newly enacted rules directly or indirectly impose material adverse impacts upon any Party's economic interests under this Agreement. The Parties shall seek to be exempted from these revised laws or new rules by all lawful means. If the adverse impacts on any Party's economic benefits cannot be alleviated according to this Agreement, all Parties shall promptly negotiate with each other and make all necessary revisions to this Agreement after the affected party notifies all other Parties and protect the affected party's economic interests.

14. Force Majeure

14.1 "**Force majeure**" means unforeseeable, unavoidable and irresistible events which make it impossible to perform this Agreement in part or in whole. Such events include but are not limited to earthquake, typhoon, flood, wars, strike, riot, government actions, or changes to laws or rules or their application.

14.2 In the event of a force majeure incident, a party's obligations under this Agreement shall be naturally suspended for the delay caused by the incident, and the term for performing its obligations shall be extended accordingly. Such

party shall not be subject to any punishment or assume any responsibility. In case of a force majeure incident, all Parties shall immediately negotiate with each other to look for a fair solution, and make every reasonable effort to minimize impacts of force majeure.

15. Notices

15.1 All notices and other communications which are issued as required or permitted by this Agreement shall be delivered in person or sent to the Parties' address and fax number listed in Appendix I through registered mail, postage prepaid, commercial express delivery services or fax. After notice is sent, an email shall be sent to confirm the delivery. The date of effective delivery of such notices shall be determined as follows:

15.1.1 The notices shall be deemed to have been delivered to the designated address on the date of sending or rejection if they are delivered in person, express delivery services or registered mail, postage prepaid.

15.1.2 The notices shall be deemed to have been delivered if they are successfully sent by fax (should be confirmed by the message automatically generated upon successful delivery).

15.2 Any party may issue a notice to all other Parties according to this article to inform them of the address, fax and/or email address, which can be changed from time to time.

16. Severability

If one or more articles of this Agreement are adjudicated to be ineffective, illegitimate or unenforceable in any aspect according to any laws, rules or regulations, validity, legitimacy or enforceability of other articles of this Agreement shall not be affected or impaired in any aspect. All Parties shall strive to replace such ineffective, illegitimate or unenforceable articles with valid ones to the maximum extent permitted by laws and expected by Parties. The economic results from such invalid articles shall be as similar as possible to those from ineffective, illegal or unenforceable articles.

17. Appendixes

Appendixes hereunder shall be integral parts of this Agreement.

18. Effectiveness, Revision, Modification, Supplementation and Texts

18.1 This Agreement shall become effective from the date of signing by the Parties, and the Equity Interest pledge under this Agreement shall become effective from the date on which the registration authority completes the relevant registration procedures.

18.2 All revisions, modifications and supplementations of this agreement shall be in writing. They shall take effects after they are executed or stamped by all Parties hereunder and governmental registration procedures (if applicable) are completed.

18.3 If revision of this Agreement is proposed by the Stock Exchange of Hong Kong Limited or other regulatory institutions, or is required according to securities listing regulations of the Stock Exchange of Hong Kong Limited or related regulations, rules and guiding requirements, this Agreement shall be revised by the Parties reasonably.

18.4 This Agreement is made in twenty-four(24) copies. Each party shall hold one(1) copy and one (1) copy shall be reported to the registration authority. All copies shall have equal legal forces.

19. Others

19.1 Notwithstanding any other provision of this Agreement or any other Transaction Agreement or any other document or law, the Pledgors' obligations and liabilities under this Agreement are several and not joint.

19.2 Notwithstanding any other provision of this Agreement or any other Transaction Agreement or any other document or law, (1) The Pledgee shall not exercise any of its rights to any investor Party B under this Agreement(including but not limited to exercising the Pledge), unless the Pledgee exercises the right to all Pledgors at the same time or all directors of Cayman Company agree otherwise; (2) Investor Party B's entire and any obligations or liabilities under this Agreement and the transaction documents are limited to the respective Equity Interest of Party C held by them. Except for the Equity Interest of Party C held by Party B, no other party may make any claim to Investor Party B's other assets in respect of all and any obligations under this Agreement and the transaction documents; and (3) if Investor Party B violates any warranties, commitments, agreements, representations or conditions of this Agreement, the Exclusive Option Agreement, the Business Cooperation Agreement or other Transaction Agreement, the sole right of the Pledgee is only to exercise the Pledge to the Equity Interest of Party C held by the Investor Party B in accordance with Article 8 of this Agreement or exercise the right to purchase the Equity Interest of Party C held by the Investor Party B in accordance with the Exclusive Option Agreement. But Investor Party B does not assume any other liability for the Pledgee or any other person. This article shall survive the termination of this Agreement.

19.3 Except for the written revisions, supplementations or modifications made after the date of signing, this Agreement shall constitute the entire agreement concluded among all Parties hereunder regarding the subject matter of this

Agreement. It shall supersede all previous oral and written negotiations, statements and contracts concluded regarding the subject matter of this Agreement.

19.4 This Agreement shall be binding upon and beneficial to all Parties' respective heirs and authorized assignees.

19.5 Any Party may waive its rights under this Agreement, whereas such waiver shall be in writing and approved by all Parties' signatures. Any Party's waiver against another party's breach of this Agreement under certain circumstance shall not be deemed as its waiver against such party's similar breaches under other circumstances.

19.6 The headings of this Agreement are only for the convenience of reading. They shall not be used for interpreting, describing or impacting definitions under this Agreement in other aspects.

19.7 All Parties agree to promptly sign documents and take further actions which are reasonably necessary or convenient to perform this Agreement and achieve its purposes.

19.8 To the extent there is no violation of other articles of the Transaction Agreement and this Agreement, the Pledgors and Party C shall immediately take actions according to the Pledgee's written instructions and reasonable requirements provided that the enactment or changes of any laws, rules or regulations of the PRC, or changes to the interpretation or applicability of such laws, rules or regulations, or changes to related registration procedures make the Pledgee believe that keeping this Agreement or the Pledge under this Agreement effective and/or disposing of the Equity Interest in ways designated under this Agreement may become illegal or violate such laws, rules or regulations, in order to: (a) keep this Agreement and the Pledge hereunder effective; (b) for the convenience of disposition of the Equity Interest in ways specified by this Agreement; and/or (c) maintain the guarantees which have been or are to be established by this Agreement.

19.9 This Agreement is a legal document independent of Transaction Agreement and other security documents, the invalidity of which shall not affect all Parties' rights or obligations under this Agreement. If Transaction Agreement or other security documents are announced to be invalid, but the Pledgors still have remaining Contract Obligations and/or Party C still owes Secured Indebtedness to the Pledgee, the Equity Interest under this Agreement shall still be used as collateral for pledging the Contract Obligations and Secured Indebtedness until the Secured Indebtedness is fully repaid and all Contract Obligations are performed.

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(This page is intentionally left blank and is the signing page of this Equity Interest Pledge Agreement)

IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written.

Genetron (Tianjin) Co., Ltd. (seal)

/s/ Seal of Genetron (Tianjin) Co., Ltd.

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written.

Genetron Health (Beijing) Co., Ltd. (seal)

/s/ Seal of Genetron Health (Beijing) Co., Ltd.

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written.

Wang Sizhen

By: /s/ Wang Sizhen

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written.

Wei Shuyan

By: /s/ Wei Shuyan

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written.

Wang Xiaoge

By: /s/ Wang Xiaoge

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written.

Beijing Genetron Junmeng Investment Management Center (Limited Partnership) (seal)

/s/ Seal of Beijing Genetron Junmeng Investment Management Center (Limited Partnership)

The Authorized Representative: /s/ Wang Sizhen

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Zhuhai Genetron Junhe Investment Management Center (Limited Partnership) (seal)

/s/ Seal of Zhuhai Genetron Junhe Investment Management Center (Limited Partnership)

The Authorized Representative: /s/ Wang Sizhen

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Beijing Genetron Junlian Investment Management Center (Limited Partnership) (seal)

/s/ Seal of Beijing Genetron Junlian Investment Management Center (Limited Partnership)

The Authorized Representative: /s/ Gao Jing

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership) (seal)

/s/ Seal of Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership)

The Authorized Representative: /s/ Kung Hung Ka

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Shenzhen Haixia Life Science Investment Partnership (Limited Partnership) (seal)

/s/ Seal of Shenzhen Haixia Life Science Investment Partnership (Limited Partnership)

The Authorized Representative: /s/ Sun Junjie

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Yueyin (Tianjin) Asset Management Center (seal)

/s/ Seal of Yueyin (Tianjin) Asset Management Center

The Authorized Representative: /s/ Zheng Yufen

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Gongqingcheng Sharing Houde Guoqian Innovative Investment Management Partnership (Limited Partnership) (seal)

/s/ Seal of Gongqingcheng Sharing Houde Guoqian Innovative Investment Management Partnership (Limited Partnership)

The Authorized Representative: /s/ Huang Fanzhi

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Yi Kang (Ningbo) Medical Investment Management Co., Ltd. (seal)

/s/ Seal of Yi Kang (Ningbo) Medical Investment Management Co., Ltd.

The Authorized Representative: /s/ Li Yuanyuan

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Suzhou Sharing High-Tech Medical Industry Venture Capital Investment Enterprise (Limited Partnership) (seal)

/s/ Seal of Suzhou Sharing High-Tech Medical Industry Venture Capital Investment Enterprise (Limited Partnership)

The Authorized Representative: /s/ Bai Wentao

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Shanghai Yuanxing Yinshi Equity Investment Partnership (Limited Partnership) (seal)

/s/ Seal of Shanghai Yuanxing Yinshi Equity Investment Partnership (Limited Partnership)

The Authorized Representative: /s/ Zhuo Fumin

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Zhuhai Jinchang Junyu Management Consulting Center (Limited Partnership) (seal)

/s/ Seal of Zhuhai Jinchang Junyu Management Consulting Center (Limited Partnership)

The Authorized Representative: /s/ Wang Sizhen

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Shenzhen Shenshang Xingye Venture Capital Fund Partnership (Limited Partnership) (seal)

/s/ Seal of Shenzhen Shenshang Xingye Venture Capital Fund Partnership (Limited Partnership)

The Authorized Representative: /s/ Lin Muxiong

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Shenzhen Chuanjiabao Venture Capital Fund Enterprise (Limited Partnership) (seal)

/s/ Seal of Shenzhen Chuanjiabao Venture Capital Fund Enterprise (Limited Partnership)

The Authorized Representative: /s/ Wu Shan

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Yueyin Xinxin (Tianjin) Asset Management Center (Limited Partnership) (seal)

/s/ Seal of Yueyin Xinxin (Tianjin) Asset Management Center (Limited Partnership)

The Authorized Representative: /s/ Zheng Yufen

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Zhuhai Hengqin Kunming Phase II Venture Capital Center (Limited Partnership) (seal)

/s/ Seal of Zhuhai Hengqin Kunming Phase II Venture Capital Center (Limited Partnership)

The Authorized Representative: /s/ Lai Xiaoli

(This page is intentionally left blank and is the signing page of this Equity Interest Pledge Agreement)

IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Shenzhen Sharing Precision Medical Investment Partnership (Limited Partnership) (seal)

/s/ Seal of Shenzhen Sharing Precision Medical Investment Partnership (Limited Partnership)

The Authorized Representative: /s/ Bai Wentao

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Zhongsen Lvjian International Technology Co., Ltd. (seal)

/s/ Seal of Zhongsen Lvjian International Technology Co., Ltd.

The Authorized Representative: /s/ Zhu Qingyuan

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IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Ningbo Meishan Bonded Port Area Xianggong Investment Partnership (Limited Partnership) (seal)

/s/ Seal of Ningbo Meishan Bonded Port Area Xianggong Investment Partnership (Limited Partnership)

The Authorized Representative: /s/ Cai Cong

(This page is intentionally left blank and is the signing page of this Equity Interest Pledge Agreement)

IN WITNESS WHEREOF, the Parties have executed this Equity Interest Pledge Agreement as of the date and at the address first above written

Guangxi Yueyin Dade Investment Management Partnership (Limited Partnership) (seal)

/s/ Seal of Guangxi Yueyin Dade Investment Management Partnership (Limited Partnership)

The Authorized Representative: /s/ Zheng Yufen

Exhibit 10.16

Exclusive Option Agreement

This Exclusive Option Agreement (this "**Agreement**") is executed by and among the following Parties on July 30, 2019 in Beijing, the People's Republic of China (the "**PRC**"):

Party A: **Genetron (Tianjin) Co., Ltd.**, a limited liability company, organized and existing under the laws of the PRC, with its address at Room 113(Deqing (Tianjin) Business Secretary Co., Ltd. No. 0720), Guotai Building No. 2, East of Yingbin Avenue, Tianjin Pilot Free Trade Zone (Central Business District).

Party B: **Wang Sizhen,** a Chinese citizen with Chinese Identification No.: [ ]; and

Wei Shuyan, a Chinese citizen with Chinese Identification No.: [ ]; and

Wang Xiaoge, a Chinese citizen with Chinese Identification No.: [ ]; and

Beijing Genetron Junmeng Investment Management Center (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at Room 202, 2nd Floor, Building 10, Zone No.1, Courtyard No.8, Life Park Road, Zhongguancun Life Science Park, Huilongguan Town Changping District, Beijing, China (the "**Genetron Junmeng**"); and

Zhuhai Genetron Junhe Investment Management Center (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at Room 105-36710 (Centralized Office No.36710), No. 6, Baohua Road, Hengqin New District, Zhuhai, China (the "**Genetron Junhe**"); and

Beijing Genetron Junlian Investment Management Center (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at Room 203, 2nd Floor, Building 10, Zone No.1, Courtyard No.8, Life Park Road, Zhongguancun Life Science Park, Huilongguan Town , Changping District, Beijing, China (the "**Genetron Junlian**"); and

Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at Room 201 (in Shenzhen Qianhai Secretary Business Service Co., Ltd.), Building A, No.1, Qianwan 1st Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen (the "**Jiadao Gongcheng**"); and

Shenzhen Haixia Life Science Investment Partnership (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at Room 201 (in Shenzhen Qianhai Business Secretary Co., Ltd.), Building A, No.1, Qianwan 1st Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, China (the "**Haixia Fund**"); and

Yueyin (Tianjin) Asset Management Center (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at 1-103-6, Chuangzhi Building, No. 482, Anime Middle Road, Tianjin Eco-city (the "**Yueyin Tianjin**"); and

Gongqingcheng Sharing Houde Guoqian Innovative Investment Management Partnership (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at 405-141, Gongqingcheng Private Equity Fund Park, Jiujiang City, Jiangxi Province, China (the "**Gongqingcheng Sharing**"); and

Yi Kang (Ningbo) Medical Investment Management Co., Ltd., a limited liability company, organized and existing under the laws of the PRC, with its address at Room 6038, Building 2, No. 406, Xinqijingang Road, Beilun District, Ningbo City, Zhejiang Province, China (the "**Yikang Ningbo**"); and

Suzhou Sharing High-Tech Medical Industry Venture Capital Investment Enterprise (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at No. 37, Keling Road, Science and Technology City, Suzhou High-tech District, Suzhou City, Jiangsu Province (the "**Suzhou Sharing**"); and

Shanghai Yuanxing Yinshi Equity Investment Partnership (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at Room 1111, No. 3255, Zhoujiazui Road, Yangpu District, Shanghai (the "**Yuanxing Yinshi**"); and

Zhuhai Jinchang Junyu Management Consulting Center (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at Room 105-53163(centralized office area), No. 6, Baohua Road, Hengqin New District, Zhuhai City (the "**Zhuhai Jinchang**"); and

Shenzhen Shenshang Xingye Venture Capital Fund Partnership (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at A401-F03, No.3 Building, Longgang Tian'an Digital Innovation Park, Longcheng Street, Longgang District, Shenzhen City (the "**Shenshang Xingye**"); and

Shenzhen Chuanjiabao Venture Capital Fund Enterprise (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at Room 201(in Shenzhen Qianhai Business Secretary Co., Ltd.), Building A, No.1, Qianwan 1st Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen City, China (the "**Chuanjiabao**"); and

Yueyin Xinxin (Tianjin) Asset Management Center (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at 1-107-20, Chuangzhi Building, No. 482, Anime Middle Road, Tianjin Eco-City, Tianjin (the "**Yueyin Xinxin**"); and

Zhuhai Hengqin Kunming Phase II Venture Capital Center (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at Room 105-10089, No. 6, Baohua Road, Hengqin New District, Zhuhai City (the "**Hengqin Kunming**"); and

Shenzhen Sharing Precision Medical Investment Partnership (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at 701, Building A, Block 4, Software Industry Base, Haitian 1st Road, Yuehai Street, Nanshan District, Shenzhen (the "**Shenzhen Sharing**"); and

Zhongsen Lvjian International Technology Co., Ltd., a joint stock company organized and existing under the laws of the PRC, with its address at 5D2-B, Building 2, No.1 Courtyard, Naoshikou Street, Xicheng District, Beijing (the "**Zhongsen Lvjian**"); and

Ningbo Meishan Bonded Port Area Xianggong Investment Partnership (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at G1300, Area A, Room 401, Building 1, No. 88, Meishan Qixing Road, Beilun District, Ningbo City, Zhejiang Province, China (the "**Xianggong Investment**"); and

Guangxi Yueyin Dade Investment Management Partnership (Limited Partnership), a limited partnership organized and existing under the laws of the PRC, with its address at Room A223, Public Service Center, No. 1 Zhongma Street, Zhongma Qinzhou Industrial Park, Qinzhou City, Guangxi, China (the "**Guangxi Yueyin**", together with other Party B, except Wang Sizhen, Wei Shuyan, Wang Xiaoge, Genetron Junhe, Genetron Junlian, Genetron Junmeng, collectively referred to as "**Investor Party B**").

Party C: **Genetron Health (Beijing) Co., Ltd.,** a limited liability company organized and existing under the laws of PRC, with its address at Room 201, 2nd Floor, Building 11, Zone No.1, Courtyard No.8, Life Park Road, Zhongguancun Life Science Park, Huilongguan Town, Changping District, Beijing, China.

In this Agreement, each of Party A, Party B and Party C shall be hereinafter referred to as a "**Party**" respectively, and as the "**Parties**" collectively.

Whereas:

1 Party B holds 100% of the equity interests of Party C collectively;

2 Party A is a company wholly held by Genetron Health (Hong Kong) Company Limited (a company registered under the laws of Hong Kong) (the "**Hong Kong Company**"), and the Hong Kong Company is wholly held by Genetron Holdings Limited (a company registered under the laws of the Cayman Islands) (the "**Cayman Company**");

3 Party B and Party C are respectively inclined to grant Party A an irrevocable and exclusive option to purchase all or part of the equity interests and assets of Party C held by Party B;

4 Party A, Party B and Party C intend to execute this Agreement for the purpose that Party B and Party C grants Party A an exclusive option right.

Now therefore, through mutual discussion and negotiation, the Parties have reached the following agreements:

1. Sale and Purchase of Equity Interest and Assets

1.1 Option Granted

Party B hereby severally, but not jointly agrees to grant Party A an irrevocable and exclusive right to purchase, or designate one or more persons (the "**Designee**", shall be the Cayman Company or any subsidiaries directly or indirectly controlled by it) to purchase the equity interests in Party C that held by Party B, once or at multiple times at any time in part or in whole and at the price set forth in Article 1.3 hereof in accordance with the procedure promulgated by Party A in Party A's sole and absolute discretion to the extent permitted by the PRC laws (including any laws, administrative regulations, rules, notifications, interpretations or other binding documents issued by any central or local legislative, executive or judicial authority before or after the signing of this Agreement, the "**PRC laws**") within the term of this agreement (the "**Equity Interest Purchase Right**"). Party C hereby agrees the grant by Party B of the Equity Interest Purchase Right to Party A. Party C hereby agrees to grant Party A an irrevocable and exclusive right to purchase, or designate the Designee to purchase a portion or whole of the asset of Party C from Party C, once or at multiple times at any time, and at the price set forth in Article 1.3 hereof in accordance with the procedure promulgated by Party A in Party A's sole and absolute discretion to the extent permitted by the PRC laws within the term of this agreement (the "**Asset Purchase Right**", and together with the Equity Interest Purchase Right referred to as the "**Purchase Right**"). Party B hereby agrees the grant by Party C of the Asset Purchase Right to Party A. Except for Party A and the Designee, no other third party shall be entitled to the Purchase Right or other rights with respect to the equity interests held by Party B and assets of Party C. The term "**person**" as used herein shall refer to individuals, corporations, joint ventures, partnerships, enterprises, trusts or non-corporate organizations. Despite there are other provisions hereof or any other documents, Party A shall not exercise the Equity Interest Purchase Right hereof with respect to any equity interests held by any Investor Party B without the written consent of relevant Investor Party B or the reorganization plan approved by all the directors of the Cayman Company, unless Party A exercise the Equity Interest Purchase Rights with respect to the equity interests held by all Party B on a pro rata basis.

1.2 Steps for Exercise of the Purchase Right

The exercise of the Purchase Right by Party A shall subject to the provisions of the PRC laws. Party A may exercise the Purchase Right according to Article 1.1 by issuing a written notice to Party B and\or Party C (the "**Equity Interest Purchase Notice**" or the "**Asset Purchase Notice**"), specifying: (a) Party A's decision to exercise the Purchase Right; (b) the equity interests to be purchased by Party A and\or the Designee from Party B (the "**Purchased Interests**") and/or the asset to be purchased by Party A and\or the Designee from Party C

(the "**Purchased Asset**") ; and (c) the purchase date or transfer date of the Purchased Interests and/or the Purchased Asset. After receiving the Equity Interest Purchase Notice and/or the Asset Purchase Notice, Party B and/or Party C shall transfer the Purchased Interests and/or the Purchased Asset to Party A and/or the Designee according to the notice through the way specified in article 1.4 herein.

1.3 Purchase Price and Payment

The total purchase price (the "**Purchase Price**") for the purchased interest and/or asset shall be the nominal price when Party A exercises the Purchase Right, however, if the relevant governmental department or the PRC laws require that the Purchase Price be different from the nominal price, then the Purchase Price shall be the lowest price meeting such requirements. Notwithstanding, to the extent permitted by the PRC laws, the Purchase Price Party A and/or the Designee paid to Party B and/or Party C shall be returned by Party B and/or Party C to Party A and/or the Designee (but the tax (if applicable) is withheld and deducted from the Purchase Price). After necessary tax is withheld and deducted for the Purchase Price in accordance with the PRC laws, the Purchase Price shall be paid to the designated account of Party B and/or Party C within 7(seven) days from the date when the Purchased Shares and/or the Purchased Asset is officially transferred to Party A and/or the Designee.

1.4 Transfer of the Purchased Interests and/or the Purchased Asset

For each exercise of the Purchase Right:

1.4.1 Party B shall cause Party C to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving Party B and/or Party C's transfer of the Purchased Interests and/or the Purchased Asset;

1.4.2 Party B and/or Party C shall execute an equity interest transfer contract and/or an asset transfer contract, and any other documents with respect to each transfer with Party A and/or the Designee (if applicable) , in accordance with the provisions of this Agreement and the Equity Interest Purchase Notice and/or the Asset Purchase Notice;

1.4.3 The relevant Parties shall execute all other necessary contracts, agreements or documents (including but not limited to the Articles of Association, the joint venture Contract and its amendment of Party C), obtain all necessary internal approval and authorization, government approvals, licenses and permits (including but not limited to Party C's business license) and take all necessary measures to transfer the valid ownership of the Purchased Interests and/or the Purchased Asset to Party A and/or the Designee, unencumbered by any security interests, and

cause Party A and/or the Designee to become the registered owner(s) of the Purchased Interests (subject to the completion of corresponding industrial and commercial registration and the filing of the commercial department (if applicable))and/or the owner of the Purchased Asset. For the purpose of this Section and this Agreement, "**security interests**" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition rights, rights of first refusal, rights to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, the Equity Interest Pledge Agreement or any other transaction documents(as defined in the Equity Interest Pledge Agreement). The "**Equity Interest Pledge Agreement**" as used in this Section and this Agreement shall refer to the Equity Interest Pledge Agreement (as amended from time to time) executed by and among Party A, Party B and Party C on the date hereof. Under the Equity Interest Pledge Agreement, Party B may, in order to guarantee party C to fulfill its obligations under the Exclusive Business Cooperation Agreement executed between party C and party A on the date hereof (as amended from time to time, the "**Business Cooperation Agreement**"), the Shareholder Voting Rights Entrustment Agreement executed among the Parties on the date hereof (as amended from time to time, the "**Shareholder Voting Rights Entrustment Agreement**"), the Power of Attorney(if any)(as amended from time to time, the "**Power of Attorney**") issued by Party B according to the Shareholder Voting Rights Entrustment Agreement and this Agreement, respectively pledge to Party A the full equity interests of Party C it holds.

2. Covenants

2.1 Covenants of Party C

Party C hereby covenants as follows:

2.1.1 Without the prior written consent of Party A, Party C shall not in any manner supplement, change or amend the articles of association and bylaws of Party C, increase or decrease its registered capital, change its structure of registered capital in other manners or take any other measures to separate, dissolve or change the forms of Party C;

2.1.2 Party C shall maintain its corporate existence in accordance with good financial and business standards and practices, operate its business and handle its affairs prudently and effectively, and shall fulfill the obligations stipulated under the Business Cooperation Agreement;

2.1.3 Without the prior written consent of Party A, Party C shall not at any time from the date hereof, sell, transfer, mortgage or dispose of in any manner any material assets (tangible or intangible assets) of Party C or

legal or beneficial interest in the material business or revenues of Party C of more than RMB1,000,000, or allow the encumbrance thereon of any security interest;

2.1.4 Unless otherwise required by the PRC laws, Party C shall not be dissolved or liquated without prior written consent by Party A; After the liquidation described in Article 3.6, Party B shall pay any residual value to Party A in full or shall cause such payment to take place. Provided that such payment is forbidden according to the PRC laws, Party B will pay the income to Party A or the Designee of Party A to the extent permitted by the PRC laws.

2.1.5 Without the prior written consent of Party A, Party C shall not incur, inherit, guarantee or suffer the existence of any debt, except for (i) debt incurred in the ordinary course of business other than through loans; and (ii) debts have been disclosed to Party A for which Party A's written consent has been obtained.

2.1.6 Party C shall always operate all of Party C's businesses within the normal business scope to maintain the asset value of Party C and refrain from any action/omission that may affect Party C's operating status and asset value; and the board of directors of Party A is entitled to supervise the asset of Party C and assess whether it has control over the above asset. If the board of directors of Party A believes that the business operation of Party C will affect the value of its asset or affect the board's control over the asset of Party C, Party A will engage legal counsels or other professionals to deal with issues hereof;

2.1.7 Without the prior written consent of Party A, Party C shall not execute any major contract, except for the contracts in the ordinary course of business and the contracts signed between Party C and Party A's foreign parent company or its subsidiaries directly or indirectly held by Party A's foreign parent company (for the purpose of this subsection, a contract with a price exceeding RMB 1,000,000 shall be deemed as a major contract);

2.1.8 Without the prior written consent of Party A, Party C shall not provide any person with any loan, financial support, or mortgage, pledge and any other form of security, or shall not allow any other third party to place any mortgage or pledge on Party C's asset or equity interests;

2.1.9 Party C shall provide all materials relating to its operation and financial status to Party A upon Party A's request;

2.1.10 Without the prior written consent of Party A, Party C shall not engage in any merge, partnership, joint venture or union with any party, or to acquire or invest in any party;

2.1.11 Party C shall promptly notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or revenue, and take all necessary measures as Party A may reasonably request;

2.1.12 To maintain the ownership by Party C of all of its assets, Party C shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and raise necessary and appropriate defenses against all claims;

2.1.13 Without the prior written consent of Party A, Party C shall ensure that it shall not in any manner distribute dividends to its shareholders. Provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;

2.1.14 At the request of Party A, Party C shall appoint any person designated by Party A as the director, supervisor and/or senior management of Party C, and/or remove the incumbent director, supervisor and/or senior management and perform all relevant resolutions and filing procedures; Party A shall be entitled to require Party B and Party C to replace the foregoing personnel;

2.1.15 Subject to other provisions of this Agreement (including but not limited to Articles 5.2 and Articles 12.1), if Party A fails to exercise the Purchase Right due to the Party C's shareholders or Party C fails to fulfill the tax obligation under the applicable laws, Party A shall be entitled to request Party C or its shareholders to fulfill the tax obligation, or request Party C or its shareholders to pay the tax to Party A so that Party A can pay it on behalf of Part C or its shareholders;

2.1.16 As for the covenants applicable to Party C under Article 2.1 hereof, Party C shall cause its subsidiary companies to similarly obey the covenants under applicable situations as if the subsidiary companies are acting as Party C and bound by the corresponding articles herein.

2.2 Covenants of Party B

Party B hereby severally, not jointly and irrevocably covenants as follows: Excepted as otherwise provided herein, the Investor Party B only covenants as stated in the following Articles of 2.2.1, 2.2.4, 2.2.5, 2.2.6, 2.2.7, 2.2.8, 2.2.9, 2.2.10, 2.2.11, 2.2.12, 2.2.13, 2.2.14, and 2.2.15:

2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon, except for the pledge placed thereon in

accordance with the Equity Interest Pledge Agreement or any other transaction documents (as defined in the Equity Interest Pledge Agreement); and Without the prior written consent of Party A, Party B shall cause the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the encumbrance thereon of any security interest, except for the pledge placed thereon in accordance with the Equity Interest Pledge Agreement or any other transaction documents(as defined in the Equity Interest Pledge Agreement);

2.2.2 Party B shall not engage in any business operations or take any other actions that may adversely affect Party C's reputation;

2.2.3 Party B shall take reasonable measures to ensure Party C's business licenses are legitimate, effective and renewed in according with the law;

2.2.4 As shareholders of Party C, Party B shall not injure any of the interests of Party C by abusing the shareholder's rights; Party A shall be entitled to exercise the Purchase Right under the Exclusive Option Agreement in the case of Party B's abusing;

2.2.5 Party B shall not request Party C to distribute dividends or profits in other forms with respect to the Party C's equity held by Party B, or shall not submit relevant resolution matters to the Board of Directors. In any event that Party B receives any revenue, profit distribution or dividend of Party C, Party B shall forfeit such revenues, profits distribution and dividends, and promptly transfer or pay the foregoing revenues, profit distribution, dividend to Party A or the Designee to the extent permitted by the PRC laws;

2.2.6 Party B shall cause the shareholders' meeting and/or the directors (or the executive director) of Party C not to approve any sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B without the prior written consent of Party A, or set the encumbrance thereon of any security interests, except for the pledge placed hereon according to the Equity Interest Pledge Agreement;

2.2.7 Party B shall cause the shareholders' meeting and/or the board of directors (or the executive director) of Party C not to approve the merge, partnership, joint venture or union with any person, or the acquisition of or investment in any person, or Party C's splitting, modification of the Article of Association of Party C or its joint venture contract, or the change of registered capital or the form of Party C without the prior written consent of Party A;

2.2.8 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B, and take any and all necessary measure as Party A may reasonably request;

2.2.9 Party B shall cause the shareholders' meeting or the board of directors (or the executive director) of Party C to vote their approval of the transfer of the Purchased Interests and/or the Purchased Asset as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.10 At the request of Party A at any time, Party B and/or Party C shall immediately and unconditionally transfer its equity interests and/or assets of Party C to Party A and/or the Designee in accordance with the Purchase Right under this Agreement, and Party B shall hereby waive its right of first refusal to the transfer of equity interests by any other shareholder of Party C to Party A (if any);

2.2.11 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party B, Party C and Party A (including but not limited to the Equity Interest Pledge Agreement and the Business Cooperation Agreement), perform obligations hereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement or the Equity Interest Pledge Agreement or the Power of Attorney in which Party A as a beneficiary, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

2.2.12 Prior to Party C's liquidation, if Party A (or the Designee) has paid the Purchase Price of equity interest to Party B, but related changes in the registration in authority has not completed, Party B shall pay the income from distribution of residual property of Party C's equity held by Party B to Party A or its Designee freely at the time of or after dissolution of Party C. Under such circumstance, Party B should not claim any rights for related income of residual property distribution (unless under Party A's instruction);

2.2.13 Party B agrees to unconditionally return the Purchase Price received from Party A for the transfer of the Purchased Interests and/or the Purchased Asset transferred by Party B to the extent permitted by the PRC Laws at that time (but the tax (if applicable) shall be withheld and deducted for the Purchase Price); and

2.2.14 Party B agrees to execute an irrevocable Power of Attorney in the form and substance satisfactory to Party A, and entrust Party A or the Designee to exercise all the shareholders' rights of Party B; and

2.2.15 Party B shall ensure that Party C will be validly existing and in good standing, and will not be terminated, liquidated or dissolved.

3. Representations and Warranties

Party B and Party C hereby represent and warrant to Party A as stated in the following articles from Article 3.1 to Article 3.2, severally and not jointly, as of the date of this Agreement and each date of the transfer of the Purchased Interests and the Purchased Asset, and Party C hereby represents and warrants to Party A as stated in the following articles from Article 3.4 to Article 3.9, as of the date of this Agreement and each date of the transfer of the Purchased Interests and the Purchased Asset:

3.1 They have the power and capacity to execute and deliver this Agreement and any transfer contracts to which they are parties concerning the Purchased Interests and/or the Purchased Asset to be transferred thereunder (each, a "**Transfer Contract**"), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to enter into Transfer Contracts consistent with the terms of this Agreement upon Party A's exercise of the Purchase Right. This Agreement and the Transfer Contracts to which they are parties constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;

3.2 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall or will not: (i) cause any violation of any applicable laws of China; (ii) be inconsistent with the articles of association, joint venture contracts, bylaws or other organizational documents; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to them;

3.3 Party B has a good and merchantable title to the equity interests of Party C held by Party B. Except for the Equity Interest Pledge Agreement or any other transaction documents (as defined in the Equity Interest Pledge Agreement), Party B has not placed any security interest on such equity interests;

3.4 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;

3.5 Party C does not have any outstanding debts, except for (i) debt incurred within the normal business scope; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained.

3.6 If Party C dissolves or liquidates required by the PRC laws, Party C shall sell all the assets to Party A or the Designee at the lowest price permitted under the PRC laws to the extent permitted by the PRC laws. Party C shall exempt any payment obligation of Party A or the Designee arising from the sale of assets; and subject to the applicable PRC laws at the time, any revenue arising from the sale of assets shall be paid to Party A or the Designee as part of service fees under the Business Cooperation Agreement;

3.7 Party C has complied with all laws and regulations of China applicable to asset acquisitions; and

3.8 There are no existing or pending litigation, arbitration or administrative proceedings relating to the equity interests of Party C, assets of Party C or Party C.

3.9 Under the circumstance of death, incapacity, marriage, divorce, bankruptcy, dissolution, liquidation or other circumstances that may influence Party B's equity interest of Party C, Party B's successors (including spouse, children, parents, siblings and grandparents) or the shareholder or transferee of the equity of Party C at that time will be deemed to be the signatory of this Agreement, and be entitled to inherit, enjoy and undertake all rights and obligations of Party B herein, and transfer the relevant equity interests of Party C to Party A or the Designee according to the applicable law at that time and this Agreement.

4. Effective Date and Term

This Agreement shall become effective upon execution by the Parties, and the effective term shall be ten (10) years which may be extended by Party A, remaining effective until the date of the full transfer of the Purchased Interests and/or Purchased Assets held by Party B or Party C to Party A and/or the Designee (subject to the completion of the change of the industrial and commercial registration and the filing to the Commercial Department(if applicable)) and Party A, its subsidiary company and branches are legally engaged in Party C's business. If Party A fails to confirm the renewal of this Agreement until the expiration of

this Agreement, this Agreement shall be automatically renewed until Party A delivers the confirmation letter to determine the renewal term of this Agreement. Notwithstanding the foregoing, Party A is entitled to terminate this Agreement at any time by sending written notice to Party B and Party C, and be exempted from any liability for breach of contract relating to its unilateral termination of this Agreement. Unless otherwise provided by the PRC laws, Party B and Party C shall not be entitled to terminate this Agreement unilaterally.

5. Liability for Breach of Contract

5.1 Unless otherwise specified in other articles herein, if a Party(the "**Defaulting Party**") fails to fulfill certain obligations herein or violates this agreement in other ways, the other Parties (the "**Damaged Party**") may: (a) notify the Defaulting Party of the nature and scope of the violation in writing and ask the Defaulting Party to remediate at its own expense within a reasonable period of time (hereinafter referred to as "**Remediation Period**"); and if the Defaulting Party fails to take remedial measures during the Remediation Period, the Damaged Party are entitled to ask the Defaulting Party to undertake all responsibilities for its violation and also compensate all actual economic losses due to the Damaged Party, including without limitation, the legal fees incurred in litigation and arbitration proceedings relating to the violation. The Damaged Party are also entitled to require the Defaulting Party to perform its contractual obligations and request the court or the relevant arbitration institution to issue an order of specific performance or compulsory performance by the Defaulting Party; (b) terminate this agreement and ask the Defaulting Party to undertake all responsibilities for its violation and also compensate all damages; or (c) place the pledged equity on discount, auction or selling according to the Equity Interest Pledge Agreement, be entitled to compensation priority in the amount of discount, auction and selling, and ask the Defaulting Party to undertake all losses hereof. While exercising the foregoing remedial right, the Damaged Party are entitled to other remedial rights regulated herein and under the relevant laws and regulations.

5.2 The Parties hereby agree and confirm that, subject to the compulsory requirements of PRC laws, if Party B or Party C is the Defaulting Party, the Damaged Party is entitled to terminate this agreement unilaterally and require the Defaulting Party to compensate the losses. However, if Party A is the Defaulting Party, the Party B and Party C shall exempt Party A's obligation of compensating the losses, and unless the law states otherwise, the Party B and Party C is not entitled to terminate this agreement under any circumstance. Despite otherwise stipulated in this Agreement or other

transaction documents (as defined in the Equity Interest Pledge Agreement) or any other document or law, if Investor Party B violate any warranty, promise, agreement, representation or condition provided in this Agreement, the Equity Interest Pledge Agreement, the Business Cooperation Agreement or other transaction documents (as defined in the Equity Interest Pledge Agreement), the Investor Party B shall be only liable to the extent of the equity interests of Party C held by Investor Party B respectively, and shall not bear any other liability to compensate to Party A or any other person. This article shall survive the termination of this Agreement regardless of the reason why this Agreement is terminated.

6. Governing Law and Dispute Resolution

6.1 Governing Law

The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by Chinese law.

6.2 Dispute Resolution

Any disputes arising from the interpretation and implementation of this agreement shall be firstly solved through the Parties' friendly negotiations. In case that the consensus on settlement of such disputes is not reached within 30 days after any party asks the other party to reach solution through friendly negotiations, any party can submit the disputes to China International Economic and Trade Arbitration Commission, which gives verdict according to the prevailing arbitration rule at that time. The arbitration shall take place in Beijing and language for arbitration shall be Chinese. The arbitration award is final and binding on each party. The arbitral tribunal can order Party C to compensate the losses of Party A with Party C's equity interests, assets or property rights and interests, reach judgment of mandatory relief through mandatory transfer of related business or assets or order Party B to declare bankruptcy. After the arbitration award becomes effective, any party is entitled to petition the relevant court to execute the arbitration award. If necessary, the arbitral institution is entitled to order the Defaulting Party to cease the breach of this agreement or refrain from actions that would increase the losses to Party A before making final verdict for the disputes of all parties. The courts in Hong Kong, Cayman Islands, China or other places with right of jurisdiction (including the court in the place of Party C, or the court in the place of main asset of Party A or Party C shall be deemed as the court with right of jurisdiction) similarly are entitled to confer or execute the verdict of the arbitral tribunal and is also entitled to make judgment or execute temporary relief for Party C's equity or property interests, and give verdict or judgment of providing certain temporary relief for the party instigating the arbitration before the establishment of arbitral tribunal or in other appropriate circumstances, such as reaching verdict or judgment of ordering the Defaulting Party to cease the breaching of this Agreement or not to cause additional losses to Party A.

6.3 In the arbitration for any disputes arising from the interpretation and implementation of this agreement, the Parties herein shall continue executing other rights and obligations herein respectively except the matters herein in dispute.

6.4 Due to the issuing or alteration of any PRC Laws, rules or regulations or due to the change in interpretation or application of such laws, rules or regulations any time after the signing date, the following agreement shall be applicable: to the extent permitted by PRC Laws, (a) if the alteration of laws or newly issued regulations are more preferential for a Party compared to the relevant laws, decrees, orders or regulations that were in effect on the signing date hereof, each Party shall actively and immediately apply for obtaining the benefits brought by the modification or new regulations and put forth their best effort to obtain the approval for the application; or (b) in case that any party's economic benefit is directly or indirectly adversely influenced due to the alteration of foregoing laws or newly issued regulations, this agreement shall be continuously executed as scheduled. All parties shall obtain the exemption from the altered or new regulations through legal means. If the negative effect on the economic benefit of any Party cannot be resolved under this agreement, all Parties shall immediately negotiate and make all necessary alterations to this agreement after receiving the notification of the affected Party to safeguard the economic benefit of the affected Party.

7. Taxes and Fees

Party C shall pay any and all transfer and registration taxes, expenses and fees incurred thereby or levied thereon in connection with the preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated under this Agreement and the Transfer Contracts.

8. Notices

8.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, prepaid postage, a commercial courier service or facsimile transmission to the address or fax number of such Party as listed in Exhibit I. A confirmation copy of each notice shall also be sent by email.

The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

8.1.1 Notices given by personal delivery, courier service, registered mail or prepaid postage shall be deemed effectively given on the date of receipt or refusal at the address specified for notices;

8.1.2 Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

8.2 Any Party may at any time change its address, fax number and or email address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

9. Confidentiality

The Parties acknowledge that any oral or written information exchanged between the Parties in connection with this Agreement is regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without the written consent of other Parties, it shall not disclose any relevant confidential information to any third parties, except for the following circumstances: (a)the information is in the public domain (other than through the receiving Party's unauthorized disclosure); (b) the information is under the obligation to be disclosed pursuant to the applicable laws or rules of any stock exchange; (c) the information is required to be disclosed by any Party to its legal counsel or financial advisors regarding the transaction contemplated hereunder, provided that such legal counsels, or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section; or(d) the information is disclosed by any party as a limited partnership(or a direct or indirect affiliate or subsidiary of a limited partnership) to the general partners, managers and existing and potential limited partners of such limited partnership. Disclosure of any confidential information by the employees or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement. The Parties agree that the provisions of this Article shall survive the termination of this Agreement regardless of the reason why this Agreement is terminated.

10. Further Warranties

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

11. Force Majeure

11.1 "**Force majeure**" refers to events that cannot be foreseen, avoided and overcome so that the this Agreement cannot be executed in part or full. Such events include but are limited to earthquake, typhoon, flood, water disaster, war, strike, turmoil, governmental behavior, changes to legal regulations or their application.

11.2 In case of the occurrence of a force majeure event, a Party's obligation that is being affected by force majeure shall be automatically suspended during the delay caused by force majeure, and the party's period of implementation of this agreement shall be automatically prolonged. The prolonged period is the period of the suspension, and the party shall not undertake responsibility and suffer from punishment for it. In case of force majeure, all parties shall instantly negotiate with each other to seek a fair solution and try to minimize effect of force majeure by exerting all reasonable efforts.

12. Miscellaneous

12.1 Non-Joint Liabilities and Liability Limitations

Despite any adverse provisions in this Agreement or other transaction documents (as defined in the Equity Interest Pledge Agreement) or any other document or law, Party B's obligations and liabilities under this Agreement are on a several and not joint basis.

Despite any other provision of this Agreement or other transaction documents (as defined in the Equity Interest Pledge Agreement) or any other document or law, all and any of the Investor Party B's obligations or liabilities hereunder is limited to the equity interests of Party C held respectively by the Investor Party B. Except for the equity interests of Party C held by the Investor Party B, neither party may make any claims on the other assets of the Investor Party B in respect of all and any obligations under this Agreement and other transaction documents (as defined in the Equity Interest Pledge Agreement). This article shall remain effective regardless of the termination of this Agreement for any reason.

12.2 Amendments, changes and supplement

For matters not included herein, the Parties may otherwise enter into supplement agreement upon negotiations. Any revision and supplementation of this agreement shall be made in writing. Any revision and supplementary agreement signed by the Parties relating to this agreement shall be the inalienable part of this agreement, having the same legal effect.

If any revisions to this Agreement is proposed by the Stock Exchange of Hong Kong Limited or other regulatory authorities, or any change in the listing rules or related requirements hereof relating to this agreement, the parties shall revise this agreement reasonably and accordingly.

12.3 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

12.4 Headings

The headings of this Agreement are for convenience in reading only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

12.5 Text

This agreement has twenty-four copies with one held by each Party, having the same legal effect.

12.6 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

12.7 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors of the Parties and the permitted assigns of such Parties.

12.8 Survival

12.8.1 Any obligations that occur or that are due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

12.8.2 The provisions of Article 6,7,8,9,12.1 and this Article 12.8 shall survive the termination of this Agreement.

12.9 Waivers

Any Party may waive the rights hereof, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

12.10 Compliance with laws and regulations

The Parties shall comply with and make sure its business operation comply with all Chinese laws and regulations which are binding on them and have been formally issued and may be publicly acquired.

12.11 Transfer

Without prior written consent of Party A, Party C and/or Party B should not transfer any rights/and or obligations herein to any third party. Party B and Party C hereby agree that Party A is entitled to transfer any of Party A's rights and/or obligations herein to any third party after notifying Party B and Party C in writing. Party B and Party C shall sign a supplementary agreement with the transferee or a new agreement containing substantially the same content herein with the transferee.

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(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Genetron (Tianjin) Co., Ltd. (seal)

/s/ Seal of Genetron (Tianjin) Co., Ltd.

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Genetron Health (Beijing) Co., Ltd. (seal)

/s/ Seal of Genetron Health (Beijing) Co., Ltd.

By: /s/ Wang Sizhen
Name: Wang Sizhen
Title: Legal Representative

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Wang Sizhen

By: /s/ Wang Sizhen

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Wei Shuyan

By: /s/ Wei Shuyan

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Wang Xiaoge

By: /s/ Wang Xiaoge

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Beijing Genetron Junmeng Investment Management Center (Limited Partnership) (seal)

/s/ Seal of Beijing Genetron Junmeng Investment Management Center (Limited Partnership)

The Authorized Representative: /s/ Wang Sizhen

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Zhuhai Genetron Junhe Investment Management Center (Limited Partnership) (seal)

/s/ Seal of Zhuhai Genetron Junhe Investment Management Center (Limited Partnership)

The Authorized Representative: /s/ Wang Sizhen

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Beijing Genetron Junlian Investment Management Center (Limited Partnership) (seal)

/s/ Seal of Beijing Genetron Junlian Investment Management Center (Limited Partnership)

The Authorized Representative: /s/ Gao Jing

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership) (seal)

/s/ Seal of Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership)

The Authorized Representative: /s/ Kung Hung Ka

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Shenzhen Haixia Life Science Investment Partnership (Limited Partnership) (seal)

/s/ Seal of Shenzhen Haixia Life Science Investment Partnership (Limited Partnership)

The Authorized Representative: /s/ Sun Junjie

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Yueyin (Tianjin) Asset Management Center (seal)

/s/ Seal of Yueyin (Tianjin) Asset Management Center

The Authorized Representative: /s/ Zheng Yufen

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Gongqingcheng Sharing Houde Guoqian Innovative Investment Management Partnership (Limited Partnership) (seal)

/s/ Gongqingcheng Sharing Houde Guoqian Innovative Investment Management Partnership (Limited Partnership)

The Authorized Representative: /s/ Huang Fanzhi

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Yi Kang (Ningbo) Medical Investment Management Co., Ltd. (seal)

/s/ Seal of Yi Kang (Ningbo) Medical Investment Management Co., Ltd.

The Authorized Representative: /s/ Li Yuanyuan

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Suzhou Sharing High-Tech Medical Industry Venture Capital Investment Enterprise (Limited Partnership) (seal)

/s/ Seal of Suzhou Sharing High-Tech Medical Industry Venture Capital Investment Enterprise (Limited Partnership)

The Authorized Representative: /s/ Bai Wentao

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Shanghai Yuanxing Yinshi Equity Investment Partnership (Limited Partnership) (seal)

/s/ Seal of Shanghai Yuanxing Yinshi Equity Investment Partnership (Limited Partnership)

The Authorized Representative: /s/ Zhuo Fumin

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Zhuhai Jinchang Junyu Management Consulting Center (Limited Partnership) (seal)

/s/ Seal of Zhuhai Jinchang Junyu Management Consulting Center (Limited Partnership)

The Authorized Representative: /s/ Wang Sizhen

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Shenzhen Shenshang Xingye Venture Capital Fund Partnership (Limited Partnership) (seal)

/s/ Seal of Shenzhen Shenshang Xingye Venture Capital Fund Partnership (Limited Partnership)

The Authorized Representative: /s/ Lin Muxiong

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Shenzhen Chuanjiabao Venture Capital Fund Enterprise (Limited Partnership) (seal)

/s/ Seal of Shenzhen Chuanjiabao Venture Capital Fund Enterprise (Limited Partnership)

The Authorized Representative: /s/ Wu Shan

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Yueyin Xinxin (Tianjin) Asset Management Center (Limited Partnership) (seal)

/s/ Seal of Yueyin Xinxin (Tianjin) Asset Management Center (Limited Partnership)

The Authorized Representative: /s/ Zheng Yufen

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Zhuhai Hengqin Kunming Phase II Venture Capital Center (Limited Partnership) (seal)

/s/ Seal of Zhuhai Hengqin Kunming Phase II Venture Capital Center (Limited Partnership)

The Authorized Representative: /s/ Lai Xiaoli

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Shenzhen Sharing Precision Medical Investment Partnership (Limited Partnership) (seal)

/s/ Seal of Shenzhen Sharing Precision Medical Investment Partnership (Limited Partnership)

The Authorized Representative: /s/ Bai Wentao

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Zhongsen Lvjian International Technology Co., Ltd. (seal)

/s/ Seal of Zhongsen Lvjian International Technology Co., Ltd.

The Authorized Representative: /s/ Zhu Qingyuan

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Ningbo Meishan Bonded Port Area Xianggong Investment Partnership (Limited Partnership) (seal)

/s/ Seal of Ningbo Meishan Bonded Port Area Xianggong Investment Partnership (Limited Partnership)

The Authorized Representative: /s/ Cai Cong

(This page is intentionally left blank and is the signing page of this Exclusive Option Agreement)

IN WITNESS WHEREOF, the Parties have executed this Exclusive Option Agreement as of the date and at the address first above written.

Guangxi Yueyin Dade Investment Management Partnership (Limited Partnership) (seal)

/s/ Seal of Guangxi Yueyin Dade Investment Management Partnership (Limited Partnership)

The Authorized Representative: /s/ Zheng Yufen

Exhibit 10.17

Spouse Consent Letter

To: Genetron (Tianjin) Co., Ltd.

Whereas:

1. I, Zhou Jing (ID card/passport number: [ ]), am the spouse of the natural person Wang Sizhen (ID card number: [ ]). Wang Sizhen holds 14.695% equity of Genetron Health (Beijing) Co., Ltd. (hereinafter referred to as "**Target Equity Interest**")

2. With respect to the aforementioned Target Equity Interest held by Wang Sizhen, Wang Sizhen entered into the Exclusive Option Agreement with other related parties on July 30, 2019, entered into the Equity Pledge Agreement with other related parties on July 30, 2019, and entered into the Shareholder Voting Rights Entrustment Agreement with other related parties on July 30, 2019; and

3. Genetron Health (Beijing) Co., Ltd entered into the Exclusive Business Cooperation Agreement with Genetron (Tianjin) Co., Ltd. on July 2, 2019. This Exclusive Business Cooperation Agreement together with the aforementioned Exclusive Option Agreement, Equity Pledge Agreement and Shareholder Voting Rights Entrustment Agreement constitute the contractual control arrangement regarding Genetron Health (Beijing) Co., Ltd (hereinafter referred to as the "**Contractual Control Arrangement**").

I hereby confirm and irrevocably undertake as follows on July 30, 2019:

1. I confirm that I have noted and agree that my spouse Wang Sizhen entered into the Exclusive Call Agreement, Equity Pledge Agreement and Shareholder Voting Rights Entrustment Agreement. The aforementioned Target Equity Interest of Genetron Health (Beijing) Co., Ltd held by Wang Sizhen is not our joint property. I have no rights and interests in such Target Equity Interest, (including the rights gained from the Contractual Control Arrangement). I will never take any action to interfere with the Contractual Control Arrangement, including but not limited to claiming any right over the aforementioned Target Equity Interest and the Contractual Control Arrangement.

2. I hereby undertake, I have not participated in and will not plan to actually participate in the operation and management of Genetron Health (Beijing) Co., Ltd in the future, and I will not claim any right related to the equity interests and assets of Genetron Health (Beijing) Co., Ltd.

3. If, for any reason, I obtain all or part of the Target Equity Interest, I unconditionally agree to be a party of the Contractual Control Arrangement and be bound by the Contractual Control Arrangement. In this respect, I undertake to take all necessary actions and to sign all necessary documents.

This letter will take effect immediately upon its signature by me and will be continuously effective.

(This page is intentionally left blank and is the signing page of this Spouse Consent Letter)

Undertaker's Signature: /s/ Zhou Jing

Date: July 30, 2019

Exhibit 10.18

Spouse Consent Letter

To: Genetron (Tianjin) Co., Ltd.

Whereas:

1. I, He Weiwu (ID card/passport number: [ ]), am the spouse of the natural person Wang Xiaoge (ID card number: [ ]). Wang Xiaoge holds 6.544% equity of Genetron Health (Beijing) Co., Ltd. (hereinafter referred to as "**Target Equity Interest**")

2. With respect to the aforementioned Target Equity Interest held by Wang Xiaoge, Wang Xiaoge entered into the Exclusive Option Agreement with other related parties on July 30, 2019, entered into the Equity Pledge Agreement with other related parties on July 30, 2019 and entered into the Shareholder Voting Rights Entrustment Agreement with other related parties on July 30, 2019; and

3. Genetron Health (Beijing) Co., Ltd entered into the Exclusive Business Cooperation Agreement with Genetron (Tianjin) Co., Ltd. on July 2, 2019. This Exclusive Business Cooperation Agreement together with the aforementioned Exclusive Option Agreement, Equity Pledge Agreement and Shareholder Voting Rights Entrustment Agreement constitute the contractual control arrangement regarding Genetron Health (Beijing) Co., Ltd (hereinafter referred to as the "**Contractual Control Arrangement**").

Hereby, I confirm and irrevocably undertake as follows on July 30, 2019:

1. I confirm that I have noted and agree that my spouse Wang Xiaoge entered into the Exclusive Option Agreement, Equity Pledge Agreement and Shareholder Voting Rights Entrustment Agreement. The aforementioned Target Equity Interest of Genetron Health (Beijing) Co., Ltd held by Wang Xiaoge is not our joint property. I have no rights and interests in such Target Equity Interest, including the rights gained from the Contractual Control Arrangement. I will never take any action to interfere with the Contractual Control Arrangement, including but not limited to claiming any right over the aforementioned Target Equity Interest and the Contractual Control Arrangement.

2. I hereby undertake, I have not participated in and will not plan to actually participate in the operation and management of Genetron Health (Beijing) Co., Ltd in the future, and I will not claim any right related to the equity interests and assets of Genetron Health (Beijing) Co., Ltd.

3. If, for any reason, I obtain all or part of the aforementioned equity, I unconditionally agree to be a party of the Contractual Control Arrangement and be bound by the Contractual Control Arrangement. In this respect, I undertake to take all necessary actions and to sign all necessary documents.

This letter will take effect immediately upon its signature by me and will be continuously effective.

(This page is intentionally left blank and is the signing page of this Spouse Consent Letter)

Undertaker's Signature: /s/ He Weiwu

Date: July 30, 2019

Exhibit 10.19

Spouse Consent Letter

To: Genetron (Tianjin) Co., Ltd.

Whereas:

1. I, Yan Shida (ID card number: [ ]), am the spouse of the natural person Wei Shuyan (ID card number: [ ]). Wei Shuyan holds 11.050% equity of Genetron Health (Beijing) Co., Ltd.(hereinafter referred to as "**Target Equity Interest**");

2. With respect to the aforementioned Target Equity Interest held by Wei Shuyan, Wei Shuyan entered into the Exclusive Option Agreement with other related parties on July 30, 2019, entered into the Equity Pledge Agreement with other related parties on July 30, 2019 and entered into the Shareholder Voting Rights Entrustment Agreement with other related parties on July 30, 2019; and

3. Genetron Health (Beijing) Co., Ltd entered into the Exclusive Business Cooperation Agreement with Genetron (Tianjin) Co., Ltd. on July 2, 2019. This Exclusive Business Cooperation Agreement together with the aforementioned Exclusive Option Agreement, Equity Pledge Agreement and Shareholder Voting Rights Entrustment Agreement constitute the contractual control arrangement regarding Genetron Health (Beijing) Co., Ltd (hereinafter referred to as the "**Contractual Control Arrangement**").

Hereby, I confirm and irrevocably undertake as follows on July 30, 2019:

1. I confirm that I have noted and agree that my spouse Wei Shuyan entered into the Exclusive Option Agreement, Equity Pledge Agreement and Shareholder Voting Rights Entrustment Agreement. The aforementioned Target Equity Interest of Genetron Health (Beijing) Co., Ltd held by Wei Shuyan is not our joint property. I have no rights and interests in such Target Equity Interest, including the rights gained from the Contractual Control Arrangement. I will never take any action to interfere with the Contractual Control Arrangement, including but not limited to claiming any right over the aforementioned Target Equity Interest and the Contractual Control Arrangement.

2. I hereby undertake, I have not actually participated in and will not plan to actually participate in the operation and management of Genetron Health (Beijing) Co., Ltd in the future, and I will not claim any right related to the equity interests and assets of Genetron Health (Beijing) Co., Ltd.

3. If, for any reason, I obtain all or part of the aforementioned equity, I unconditionally agree to be a party of the Contractual Control Arrangement and be bound by the Contractual Control Arrangement. In this respect, I undertake to take all necessary actions and to sign all necessary documents.

This letter will take effect immediately upon its signature by me and will be continuously effective.

(This page is intentionally left blank and is the signing page of this Spouse Consent Letter)

Undertaker's Signature: /s/ Yan Shida

Date: July 30, 2019

***** CERTAIN MATERIAL (INDICATED BY THREE ASTERISKS IN BRACKETS) HAS BEEN OMITTED FROM THIS DOCUMENT BECAUSE IT IS BOTH (1) NOT MATERIAL AND (2) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.**

LICENSE AND SUPPLY AGREEMENT

This **LICENSE AND SUPPLY AGREEMENT** (the **"Agreement")** is dated and effective January 1, 2018 (the **"Effective Date"),** by and between Life Technologies Corporation **("LTC")** a Delaware corporation with principal offices at 5781 Van Allen Way, Carlsbad, CA 92008 and Genetron Health (Beijing) Company, Ltd., ("Licensee"), a company incorporated under the laws of the People's Republic of China with offices at 1-2/F, Building 11, Zone 1, 8 Life Science Parkway, Changping District, Beijing, China. Each of LTC and Licensee will be a **"Party"** hereto, and together the **"Parties".**

RECITALS

WHEREAS, LTC is experienced in the development, manufacture and sale of instruments, reagents and other consumables for use in next generation sequencing ("NGS") and owns or controls associated intellectual property;

WHEREAS, Licensee is developing diagnostic tests and informatics for use with LTC's NGS instruments and consumables and wishes to obtain registration from the China Food and Drug Administration ("CFDA") for a localized version of LTC's NGS instruments to be used in combination with Licensee's diagnostics tests and informatics;

WHEREAS, Licensee wishes to obtain a license from LTC to manufacture a localized version of LTC's NGS instruments in China, to develop, manufacture and market diagnostic kits incorporating LTC's NGS consumables and to sell such diagnostics kits in conjunction with such localized version of the LTC's NGS instrument;

WHEREAS, LTC is willing to grant such a license and to supply NGS instruments, software, reagents and other consumables for Licensee's use in developing, marketing, selling NGS-based diagnostic tests, all under the terms and subject to the conditions set forth below.

NOW, THEREFORE, in consideration of these premises, and for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. DEFINITIONS

1.1 "Affiliate" means, an entity that controls, is controlled by, or is under common control with a Party. For the purpose of this definition, "**control**" will mean the holding of the voting majority or possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise. An Affiliate will not include (i) any entity that purchases or acquires after the Effective Date substantially all of the business associated with this Agreement, (ii) any entity that acquires or purchases after the Effective Date a Party or an Affiliate of a Party, and/or (iii) any entity that acquires or obtains control of a Party or an Affiliate of a Party after the Effective Date.

1.2 "[***]" means the products designated as [***] in Exhibit B, Table 2.

1.3 "**Authorized**" or "**Authorization**" means the applicable certification, authorization, registration or licensing from the applicable governmental authority or organization (e.g. CFDA) to develop, test, manufacture, produce, offer for sale, promote, distribute, import, export and sell instruments for general purpose use in performing *in vitro* diagnostic assays in China.

1.4 "**CFDA**" means China Food and Drug Administration.

1.5 "**Disclosing Party**" is defined in Section 11.1.

1.6 "**Field**" means the [***]. For clarity, the Field does not include [***] or any other application not expressly included in this definition.

1.7 "**Information**" is defined in Section 11.1.

1.8 "**Instrument Rental Program**" means a program pursuant to a written contract between Licensee and an end-user in which an instrument is placed in a customer's laboratory in exchange for (i) the guaranteed purchase of reagents or (ii) scheduled payments over a period of time (the "**Rental Period**"), and Licensee retains ownership of such instrument at all times during the Rental Period.

1.9 "**Intellectual Property"** means (a) any improvements, inventions, patents, patent applications, works of authorship, information fixed in any tangible medium of expression, copyrights, moral rights, mask works, trademarks, trade names, trade dress, trade secrets, know-how, ideas, regardless of whether it or they are protectable under any intellectual property law including without limitation patent, trade dress, copyright, trade secret, and trademark law, and (b) all other subject matter protectable under patent, copyright, moral right, mask work, trademark, trade secret or other Jaws, and includes without limitation all new or useful art, combinations, discoveries, formulae, manufacturing techniques, technical developments, discoveries, artwork, software, and designs.

1.10 "[***]" means [***] that is sold through LTC's catalog and labeled for Research Use Only.

1.11 "[***]" means the [***] described in Exhibit B and Exhibit E.

1.12 "[***]" means the consumables set forth in Exhibit B attached hereto.

1.13 "[***]" means [***] and [***].

1.14 "**[***]**" means [***] and [***] supplied by LTC to Licensee under the Agreement.

1.15 "[***]" means the [***]. [***] excludes [***].

1.16 "[***]" means a set of instruments as described in Exhibit B that includes [***].

1.17 "[***]" means the [***] as listed in Exhibit B and described in Exhibit E that, when supplied to Licensee would enable Licensee to carry out final assembly and factory testing of the complete Licensee Sequencer.

1.18 "Licensee Assay" means an assay or panel of assays directed to a target set forth in Exhibit A. Other assays may be added to Exhibit A from time to time by written agreement of the Parties.

1.19 "Licensee Kit" means a complete set of consumables required to perform an Licensee Assay using a Licensee System that [***], that is sold under one all-inclusive price for use with a Licensee System, solely under Licensee's brand, and that is Authorized by CFDA.

1.20 "Licensee Products" would mean Licensee Sequencer, Licensee Kits and Licensee Software.

1.21 "Licensee Sequencer" means a sequencing instrument that is manufactured by Licensee using the [***], that is CFDA registered and that is sold under Licensee brand name.

1.22 "Licensee Automation" means an automated liquid handling instrument that is manufactured by Licensee using the [***], that is CFDA registered and that is sold under Licensee brand name.

1.23 "Licensee Software" means the secondary analysis software that is developed and CFDA-registered by Licensee specifically for use with Licensee Assay and Licensee System.

1.24 "Licensee System" means a system of instruments for performing a complete sequencing workflow starting with library preparation that includes (i) Licensee Sequencer that is legally manufactured by Licensee using [***] supplied by LTC under the Agreement, that is CFDA registered, and that bears Licensee's brand name (as set forth in labeling section 2.3) and (ii) [***].

1.25 "Limited Use Label License" or **"LULL"** means the form of label license for the particular [***] as set forth in Exhibit D, as such label licenses may be amended by LTC from time to time.

1.26 "LTC Indemnified Parties" is defined in Section 13.1.

1.27 "LTC Improvements" means any Intellectual Property or discovery conceived, designed, developed or made by Licensee in connection with this Agreement that relate to (a) the LTC IP; (b) the configuration, composition, use, manufacturing, layout, or packaging of any [***], the Licensee System, or the Licensee Assays; and/or (c) software and techniques relating to the extraction, manipulation, processing, analysis or storage of data except Licensee's own software which is used to input sample information and/or analyze the [***] file data from LTC's [***] and/or generate reports for clinical specimens.

1.28 "**LTC IP**" means one or more of the intellectual property rights owned by LTC, to the extent that they relate to the manufacture, use, sale, or import of Licensee Systems, Licensee Assays, Licensee Kits and/or [***], selected from the following: (i) the patents and patent applications listed in Exhibit C, and all patents issuing from said patents and patent applications, including any divisionals, continuations and continuations-in-part, and reissues and reexaminations of any such patents, together with all non-US counterparts of the foregoing; (ii) know-how and trade secrets not generally available to the public but transferred to Licensee under this Agreement; and (iii) trademarks listed in Exhibit C, whether or not such trademarks are registered with the US Patent and Trademark Office or other governmental body.

1.29 "**LTC Patents**" means the patent(s) and/or patent application(s) listed in Exhibit C.

1.30 "Price" is defined in Section 5.2.

1.31 "**Purchase Order**" means the purchase order form that Licensee completes and delivers to LTC in accordance with Section 3.l.

1.32 "**Receiving Party**" is defined in Section 11.1.

1.33 "**Territory**" means [***].

1.34 "**Third Party**" means any party other than LTC, Licensee or an Affiliate of LTC or Licensee.

1.35 "**Trademarks**" mean the trademarks and trade names owned by LTC that are set forth in Exhibit C.

2. LICENSE GRANT; LABELING

2.1 Grant of Rights. Subject to the terms of this Agreement, LTC grants Licensee a [***] license in the Field in the Territory under the LTC IP to:

(a) to make (but only to the extent required for Licensee to qualify as the manufacturer of record) Licensee Sequencers using the [***] supplied by LTC under the Agreement and to use such Licensee Sequencers for validation and registration with CFDA for use with Licensee Kits and Licensee Software in the Field in the Territory;

(b) to sell (or to lease under an Instrument Rental Program) such Licensee Sequencers solely as a component of a Licensee System and solely for use with Licensee Kits in the Field in the Territory;

(c) to develop and validate Licensee Kits and Licensee Software solely for use with the Licensee Systems and to make submissions to CFDA for registration of such Licensee Kits and Licensee Software solely for use with Licensee Systems;

(d) to sell Licensee Kits and convey with purchase of such Licensee Kits the right under LTC's Intellectual Property in the Field in the Territory to use only the [***] (that are contained in such Licensee Kit) with the Licensee Assays (that are contained in the same such Licensee Kit) and with Licensee Systems. (For clarification, no right would be granted to perform Licensee Assays (i) using [***] that are not purchased as a component of a Licensee Kit or (ii) for use with [***] instruments that are not Licensee Systems; and

(e) to convey with purchase of Licensee Kits that contain [***], the right solely for the purchaser to use such [***] solely in combination with the Licensee Kit and Licensee System solely in the Field in the Territory, subject to limited license set forth in Section 2.3(b).

No rights are granted to make [***]. No rights are granted to sell or transfer [***] as standalone products (other than as a component of a Licensee Kit). No rights are granted for use of [***] outside the Field or for any use that exceeds the scope of the license.

For avoidance of doubt, [***] may be used solely with the Licensee System and no rights are conveyed hereunder for the use of [***] with any other instrument or platform. Additionally, any [***] provided to Licensee are subject to and governed by the [***], provided, however, the limitation on internal research use found in such terms is superseded by the field of use and commercial terms of this Agreement. [***].

Licensee has no rights to sublicense, assign or otherwise transfer or share its rights hereunder except as expressly set forth herein. For the avoidance of doubt, Licensee may not sell, resell, exchange, assign, gift, or otherwise transfer any [***] to any Third Party, except as expressly set forth in Section 2.1. For avoidance of doubt, Licensee may only manufacture the Licensee Sequencer to the extent required to qualify as the manufacturer of record of the Licensee Sequencer.

Licensee understands that Licensee may not offer for sale or sell Licensee Systems until Licensee receives the applicable Authorization from the CFDA to sell Authorized Licensee Systems. [***].

2.2 Improvements. Licensee will promptly disclose any LTC Improvements to LTC. Except as otherwise set forth in [***] [***], any LTC Improvements generated by Licensee will be the sole and exclusive property of Licensee. Licensee agrees to and does hereby grant to LTC a fully paid-up, worldwide, perpetual, royalty-free, non-exclusive, fully sub-licensable license, under any and all such LTC Improvements generated by Licensee during the term of this Agreement. Nothing in this paragraph grants either Party any rights, either express or implied, in or to any other Intellectual Property generated, owned, controlled or licensed by the other.

2.3 Labeling.

(a) Licensee System. Except as set forth below, Licensee will sell the Licensee System only as permitted by the grants provided in this Section 2 and only under the labeling set forth in Exhibit D. Notwithstanding the foregoing, it will be the responsibility of Licensee to ensure that such labeling complies with all applicable statutory, regulatory and other requirements. The Parties will mutually agree on the name under which the Licensee Sequencer will be marketed and sold. For the avoidance of doubt, Licensee may modify the labeling of the Licensee Sequencer as requested by any relevant regulatory body without further consent from LTC, except with respect to the name under which such Licensee Sequencer is marketed and sold. Licensee will use the Trademarks only as set forth in Section 2.5 below and will cite in accordance with standard practice for such literature that the Trademarks belong to LTC and are provided under license from LTC. Licensee will mark each Licensee Sequencer and any insert associated with each Licensee Sequencer with the applicable Limited Use Label License provided in Exhibit D. In addition, Licensee will include such Limited Use Label License attached hereto as Exhibit D, in all of its marketing and other promotional literature describing these Licensee Sequencers, including Web based literature and instructions for use. Licensee will otherwise comply with all applicable statutory and regulatory requirements, including those of jurisdictions where the Licensee Sequencers are sold or used. The Parties acknowledge that a Licensee System sold by Licensee pursuant to this Agreement will preserve the name of LTC and [***] to the extent that such marks are already used on [***] sold to Licensee. Such instrument or instruments will not be marked or labeled by Licensee in a manner so as to indicate that there is an “alliance” or collaboration between the Parties with respect to assays to be performed on such Licensee System. The Parties further acknowledge and agree that the Licensee is entitled to place the Licensee’s name, trademark or logo on any Licensee Sequencer manufactured by LTC for the Licensee as may be required by the appropriate regulatory agency in the Territory. Following execution of the Agreement, the design and placement of labeling, trademarks and logos will be specified jointly by LTC and Licensee and subject to LTC written approval not to be unreasonably withheld.

(b) Licensee Kits. Licensee will use, sell and offer for sale, the Licensee Kits only under its own trademarks, trade names and labeling. Licensee will not use LTC's name or any other trademarks, trade names or labeling for any reason in any branding of the Licensee Kits, provided that Licensee may sell (as permitted in Section 2.1) the [***] as labeled by LTC with LTC trademarks. It will be the responsibility of Licensee to ensure that its labeling of Licensee Kits complies with all applicable statutory, regulatory and other requirements. Licensee will otherwise comply with all applicable statutory and regulatory requirements, including those of jurisdictions where Licensee's Kits are sold or used.

For Licensee Kits that contain [***], Licensee will include in package inserts the statement provided in Exhibit D.

2.4 Licensee Use of LTC Trademarks.

(a) LTC Trademarks. LTC grants to Licensee a non-exclusive right to use the LTC Trademarks set forth in Exhibit C in connection with Licensee's sale and distribution of Licensee Systems only to the extent that they appear on [***] originally manufactured by LTC and provided to Licensee under this Agreement and to the extent permitted by the regulatory authorities. Licensee will not use the LTC Trademarks in any other way, including but not limited to marketing, selling, or promoting the sale of any products or services, whether within or outside the scope of this Agreement.

(b) Licensee Acknowledgments. Except as set forth above, nothing contained in this Agreement grants to Licensee any license, right, title or interest in the LTC Trademarks of LTC in relation to the [***], or to any goodwill associated therewith. Licensee recognizes the validity of the LTC Trademarks, and acknowledges LTC's exclusive ownership of same, and any goodwill associated therewith. At no time during or after the term of this Agreement will Licensee challenge or assist others to challenge the validity or ownership of the LTC Trademarks or the registration thereof or attempt or assist others to attempt to register any trademarks, marks, trade names or logos confusingly similar to the LTC Trademarks. Any rights accrued by use of the LTC Trademarks by Licensee will inure to the exclusive benefit of LTC and/or its Affiliates.

(c) Unauthorized Use. Licensee agrees to use LTC Trademarks in good faith, subject to the terms of Section 2.4(a) above, and not use in such a way that may be disparaging to LTC, or in any other way a misuse. Licensee agrees to promptly notify LTC of any unfair competition, infringement, or other unauthorized use of the LTC Trademarks by Third Parties as such unauthorized use comes to Licensee's attention. LTC will have the sole right and discretion to bring infringement or unfair competition proceedings involving the LTC Trademarks. Licensee will promptly notify LTC of any claim by any Third Party coming to the notice of Licensee that the distribution or sale of any [***] infringes any Third Party's rights.

(d) Quality Control. For permitted [***] sold or offered for sale by Licensee that bear the LTC Trademarks, Licensee will at all times during the term of this Agreement (i) ensure that the quality and performance of said [***] are consistent with the standards of quality and performance as established by LTC upon original supply of the [***] to Licensee, so as to maintain the level of quality associated with the LTC Trademarks; and (ii) cooperate with and provide LTC with reasonable assistance to enable LTC to exercise quality control over the [***] and maintain the level of quality associated with the LTC Trademarks. Licensee agrees that [***] not meeting quality standards, as determined solely by LTC, will not be sold or otherwise distributed. LTC will, upon reasonable notice to Licensee, be permitted to inspect Licensee Products for the purpose of monitoring quality.

2.5 LTC Use of Licensee Trademarks.

(a) Licensee Trademarks. Neither LTC nor any of its Affiliates will have any other rights or licenses in respect of any trade names of the Licensee or the Trademarks or any other intellectual property rights of the Licensee or to any goodwill associated therewith, and LTC acknowledges that all such rights and goodwill are and will remain, vested in the Licensee and/or its Affiliates absolutely.

(b) Unauthorized Use. Neither LTC nor any of its Affiliates will use the Licensee's Trademarks in any way which might prejudice its distinctiveness or the validity or the goodwill of the Licensee or any of its Affiliates therein, nor use, any other trademarks of the Licensee, or any trademarks or trade names confusingly similar or similar to or resembling any trade mark or trade name of the Licensee or any of its Affiliates. Neither LTC nor any of its Affiliates will at any time use, in any combination or manner, the name of the Licensee or any of its Affiliates in any way in advertisements. LTC will promptly notify the Licensee of (a) any unfair competition or improper or unlawful use or passing off in relation to the Trademarks which comes to the notice of LTC or any of its Affiliates.

2.6 No Implied License. Nothing in this Agreement will be construed as conferring explicitly or by implication, estoppel or otherwise any license, right or immunity under any Intellectual Property, that LTC (and its successors, Affiliates and assigns, and successors, Affiliates and assigns of each of the foregoing) now owns or holds a license to, or acquires or obtains a license to in the future, other than the specifically identified LTC IP referenced in Section 1.28 **(**"**Other IP**"), regardless of whether such Intellectual Property, including, without limitation, other patents and patent applications are dominant or subordinate to the LTC Patents and/or other LTC IP. Furthermore, Licensee and its Affiliates have not provided and will not provide, and LTC and its Affiliates have not received and will not receive, any consideration except that which is expressly provided herein for the specific rights expressly granted herein. LTC and its Affiliates do not represent or warrant that the LTC IP includes all rights owned, licensed or controlled by LTC and/or its Affiliates that may pertain to (a) the full breadth and scope of the licensed technology, the Field, the [***] and/or Licensee Systems, (b) the full breadth and scope of compositions and/or methods Licensee and/or its Affiliates may employ related to the licensed technology, the Field, the [***] and/or Licensee Systems, (c) the full breadth and scope of methods and/or compositions an end user customer may employ related to the licensed technology, the Field, the [***] and/or Licensee Systems, and/or (d) the full breadth and scope of intellectual property that may arise related to the licensed technology, the Field, the [***] and/or Licensee Systems. Neither Licensee nor any of its Affiliates will knowingly sell, offer, promote, sanction, support or recommend any [***] for any use other than as provided by the grants set forth in this Article 2. Neither Licensee nor any of its Affiliates will, directly or indirectly, by any express or implied act or omission, do anything that would or might invalidate or be inconsistent with any intellectual property right of LTC related to the manufacture, use, sale, offer for sale or import of any [***]. Without limiting the generality of the foregoing, LTC expressly reserves all such rights for itself, including, without limitation, rights: (i) for LTC and its Affiliates to sell any [***], or (ii) to license or transfer technology used to prepare any [***], including, without limitation, the LTC IP, to any other party or parties as it may, in its sole discretion, deem advisable, or not at all. No right or license is granted to Licensee or its Affiliates and Licensee covenants that it and its Affiliates will not: (i) make or have made any [***], (ii) incorporate or have incorporated any [***] into any products for sale, or (iii) transfer to any Third Party any [***]. If Licensee or any of its Affiliates becomes aware of any unauthorized use of the [***] by any customer, Licensee will promptly inform LTC of such unauthorized use.

2.7 No Reliance. Licensee further covenants that it will not reference, rely on, offer into evidence or otherwise use this Agreement in any proceeding (including but not limited to any dispute; negotiation; litigation; motion; request for injunctive, monetary or other relief; mediation; settlement; arbitration and/or administrative proceeding) in defense to or support of any claim for infringement of the Other IP. For the avoidance of doubt, Licensee agrees that it will not reference, rely on, offer into evidence or otherwise use this Agreement as evidence of an implied license under any of the Other IP, or as a basis to oppose any request by LTC for any particular relief or remedy, including without limitation injunctive relief, direct or indirect damages, lost profits, treble damages and/or attorney's fees.

3. ORDER AND SUPPLY

3.1 Purchase Orders. Orders for [***] will be submitted to:

Email address for Purchase Orders: [***]

With copy to: [***]

Each Purchase Order will specify the type of each product, quantity of each [***] desired, the place of delivery, the price(s), and the date(s) of delivery. LTC will fulfill all Purchase Orders for quantities of [***] which are consistent with the then applicable forecast for the calendar quarter in which delivery is required and in compliance with the lead-time described in Sections 3.4 and 3.6 or as otherwise agreed upon by the Parties in writing.

3.2 Initial Purchase Commitment. On or before, [***], Licensee submitted a non-cancellable purchase order for [***] that were delivered prior to [***].

3.3 Minimum Purchase Requirements. Starting with [***] and every calendar year thereafter during the term of the Agreement, Licensee will purchase and take delivery of at least USD [***] worth of [***] within such calendar year.

3.4 Exclusivity. Licensee agrees to exclusively source [***] and/or substantially similar products, including but not limited to [***], directly from LTC, under the terms of this Agreement, for all uses contemplated under this Agreement.

3.5 Forecasts. Commencing in the first calendar quarter following the Effective Date, Licensee will provide LTC with a rolling [***] forecast of its requirements for [***], to be delivered at least [***] prior to the beginning of each [***], representing Licensee's good faith estimate of the number of each [***] that Licensee expects to purchase during the following [***]. The first [***] of each such forecast will be binding on Licensee. Forecasts will be updated on a rolling [***] basis. LTC will use commercially reasonable efforts to accommodate additional orders of LTC Products by Licensee that exceed the forecasts provided capacity permits.

3.6 No Other Terms and Conditions. If a sales acknowledgment, invoice, Purchase Order, or other document submitted by either Party contains terms or conditions conflicting with or additional to the terms and conditions of this Agreement, the Parties hereby reject such terms and conditions, and the terms and conditions of this Agreement will prevail.

3.7 Lead Time; Delivery. Licensee will issue Purchase Orders that specify a delivery date that is not less than (a) [***] subsequent to the date of the Purchase Order for forecasted quantities of [***] (or [***] for unforecasted quantities of [***]) and (b) [***] subsequent to the date of the Purchase Order for forecasted quantities of all other [***] (or [***] for unforecasted quantities of [***]). Licensee will include a Purchase Order with each Forecast delivered pursuant to Section 3.5 above. If Licensee requests a delivery date in a Purchase Order that is less than the lead time set forth above, LTC will use reasonable commercial efforts to meet such delivery date. LTC will respond to a Purchase Order that requests quantities in excess of those specified in the then applicable forecast within [***] of receiving the Purchase Order, notifying Licensee whether or not LTC can manufacture the additional amount, or any portion thereof, of [***] requested therein. Failure to respond is not acquiescence that such excess quantities will be available.

3.8 Cancellation; Amendment to Purchase Orders. Purchase Orders may not be cancelled following acceptance by LTC. LTC will use commercially reasonable efforts to accommodate Licensee's reasonable requests to amend its Purchase Order to increase the number of [***] to be delivered, or change the delivery date(s) but will not be required to do so.

4. ACCEPTANCE; REJECTION

4.1 Acceptance. Licensee will have [***] from receipt of each delivery of [***] to inspect the delivery for a shortfall or non-conformity with specifications, and to inspect the [***] packaging for visible defects. Licensee may notify LTC of a shortfall, non-conformity with specifications or reject visibly defective [***], within such time.

4.2 Cure Upon Shortfall. Upon notice to LTC of a shortfall or non-conformity, LTC will deliver the shortfall amount or replacement products for non-conforming [***] (as finally determined by LTC and Licensee mutually after a full inspection of such allegedly non-conforming [***]) as soon as commercially practicable and within the lead time for such [***] as set forth in Section 3.7 of the Agreement. Licensee may request expedited (e.g., overnight) shipment of such shortfall in delivery, at Licensee's expense.

5. DELIVERY; PAYMENT

5.1 Fees, Shipping Terms. LTC will package the [***] in containers designed to protect the [***] from damage in the ordinary course of delivery. Cost, shipment, transfer of risks and property will be made [***]. If Licensee desires, LTC will arrange for the shipment of the [***] to Licensee, in accordance with Licensee's instructions (e.g., use of Licensee's freight account, insurance, etc.), and Licensee will pay the cost of shipping and customs as reflected in the corresponding invoice. Prior to shipment, Licensee may be required to complete a credit application for determination of adequate credit limit for the invoicing process under Section 5.3. If Licensee does not secure a credit line sufficient to cover a purchase order, prepayment may be required.

5.2 Prices. The price for each [***] is set forth on the attached Exhibit B in United States Dollars **(**"**Price**"**)**. The Prices are subject to an annual price adjustment and are for supply of [***] under the terms of this Agreement only.

5.3 Invoicing. The following terms will apply unless LTC requires prepayment as set forth in Section 4.1. Prior to delivery of the [***], LTC will invoice Licensee for the amount and type of products to be delivered. Each invoice issued by LTC hereunder will specify: (a) the Prices in respect of the [***]; (b) the quantity and type of [***]; (c) the amount of sales tax due (if any) in respect of the [***]; and (d) any other amounts reimbursable to LTC (if any) pursuant to this Agreement. Undisputed invoiced amounts are payable in U.S. Dollars to the address as indicated in LTC's invoice. Licensee will make payments for the LTC Products following the date of Licensee's receipt of the invoice unless required to prepay prior to delivery pursuant to Article 5.

5.4 Taxes; Duties. All prices are as stated and are exclusive of sales tax. In the event that any amounts are required under US or other laws to be withheld from payments otherwise due to LTC, Licensee will so notify LTC, obtain appropriate documentation of such requirement, deduct from payments to LTC the appropriate amount of withholding taxes imposed hereunder, and pay such taxes on behalf of LTC. Licensee will provide LTC with receipts or certificates showing the payment of the amounts withheld pursuant to this Section. Licensee will use commercially reasonable efforts to provide all forms, documents, and/or other information necessary to comply with or reduce any taxes payable pursuant to this Section or necessary to establish LTC's right to a tax credit in respect of any such taxes. Any other taxes (other than any based on LTC's income) levied by any authorities will be for the account of Licensee.

5.5 Currency; Interest. All monies due for purchase of LTC Products will be in the currency indicated on the invoice provided with the LTC Products. Payments set forth in this Agreement will, if overdue, bear interest until paid at a rate that is the maximum legally allowed. The payment of such interest will not foreclose LTC from exercising any other rights it may have as a consequence of the lateness of any payment.

6. PRODUCT DEVELOPMENT AND REGULATORY MATTERS

6.1 Regulatory Approval by Licensee. Licensee will be solely responsible for all regulatory matters and filings (including compilation and maintenance of required technical files) related to the Licensee Kit, Licensee Assays, Licensee Sequencer and Licensee Software in the Field in the Territory including without limitation all filings and applications, approvals, clearances, complaint-handling, quality assurance program, recordkeeping, and all other pre-marketing and post-marketing statutory and regulatory requirements applicable to the Licensee Assays and Licensee Kits.

6.2 Regulatory Approval of [***] LTC will be solely responsible for regulatory matters related to [***] including without limitation all registrations, filings, and applications, approvals or clearances, complaint-handling, quality assurance system, recordkeeping, and all other pre-market and post-market statutory and regulatory requirements applicable to [***] according to their intended use. For the avoidance of doubt, LTC will have sole and absolute discretion with respect to regulatory strategy concerning [***], including, but not limited to, decisions regarding pursuing or maintaining regulatory clearances or approvals. For the sake of clarity, the foregoing excludes the Licensee System and Licensee Products in the Territory.

6.3 Diligence. Licensee will diligently pursue the registration of the Licensee Sequencer with the CFDA in accordance with the Development Plan. Additionally, Licensee will register the Licensee Sequencer prior to or in conjunction with the submission of any registration for a Licensee Assay or Licensee Kit. LTC grants to Licensee the right to register the Licensee Sequencer with the CFDA, acting as " manufacturer of record" in China for use for general purpose sequencing, but not for use in a companion diagnostic. Licensee will be responsible for all costs related to clinical trials and submission registration for the Licensee Assays, Licensee Kits, and Licensee Sequencer.

6.4 Access to Information. LTC will use commercially reasonable efforts to provide to Licensee documentation as required by the CFDA as well as necessary support to assist Licensee's CFDA filing of the Licensee [***] and, except for design history files and any confidential information (including any information that contains trade secrets, know-how, source code or the like), which will not be provided. Upon occurrence of any event of the government policies or regulation lead to the termination of Licensee Sequencer registration, LTC and Licensee will use commercially reasonable efforts to enter into discussions regarding potential alternative registration strategies.

6.5 LTC Documents. To support Licensee' s generation of technical files, LTC will provide to Licensee technical documentation described in Exhibit E, pertaining to [***] ("LTC Documents"). For purposes of clarity, LTC may at its sole discretion, exclude from the LTC Documents any information deemed as Information (including any Information that contains trade secrets, know-how, source code or the like). LTC will make commercially reasonable efforts to provide documentation to Licensee to the extent such documents exist in LTC's files, excluding any Information deemed as such by LTC's legal counsel. LTC will have final approval of any LTC information to be submitted to CFDA, provided that LTC's consent will not be unreasonably withheld. In the event the CFDA requires Information in connection with the CFDA filing of the Licensee Sequencer that LTC is unwilling to provide to Licensee, LTC will make commercially reasonable efforts to provide such Information [***] in a modified and mutually acceptable form., provided that prior to LTC releasing such Information to the CFDA, the CFDA must execute LTC's standard nondisclosure agreement. LTC will supply Licensee with select documentation for the assay and consumables components, excluding any confidential information, which will not be provided. Notwithstanding the foregoing, any documentation provided will be at the discretion of LTC.

6.6 Development Costs. Licensee will be responsible for all costs in connection with the development and registration of the Licensee Assays, Licensee Kits, Licensee Sequencer and Licensee Software, including but not limited to all costs related to consumables, sample acquisition costs, sequencing data analysis and report generation costs.

6.7 Regulatory Maintenance. Licensee will be responsible for obtaining and maintaining regulatory approval required for use of the CFDA approved Licensee Sequencer, Licensee Software and Licensee Kit in the Field in the Territory through the Term.

7. INSTALLATION, SERVICE AND SUPPORT

Licensee will be the first-line support organization responsible for technical support and troubleshooting of the Licensee System. LTC will be responsible for second line service and support and field service engineering for the [***] as per the [***].

Licensee will be responsible for shipment and installation of the Licensee System at Licensee's customer facility. Licensee may purchase installation service and support from LTC at LTC's standard rate.

Warranty initiation for [***]: Upon delivery of each Licensee System to an end user, Licensee will register with LTC, (at the address to be provided by LTC), the serial numbers for each [***] of the Licensee System, location and date of delivery to its location.

Licensee will be responsible for warranty for the Licensee Sequencer and for any warranty claims for the Licensee Sequencer that are not attributable to failure of [***] supplied by LTC to meet specifications. To address such claims, Licensee may purchase service and support from LTC at LTC's standard rate.

8. MANUFACTURING SUPPORT

8.1 Assembly Training. LTC will provide training and written instructions to Licensee for the assembly of the Licensee System as detailed in Exhibit E. Such training will be limited to providing [***].

8.2 Additional Components. [***].

8.3 Audit. LTC will have the right to audit, at the sole expense of LTC, the Licensee facility where the Licensee System is manufactured, tested or stored upon [***] prior notice to audit the facility. Except in the event of a for-cause audit, such audit should not exceed [***] per year. Licensee will allow representatives from LTC to have reasonable access to their manufacturing, warehousing, laboratory and facility records, as well as associated quality management system procedures that relate to the Licensee System, for audit or assessment purposes.

8.4 Software. [***] will be provided as a master file to be installed by Licensee during the manufacturing of the Licensee Sequencer. LTC will develop and design [***] all software function & parameters and subject to a fee to be determined based on LTC cost to implement. Further modification and translation of [***] software would be subject to additional fee.

8.5 Subcontracting. LTC has the right to appoint any subcontractor or any person or entity to carry out LTC's obligations under this Agreement. In the event that LTC uses a subcontractor or other person or entity to carry out LTC's obligations under this Agreement, LTC will remain responsible to Licensee for the performance of all LTC's obligations herein, and will take reasonable measures to require that any such subcontractor or other person is, with respect to information learned in its performance of such obligations, subject to obligations of confidentiality at least as stringent as those set forth in Section 11 hereof.

9. REGULATORY

Licensee is responsible for obtaining all regulatory approval required for use of the Licensee System and Licensee Kit in the Field in the Territory. As manufacturer of record, Licensee is responsible for generating design history and all other documentation to be submitted under Licensee's name to CFDA for registration of the Licensee System and the Licensee Kit. To support Licensee's generation of such documentation, LTC will provide to Licensee technical documentation described in Exhibit 8, Section 4, pertaining to the [***] ("**LTC Documents**"). For purposes of clarity, LTC may at its sole discretion, exclude from the LTC Documents any information deemed as Information (including any Information that contains trade secrets, know-how, source code or the like). LTC will make commercially reasonable efforts to provide documentation to Licensee to the extent such documents exist in LTC's files, excluding any Information deemed as such by LTC's legal counsel. LTC will have final approval of any LTC information to be submitted to CFDA, provided that LTC's consent will not be unreasonably withheld. In the event the CFDA requires Information in connection with the CFDA filing of the Licensee System that LTC is unwilling to provide to Licensee, LTC will make such Information directly available to the CFDA, provided that prior to LTC releasing such Information the CFDA must execute LTC's standard nondisclosure agreement.

LTC will supply Licensee with select documentation for the assay and consumables components, excluding any confidential information, which will not be provided. Notwithstanding the foregoing, any documentation provided will be at the discretion of LTC.

10. REPORTS

Licensee will keep records in sufficient detail to enable compliance with the terms of this Agreement to be determined, including, without limitation, compliance with the scope of the grant in Section 2.1 to be determined. Licensee will permit said records to be inspected [***] upon at least [***] prior written notice during regular business hours by an independent auditor selected by LTC and acceptable to Licensee for this purpose, but only to the extent necessary to verify Licensee's compliance with this Agreement. The independent auditor will be required to keep confidential all information received during any such inspection, and to disclose to LTC only the information relevant to Licensee's compliance with this Agreement. LTC will be responsible for the full costs and expense of such inspection unless the independent auditor certifies that there is a material noncompliance with the terms of this Agreement by Licensee in which case the Licensee will pay the full costs and expense of such inspection.

11. WARRANTIES

11.1 LTC Warranties. LTC hereby represents and warrants to Licensee that:

(a) LTC will have in place reasonable procedures and protocols to manufacture [***] in accordance with all applicable laws and regulations relevant to the manufacture of the [***] in the United States;

(b) LTC will convey good title to each [***] supplied hereunder and each [***] will be delivered free from any lawful security, interest, lien or encumbrance; and

(c) To LTC's knowledge as of the Effective Date hereof, LTC has the right to enter into this Agreement and grant the rights granted to Licensee hereunder; and

(d) [***] will be provided subject to LTC's standard product warranties, [***] incorporated by reference herein.

The foregoing warranties are for the benefit of only Licensee. They do not run to the benefit of any of Licensee's Affiliates or customers.

11.2 Negation of Warranty. Licensee acknowledges that nothing in this Agreement will be construed as:

(a) a warranty or representation by LTC as to the validity, enforceability or scope of any patent included within LTC Patents;

(b) a warranty or representation by LTC that the practice of rights under LTC Patents, the use or resale of the [***] delivered hereunder, the use of any [***] either alone or in combination with other kits or with any other kits of entities other than LTC, or the operation of any process incorporating any [***] is or will be free from infringement of patents or other intellectual property of Third Parties;

(c) an obligation on LTC to bring or prosecute actions or suits against Third Parties for infringement (provided, however, that LTC may bring or prosecute such suits or actions or pursue alternative remedies for infringement, in its sole discretion);

(d) except as expressly set forth herein, conferring the right to use in advertising, publicity or otherwise any Trademarks or any contraction, abbreviation, simulation or adaptation thereof, of LTC;

(e) conferring by implication, estoppel or otherwise any licenses, immunities or rights under any patents, patent applications of LTC other than as specified in Sections 2.1, regardless of whether such other patents or patent applications are dominant or subordinate to those in LTC Patents;

(f) an obligation on LTC to furnish any know-how not provided in LTC Patents except as expressly set forth herein; or

(g) a warranty or representation by LTC that Licensee will obtain the applicable Authorization from the applicable governmental authority (e.g., U.S. Food and Drug Administration or comparable non-U.S. body) to sell Licensee Systems in the Territory.

11.3 Licensee Warranties. Licensee hereby represents and warrants to LTC that:

(a) the specifications requested by Licensee have been determined by Licensee to be adequate to confirm the suitability of [***] supplied hereunder for the uses to which such [***] will be put by Licensee;

(b) Licensee will diligently pursue Authorization for Licensee System and will not sell or cause to be sold, use or cause to be used such Licensee Systems in any manner requiring such Authorization until it is finally obtained. Licensee covenants that it will not advertise, label, sell or cause to be sold Licensee Systems until Licensee receives the Authorization from the CFDA to sell such Licensee Systems (except as set forth and subject to the conditions in Section 2.1);

(c) Licensee will perform diligently sufficient incoming inspection to confirm the suitability of [***] for the uses to which Licensee will put such [***] and otherwise to satisfy its obligations under this Agreement and under all applicable laws, rules and regulations;

(d) Licensee will be responsible for obtaining any required Third Party intellectual property rights with respect to the sale by Licensee of Licensee Assays, Licensee Kits and Licensee Software;

(e) Licensee will conduct all necessary tests, comply with all applicable regulatory requirements and issue all appropriate warnings and information to subsequent purchasers and/or users. Licensee will comply with all legal requirements, including but not limited to, all applicable laws, statutes, regulations, and treaties relating to the manufacturing, storage, shipment, and distribution of Licensee Systems in the Territory, and relating to the performance of Licensee's duties and obligations under this Agreement. For purposes of clarification, Licensee's compliance must include, but not be limited to, each and all of the following:

(i) the legal requirements established by the nation in which Licensee is located; and

(ii) the legal requirements established by each nation or jurisdiction to which Licensee is marketing, selling, storing, shipping, importing or distributing Licensee Systems.

(f) Licensee will not knowingly or with reckless disregard allow the export, re-export, sale, or other distribution, either directly or indirectly, domestically or abroad, of any Licensee Systems outside of the Territory.

(g) Licensee further acknowledges and agrees that it will not export, re-export, sell, or otherwise distribute, and/or knowingly or with reckless disregard allow the export, re-export, sale, or other distribution, of Licensee Systems, either directly or indirectly, to a customer or nation or jurisdiction to which LTC or its Affiliates could not directly export, re-export, sell, or otherwise distribute the item pursuant to the United States export control statutes and regulations, as described above. Licensee will comply with the United States Foreign Corrupt Practictes Act ("**FCPA**"), and will not take any action that would cause LTC or any of its Affiliates to be in violation of the FCPA. As part of such compliance, Licensee represents that it will not offer or make any improper payments of money or anything of value to a non-United States government official in connection with this Agreement. Licensee will not offer or make improper payments to a Third Party knowing, or suspecting, that the Third Party will give the payment, or a portion of it, to a government official;

(h) Licensee will maintain comprehensive records of the disposition of all Licensee Systems by Licensee for the shelf life plus three years, or if no shelf life has been determined, five years;

(i) Licensee will sell, and require its Affiliates and Distributors to sell, only in the relevant Field and in the Territory. Licensee acknowledges and agrees that under no circumstances will the Territory include a nation that is subject to a comprehensive trade embargo by the United States;

(j) Licensee will not teach, instruct, encourage, enable or allow a customer to disable, bypass or inactivate the Licensee customized software that is installed on a Licensee System or otherwise access the underlying LTC instrument control and analysis software;

(k) Without limiting LTC's remedies or causes of actions for the same, Licensee acknowledges and agrees, that. should Licensee teach, instruct, encourage, enable or allow such customer or any other party to disable, bypass or inactivate the Licensee customized software that is installed on an Licensee System or otherwise access the underlying Licensee System control and analysis software, LTC may, upon becoming aware of such actions, disable such Licensee System;

(l) Licensee acknowledges and agrees that it will not reverse engineer, deconstruct, disassemble, analyze or otherwise modify any [***], including, without limitation, accessing programming code or determining formulations of composition. For purposes of clarification, Licensee will have the right to perform in-coming quality control testing on [***] to confirm that such [***] meet the agreed specifications set forth in this Agreement but will not perform any analysis or testing on such [***] other than such quality control testing; and

(m) Without limiting LTC's remedies or causes of action for the same, Licensee covenants for itself and its Affiliates not to exceed the scope of the licenses granted to Licensee pursuant to Sections 2.1 hereunder, whether directly, by inducement, by contribution or otherwise.

11.4 Anti-Boycott. Notwithstanding any other provision of this Agreement, neither Licensee nor LTC will be required to take or refrain from taking any action impermissible or penalized under the laws of the United States or any applicable foreign jurisdiction, including without limitation the anti-boycott laws administered by the U.S. Commerce and Treasury Departments.

11.5 Licensee Acknowledgements: Licensee acknowledges that

(a) [***], as set forth in Exhibit B, are qualified by LTC for research use and are not qualified by LTC for the purposes for which Licensee intends to sell them;

(b) [***] have not been tested by LTC for safety and efficacy in food, drug, device, commercial or any other use;

(c) None of the [***] will be considered to be foods, drugs, or cosmetics;

(d) Licensee will be responsible for verifying the hazards and conducting any further research necessary to learn the hazards involved in using and distributing [***] purchased from LTC. In addition, Licensee will warn Licensee's customers and end-users and any auxiliary personnel (included but not limited to freight handlers) retained, employed or otherwise used by Licensee of any risks involved in using or handling [***]. Licensee will comply with all instructions, if any, furnished by LTC relating to the use of [***], and Licensee undertakes not to misuse or misapply the [***] in any manner whatsoever;

(e) [***] are, as of the Effective Date, not medical devices for the purposes of the Medical Devices Regulations 2002 or any other Regulations derived from Directive 98/79/EC ("Medical Devices"), and are not in any circumstances to be sold or distributed for use as Medical Devices;

11.6 Limitation on Liability.

(A) LTC AND ITS AFFILIATES WILL NOT, NO MATTER HOW SUCH LIABILITY MAY BE PURPORTED TO ARISE, EXCEPT TN THE CASE OF PERSONAL INJURY OR DEATH ARISING DIRECTLY OUT OF THE GROSS NEGLIGENCE, RECKLESSNESS OR WILLFUL MISCONDUCT OF LTC OR ITS AFFILIATES, BE LIABLE TO LICENSEE, OR LICENSEE'S AFFILIATES FOR ANY LOSS OR DAMAGE (INCLUDING CONSEQUENTIAL OR ECONOMIC LOSS OR DAMAGE OR LOSS OF PROFITS) ARISING OUT OF OR IN CONNECTION WITH THE DISTRIBUTION, SALE OR USE OF THE [***] OR LICENSEE PRODUCTS; AND

(B) TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL LTC'S LIABILITY ARISING OUT OF THE MANUFACTURE, SALE, SUPPLY, USE OR DISPOSITION OF THE [***] OR LICENSEE PRODUCTS, WHETHER BASED ON WARRANTY, CONTRACT, TORT OR OTHERWISE, EXCEED [***].

(C) EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, LTC MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE MANUFACTURE, USE, IMPORT OR SALE OF LTC PRODUCTS AND/OR LICENSEE PRODCUTS OR OTHER EXPLOITATION OF THE LICENSES AND RIGHTS GRANTED HEREIN WILL NOT INFRINGE ANY PATENT OR OTHER RIGHTS OF A THIRD PARTY.

12. CONFIDENTIAL INFORMATION

12.1 The term "**Information**" under this Agreement means, without limitation, information, technology, business, financial, regulatory or marketing plans or information related thereto, including information associated with regulatory filings, information disclosed during site visits, and materials, drawings, tooling, molds, dies or samples furnished to or disclosed at any time by either Party ("**Disclosing Party**") to the other ("**Receiving Party**") relating, but not limited to, [***] and specifications or pursuant to this Agreement, whether or not reduced to writing.

12.2 The burdens of non-use and confidentiality on the Receiving Party under this Agreement will continue until terminated by mutual agreement between the Parties hereto.

12.3 The Receiving Party will use the Information only for purposes of discussion and performance under this Agreement. The Receiving Party will not disclose the Information to any person except its employees and consultants to whom it is necessary to disclose the Information for such discussion and performance, and will be subject to obligations of confidentiality at least as restrictive as those specified herein. Any of the persons mentioned above who are given access to the Information will be informed by the Receiving Party of the Agreement. The Receiving Party will protect the Information by using the same degree of care as the Receiving Party uses to protect its own confidential Information, but in any event no less than a reasonable degree of care.

12.4 The Receiving Party's duties under this Agreement will apply to any and all Information, including, but not limited to that disclosed in any oral disclosure or any written document, memorandum, report, correspondence, drawing or other material, computer readable media, developed or prepared by the Disclosing Party or any of its representatives whether or not such information is labeled "confidential."

12.5 Notwithstanding any other provision of this Agreement, Information will not include any item of information which: (a) is within the public domain prior to the time of the disclosure by the Disclosing Party to the Receiving Party or thereafter becomes within the public domain other than as a result of disclosure by the Receiving Party or any of its representatives in violation of this Agreement; (b) was, on or before the date of disclosure in the possession of the Receiving Party, as evidenced by records, however maintained; (c) is acquired by the Receiving Party from a Third Party not under an obligation of confidentiality; or (d) is hereafter independently developed by the Receiving Party, as evidenced by written records.

12.6 The Receiving Party agrees to return or destroy all Information, including materials, received from the Disclosing Party, at the written request of the Disclosing Party except that the Receiving Party may retain in its confidential files one (1) copy of written Information for record purposes only.

12.7 In the event that the Receiving Party or anyone to whom it transmits the Information pursuant to this Agreement becomes legally required to disclose any such Information, the Receiving Party will provide the Disclosing Party with prompt notice of such required disclosure so that the Disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that such protective order or other remedy is not obtained, the Receiving Party will furnish only that portion of the Information which is legally required to be furnished in the opinion of the Receiving Party's counsel.

13. TERM AND TERMINATION

13.1 Term. The initial term of this Agreement will be [***] (the "**Initial Term**"). Following the Initial Term, the Agreement may be renewed by written mutual agreement of the Parties.

13.2 Termination for Cause. Either Party may terminate this Agreement: (i) upon or after the material breach of this Agreement by the other Party if the other Party has not cured such material breach within [***] after written notice thereof is provided by the non-breaching Party; or (ii) upon the filing or institution of bankruptcy, reorganization, liquidation or receivership proceedings, or upon an assignment of a substantial portion of the assets for the benefit of creditors by the other Party; provided, however, in the case of any involuntary bankruptcy proceeding such right to terminate will only become effective if the Party consents to the involuntary bankruptcy or such proceeding is not dismissed within [***] after the filing thereof. Termination by LTC for Licensee's material uncured breach will, at LTC's option, relieve LTC of the obligation to deliver [***] under an outstanding Purchase Order. Termination by Licensee for LTC's uncured material breach will, at Licensee's option, release Licensee of the obligation to accept [***] under an outstanding Purchase Order. For the avoidance of doubt, failure by Licensee to pay any amounts payable hereunder when due will be considered a material breach of this Agreement.

13.3 Legal Basis for Termination.

(a) Both Parties will have the right to terminate this Agreement immediately at any time upon written notice to Licensee in the event that LTC reasonably determines that continued performance under the Agreement may violate any regulatory law, or any other applicable law or regulation, including, without limitation, guidance issued by any regulatory body. LTC will communicate with Licensee regarding the circumstances giving rise to such termination and will use commercially reasonable efforts to provide Licensee with advance notice of such termination. Prior to terminating the Agreement as set forth herein, LTC will use commercially reasonable efforts to mitigate the potential violation of any regulatory law, or any other applicable law or regulation. Termination by LTC in compliance with this Section 12.4 will not, in any event, constitute a breach of this Agreement.

13.4 (b) Effect of Expiration or Termination. Except as may be set forth otherwise, all rights and obligations of the Parties set forth herein that expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement until they are satisfied or by their nature expire and will bind the Parties and their legal representatives, successors, and permitted assigns. Licensee will have no right to continue any use of [***] purchased prior to or delivered subsequent to the effective date of the termination or expiration and all rights of Licensee granted under this Agreement to make, use, sell or import Licensee Systems will likewise terminate upon termination of this Agreement.

14. MISCELLANEOUS

14.1 Indemnity.

(a) Licensee. Licensee will indemnify, defend and hold harmless LTC, its Affiliates, and their respective directors, officers, employees and agents (the "**LTC Indemnified Parties**") from all losses, liabilities, damages and expenses (including reasonable attorneys' fees and costs) that any of LTC Indemnified Parties may suffer as a result of any claims, demands, actions or other proceedings made or instituted by any Third Party and arising out of or relating to (i) Licensee's, its Affiliates' or its Customers' use (or misuse) of the [***]; (ii) the manufacture of any Licensee Sequencers or Systems, Licensee Kits and/or Licensee Assays; (iii) Licensee's, its Affiliates' breach of any representation, warranty or covenant under this Agreement; (iv) Licensee's or its Affiliates failure to obtain appropriate Authorization for any use or sale of Licensee Systems, or Licensee Assays; and/or (v) Licensee's, its Affiliates' recklessness or willful misconduct.

(b) LTC. LTC will indemnify, defend and hold harmless Licensee, its Affiliates, and their respective directors, officers, employees and agents (the "**Licensee Indemnified Parties**") from all losses, liabilities, damages and expenses (including reasonable attorneys' fees and costs) that any of Licensee Indemnified Parties may suffer as a result of any claims, demands, actions or other proceedings made or instituted by any Third Party and arising out of or relating to (i) a breach by LTC of any of the warranties provided by LTC in Section 10.1; or (ii) LTC's recklessness or willful misconduct.

14.2 Insurance. Licensee will maintain in effect at all times during the term of this Agreement and for a period of at least [***] years thereafter liability insurance to cover its obligations under this agreement, in particular Clinical Trials Liability Insurance as required by local and governmental law. Policies and limits should be written on locally admitted Products Liability insurance with limits per claim and aggregate limits that are to be consistent with current insurance market standards, and recommended by clinical research best practices but not less than compulsory limits as required by the law or territory where the clinical studies are to take place and the policies are to be issued in accordance with the statutory or market standard wording. The policies will not exclude any applicable study drug or territories which are the subject of clinical trials under this Agreement.

14.3 Notices. All communication concerning this Agreement will be given in writing and will be duly delivered when received. The addresses to be used for such notices will be as follows, unless and until changed by either Party by providing proper notice to the other Party:

If to LTC:	Life Technologies Corporation [***] [***] [***] [***]
With a copy to:	General Counsel, at the same address
If to Licensee:	Genetron Health (Beijing) Company, Ltd., 1-2/F, Building 11, Zone 1, 8 Life Science Parkway, Changping District, Beijing, China With a copy to General Counsel, at the same address

14.4 Assignment; Change of Control. This Agreement is personal to Licensee and neither this Agreement nor any right or obligation hereunder may be assigned or otherwise transferred (whether voluntarily, by operation of law or otherwise, including, without limitation, (i) through the acquisition by any person or group, directly or indirectly, of the beneficial ownership of more than fifty percent (50%) of the total voting power of Licensee; (ii) a merger of Licensee into another person or entity; and (iii) the sale, lease or transfer of all or substantially all of the assets of Licensee to any person or entity in one or a series of related transactions, with any of the foregoing referred to as a "**Change of Control**") by Licensee, without the prior express written consent of LTC. LTC may, without consent, assign this Agreement and its rights and obligations hereunder to an Affiliate or in connection with the transfer or sale of all or substantially all of its business or business unit to which this Agreement pertains, or in the event of its merger, consolidation, change in control or similar transaction. Any permitted assignee will assume all obligations of its assignor under this Agreement. Any purported assignment or transfer in violation of this Section 13.6 will be void.

14.5 Force Majeure.

(a) Unless otherwise provided by this Agreement, delay or failure on the part of either Party in performing its obligations under this Agreement will not subject such Party to any liability to the other if such delay or failure is caused by or results from acts of God, fire, explosion, flood, drought, war, riot, sabotage, embargo, strikes or other labor trouble, or any other circumstance outside the reasonable control of, but affecting performance of, a Party under this Agreement.

(b) Upon occurrence of an event of force majeure, the Party affected will promptly notify the other in writing, setting forth the details of the occurrence, and making every attempt to resume the performance of its obligations as soon as practicable after the force majeure event ceases. If such event prevents or will prevent performance of a material provision of this Agreement by one Party for [***], then the other Party may immediately terminate this Agreement upon written notice to the non-performing Party.

14.6 Applicable Law. This Agreement will be governed by the laws of the State of California, USA, without regard to its conflicts of laws provisions. In the event either Party institutes litigation or other legal proceedings relating to or arising out of this Agreement, the Parties hereby (i) agree to designate the state and federal courts situated in San Diego County, California, USA as the appropriate and exclusive venue for any such litigation, and each Party hereby consents and agrees to bring any such litigation or proceeding in such courts, and (ii) consent to the jurisdiction of such state or federal courts in California, USA.

14.7 Dispute Resolution. In the event any Party claims breach of this Agreement, the Parties will consult with each other in good faith on the most effective means to cure the breach and to achieve any necessary restitution of its consequences. This consultation will be undertaken within a period [***] following the receipt of a written request to consult, and the consultation period will not exceed [***]. During the consultation period, neither litigation nor arbitration may be pursued until attempts at consultative dispute resolution have been exhausted. If the Parties fail to resolve the dispute within the foregoing consultation period, [***].

14.8 Entire Agreement. This Agreement, together with its attached Exhibits, constitutes the entire, full, and complete agreement between the Parties concerning the subject matter hereof, and supersedes all prior agreements, negotiations, representations, and discussions, written or oral, express or implied, between the Parties in relation thereto.

14.9 Relationship of the Parties. The relationship of the Parties is that of independent contractors, and nothing herein will be construed as establishing one Party or any of its employees as the agent, legal representative, joint venturer, partner, employee, or servant of the other. Except as set forth herein, neither Party will have any right, power or authority to assume, create or incur any expense, liability or obligation, express or implied, on behalf of the other. Neither Party will hold itself out as being the agent, legal representative, joint venturer, partner, employee, or servant of the other Party or as having authority to represent or act for the other Party in any capacity whatsoever, except as authorized herein.

14.10 No Amendment. This Agreement will not be amended except by an instrument in writing executed by both Parties.

14.11 No Waiver. The Parties hereto mutually covenant and agree that no waiver by either Party of any breach of the terms of this Agreement will be deemed a waiver of any subsequent breach thereof.

14.12 Headings. Headings used herein are for descriptive purposes only and will not control or alter the meaning of this Agreement as set forth in the text.

14.13 Severability. Should one or more of the provisions contained in this Agreement be held invalid, illegal or unenforceable by a court or tribunal with jurisdiction to do so, then the validity, legality and enforceability of the remaining provisions contained herein will not be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affect the Parties' substantive rights. In such instance, the Parties will use their best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

14.14 Counterparts. This Agreement may be signed in two or more counterparts, all of which together will constitute one and the same Agreement, binding on the Parties as if each had signed the same document.

14.15 Further Actions. Each Party agrees to execute, acknowledge and deliver such further instruments and to do all such other acts as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

LIFE TECHNOLOGIES CORPORATION

Signature: /s/ Joydeep Goswami
Name: JOYDEEP GOSWAMI
Title: PRESIDENT, CSD

GENETRON HEALTH (BEIJING) COMPANY, LTD.

Signature: /s/ Sizhen Wang
Name: Sizhen Wang
Title: CEO

Exhibit 21.1

List of Principal Subsidiaries and the VIE of the Registrant

Principal Subsidiaries	Place of Incorporation
Genetron Health (Hong Kong) Company Limited	Hong Kong
Genetron (Tianjin) Co., Ltd.	PRC

VIE	Place of Incorporation
Genetron Health (Beijing) Co., Ltd.	PRC

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form F-1 of Genetron Holdings Limited of our report dated September 3, 2019 relating to the financial statements of Genetron Holdings Limited, which appears in this Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers Zhong Tian LLP

Beijing, the People’s Republic of China

November 21, 2019

Exhibit 99.1

Genetron Holdings Limited

(the "Company")

Code of Business Conduct and Ethics
Adopted November 20, 2019

Introduction

This Code of Business Conduct and Ethics (the "**Code**") has been adopted by our Board of Directors (the "**Board**") and summarizes the standards that must guide our actions. Although they cover a wide range of business practices and procedures, these standards cannot and do not cover every issue that may arise, or every situation in which ethical decisions must be made, but rather set forth key guiding principles that represent Company policies and establish conditions for employment at the Company.

We must strive to foster a culture of honesty and accountability. Our commitment to the highest level of ethical conduct should be reflected in all of the Company's business activities, including, but not limited to, relationships with employees, customers, suppliers, competitors, the government, the public and our shareholders. All of our employees, officers and directors must conduct themselves according to the language and spirit of this Code and seek to avoid even the appearance of improper behavior. Even well intentioned actions that violate the law or this Code may result in negative consequences for the Company and for the individuals involved.

One of our Company's most valuable assets is our reputation for integrity, professionalism and fairness. We should all recognize that our actions are the foundation of our reputation and adhering to this Code and applicable law is imperative.

Conflicts of Interest

Our employees, officers and directors have an obligation to conduct themselves in an honest and ethical manner and to act in the best interest of the Company. All employees, officers and directors should endeavor to avoid situations that present a potential or actual conflict between their interest and the interest of the Company.

A "conflict of interest" occurs when a person's private interest interferes in any way, or even appears to interfere, with the interests of the Company as a whole, including those of its subsidiaries and affiliates. A conflict of interest may arise when an employee, officer or director takes an action or has an interest that may make it difficult for him or her to perform his or her work objectively and effectively. A conflict of interest may also arise when an employee, officer or director (or a member of his or her family) receives improper personal benefits as a result of the employee's, officer's or director's position in the Company.

Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are examples of situations that may constitute a conflict of interest:

- Working, in any capacity, for a competitor, customer or supplier while employed by the Company.
- Accepting gifts of more than modest value or receiving personal discounts (if such discounts are not generally offered to the public) or other benefits as a result of your position in the Company from a competitor, customer or supplier.
- Competing with the Company for the purchase or sale of property, products, services or other interests.

- Having an interest in a transaction involving the Company, a competitor, customer or supplier (other than as an employee, officer or director of the Company and not including routine investments in publicly traded companies).
- Receiving a loan or guarantee of an obligation as a result of your position with the Company.
- Directing business to a supplier owned or managed by, or which employs, a relative or friend.

Situations involving a conflict of interest may not always be obvious or easy to resolve. You should report actions that may involve a conflict of interest to the Audit Committee of the Board of Directors.

In order to avoid conflicts of interests, senior executive officers and directors must disclose to the Audit Committee of the Board any material transaction or relationship that reasonably could be expected to give rise to such a conflict. Conflicts of interests involving the Audit Committee of the Board shall be disclosed to the Board.

In the event that an actual or apparent conflict of interest arises between the personal and professional relationship or activities of an employee, officer or director, the employee, officer or director involved is required to handle such conflict of interest in an ethical manner in accordance with the provisions of this Code.

Quality of Public Disclosures

The Company has a responsibility to provide full and accurate information in our public disclosures, in all material respects, about the Company's financial condition and results of operations. Our reports and documents filed with or submitted to the United States Securities and Exchange Commission and our other public communications shall include full, fair, accurate, timely and understandable disclosure, and the Company has established a Disclosure Committee consisting of senior management to assist in monitoring such disclosures.

Compliance with Laws, Rules and Regulations

We are strongly committed to conducting our business affairs with honesty and integrity and in full compliance with all applicable laws, rules and regulations. No employee, officer or director of the Company shall commit an illegal or unethical act, or instruct others to do so, for any reason.

Compliance with this Code and Reporting of Any Illegal or Unethical Behavior

All employees, directors and officers are expected to comply with all of the provisions of this Code. The Code will be strictly enforced and violations will be dealt with immediately, including by subjecting persons who violate its provisions to corrective and/or disciplinary action such as dismissal or removal from office. Violations of the Code that involve illegal behavior will be reported to the appropriate authorities.

Situations which may involve a violation of ethics, laws, rules, regulations or this Code may not always be clear and may require the exercise of judgment or the making of difficult decisions. Employees, officers and directors should promptly report any concerns about a violation of ethics, laws, rules, regulations or this Code to their supervisor or the Legal Department or, in the case of accounting, internal accounting controls or auditing matters, the Audit Committee of the Board. Interested parties may also communicate directly with the Company's non-management directors through contact information located in the Company's annual report on Form 20-F.

Any concerns about a violation of ethics, laws, rules, regulations or this Code by any senior executive officer or director should be reported promptly to the Audit Committee of the Board. Reporting of such violations may also be done anonymously through email to the Company at a designated email address for compliance reporting. An anonymous report should provide enough information about the incident or situation to allow the Company to investigate properly. If concerns or complaints require confidentiality, including keeping an identity anonymous, the Company will endeavor to protect this confidentiality, subject to applicable law, regulation or legal proceedings.

The Company encourages all employees, officers and directors to report any suspected violations promptly and intends to thoroughly investigate any good faith reports of violations. The Company will not tolerate any kind of retaliation for reports or complaints regarding misconduct that were made in good faith. Open communication of issues and concerns by all employees, officers and directors without fear of retribution or retaliation is vital to the successful implementation of this Code. All employees, officers and directors are required to cooperate in any internal investigations of misconduct and unethical behavior.

The Company recognizes the need for this Code to be applied equally to everyone it covers. The Legal Department of the Company will have primary authority and responsibility for the enforcement of this Code, subject to the supervision of the Audit Committee of the Board, and the Company will devote the necessary resources to enable the Legal Department to establish such procedures as may be reasonably necessary to create a culture of accountability and facilitate compliance with this Code. Questions concerning this Code should be directed to the Legal Department.

The provisions of this section are qualified in their entirety by reference to the following section.

Reporting Violations to a Governmental Agency

Employees have the right under applicable law to certain protections for cooperating with or reporting legal violations to governmental agencies or entities and self-regulatory organizations. As such, nothing in this Code is intended to prohibit any employee from disclosing or reporting violations to, or from cooperating with, a governmental agency or entity or self-regulatory organization, and employees may do so without notifying the Company. The Company may not retaliate against all employee for any of these activities, and nothing in this Code or otherwise requires any employee to waive any monetary award or other payment that he or she might become entitled to from a governmental agency or entity, or self-regulatory organization.

All employees of the Company have the right to:

- Report possible violations of applicable law or regulation that have occurred, are occurring, or are about to occur to any governmental agency or entity, or self-regulatory organization;
- Cooperate voluntarily with, or respond to any inquiry from, or provide testimony before any self-regulatory organization or any other national or local regulatory or law enforcement authority;
- Make reports or disclosures to law enforcement or a regulatory authority without prior notice to, or authorization from, the Company; and
- Respond truthfully to a valid subpoena.

All employees have the right to not be retaliated against for reporting, either internally to the Company or to any governmental agency or entity or self-regulatory organization, information which the employee reasonably believe relates to a possible violation of law. It is a violation of law to retaliate against anyone who has reported such potential misconduct either internally or to any governmental agency or entity or self-regulatory organization. Retaliatory conduct includes discharge, demotion, suspension, threats, harassment, and any other manner of discrimination in the terms and conditions of employment because of any lawful act the employee may have performed. It is unlawful for the company to retaliate against an employee for reporting possible misconduct either internally or to any governmental agency or entity or self-regulatory organization.

Notwithstanding anything contained in this Code or otherwise, employees may not disclose confidential Company information, including the existence and terms of any confidential agreements between the employee and the Company (including employment or severance agreements), to any governmental agency or entity or self-regulatory organization.

The Company cannot require an employee to withdraw reports or filings alleging possible violations of national or local law or regulation, and the Company may not offer employees any kind of inducement, including payment, to do so.

An employee's rights and remedies as a whistleblower protected under applicable whistleblower laws, including a monetary award, if any, may not be waived by any agreement, policy form, or condition of employment, including by a predispute arbitration agreement.

Even if an employee has participated in a possible violation of law, the employee may be eligible to participate in the confidentiality and retaliation protections afforded under applicable whistleblower laws, and the employee may also be eligible to receive an award under such laws.

Waivers and Amendments

Any waiver (including any implicit waiver) of the provisions in this Code for executive officers or directors may only be granted by the Board or a committee thereof and will be promptly disclosed to the Company's shareholders. Any such waiver will also be disclosed in the Company's annual report on Form 20-F. Amendments to this Code must be approved by the Board and will also be disclosed in the Company's annual report on Form 20-F.

Trading on Inside Information

Using non-public Company information to trade in securities, or providing a family member, friend or any other person with non-public Company information, is illegal. All non-public, Company information should be considered inside information and should never be used for personal gain. You are required to familiarize yourself and comply with the Company's Insider Trading Policy, copies of which are distributed to all employees, officers and directors and are available from the Legal Department. You should contact the Legal Department with any questions about your ability to buy or sell securities.

Protection of Confidential Proprietary Information

Confidential proprietary information generated by and gathered in our business is a valuable Company asset. Protecting this information plays a vital role in our continued growth and ability to compete, and all proprietary information should be maintained in strict confidence, except when disclosure is authorized by the Company or required by law.

Proprietary information includes all non-public information that might be useful to competitors or that could be harmful to the Company, its customers or its suppliers if disclosed. Intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, research and new product plans, objectives and strategies, records, databases, salary and benefits data, employee medical information, customer, employee and suppliers lists and any unpublished financial or pricing information must also be protected.

Unauthorized use or distribution of proprietary information violates Company policy and could be illegal. Such use or distribution could result in negative consequences for both the Company and the individuals involved, including potential legal and disciplinary actions. We respect the property rights of other companies and their proprietary information and require our employees, officers and directors to observe such rights.

Your obligation to protect the Company's proprietary and confidential information continues even after you leave the Company, and you must return all proprietary information in your possession upon leaving the Company.

The provisions of this section are qualified in their entirety by the section entitled "Reporting Violations to Governmental Agencies" above.

Protection and Proper Use of Company Assets

Protecting Company assets against loss, theft or other misuse is the responsibility of every employee, officer and director. Loss, theft and misuse of Company assets directly impact our profitability. Any suspected loss, misuse or theft should be reported to a supervisor or the Legal Department.

The sole purpose of the Company's equipment, vehicles, supplies and electronic resources (including hardware, software and the data thereon) is the conduct of our business. They may only be used for Company business consistent with Company guidelines.

Corporate Opportunities

Employees, officers and directors are prohibited from taking for themselves business opportunities that are discovered through the use of corporate property, information or position. No employee, officer or director may use corporate property, information or position for personal gain, and no employee, officer or director may compete with the Company. Competing with the Company may involve engaging in the same line of business as the Company or any situation in which the employee, officer or director takes away from the Company opportunities for sales or purchases of property, products, services or interests. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Fair Dealing

Each employee, officer and director of the Company should endeavor to deal fairly with customers, suppliers, competitors, the public and one another at all times and in accordance with ethical business practices.

Each employee has an obligation to comply with the anti-corruption and anti-bribery laws of the People's Republic of China and any other regions and countries in which the Company operates. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. No bribes, kickbacks or other similar payments in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favorable action. In the event of a violation of these provisions, the Company and any employee, officer or director involved may be subject to disciplinary action as well as potential civil or criminal liability for violation of this policy.

Occasional business gifts to, or entertainment of, non-government employees in connection with business discussions or the development of business relationships are generally deemed appropriate in the conduct of Company business. However, these gifts should be given infrequently and their value should be modest. Gifts or entertainment in any form that would likely result in a feeling or expectation of personal obligation should not be extended or accepted.

Practices that are acceptable in a commercial business environment may be against the law or the policies governing national or local government employees. Therefore, no gifts or business entertainment of any kind may be given to any government employee without the prior approval of a supervisor or the Legal Department.

Except in certain limited circumstances, the United States Foreign Corrupt Practices Act (the "**FCPA**") prohibits giving anything of value directly or indirectly to any "non-U.S. official" for the purpose of obtaining or retaining business. When in doubt as to whether a contemplated payment or gift may violate the FCPA, contact a supervisor or the Audit Committee of the Board before taking any action.

Compliance with Antitrust Laws

The antitrust laws prohibit agreements among competitors on such matters as prices, terms of sale to customers and the allocation of markets or customers. Antitrust laws can be complex, and violations may subject the Company and its employees to criminal sanctions, including fines, jail time and civil liability. If you have any questions about our antitrust compliance policies, consult the Legal Department.

Political Contributions and Activities

Any political contributions made by or on behalf of the Company and any solicitations for political contributions of any kind must be lawful and in compliance with Company policies. This policy applies solely to the use of Company assets and is not intended to discourage or prevent individual employees, officers or directors from making political contributions or engaging in political activities on their own behalf. No one may be reimbursed directly or indirectly by the Company for personal political contributions.

Doing Business with Others

We strive to promote the application of the standards of this Code by those with whom we do business. Our policies, therefore, prohibit the engaging of a third party to perform any act prohibited by law or by this Code, and we shall avoid doing business with others who intentionally and continually violate the law or the standards of this Code.

Accuracy of Company Financial Records

We maintain the highest standards in all matters relating to accounting, financial controls, internal reporting and taxation. All financial books, records and accounts must accurately reflect transactions and events and conform both to required accounting principles and to the Company's system of internal controls. Records shall not be distorted in any way to hide, disguise or alter the Company's true financial position.

Retention of Records

All Company business records and communications shall be clear, truthful and accurate. Employees, officers and directors of the Company shall avoid exaggeration, guesswork, legal conclusions and derogatory remarks or characterizations of people and companies. This applies to communications of all kinds, including email and "informal" notes or memos. Records should always be handled according to the Company's record retention policies. If an employee, officer or director is unsure whether a document should be retained, consult a supervisor or the Legal Department before proceeding.

Anti-Money Laundering

We are committed to preserving our reputation in the financial community by assisting in efforts to combat money laundering and terrorist financing. Money laundering is the practice of disguising the ownership or source of illegally obtained funds through a series of transactions to “clean” the funds so they appear to be proceeds from legal activities.

We have adopted measures to reduce the extent to which the Company’s facilities, products and services can be used for a purpose connected with market abuse or financial crimes. Additionally, where necessary, we screen customers, potential customers and suppliers to ensure that our products and services cannot be used to facilitate money laundering or terrorist activity. If you have any questions about our internal anti-money laundering process and procedure, consult the Legal Department.

Social Media

Unless you are authorized by the Company, you are discouraged from discussing the Company as part of your personal use of social media. While business should only be conducted through approved channels, we understand that social media is used as a source of information and as a form of communicating with friends, family and workplace contacts.

When you are using social media and identify yourself as a Company employee, officer or director or mention the Company incidentally, for instance on a WeChat moments or professional networking site, please remember the following:

- Never disclose confidential information about the Company or its business, customers or suppliers.
- Make clear that any views expressed are your own and not those of the Company.
- Remember that our policy on Equal Opportunity, Non-Discrimination and Fair Employment applies to social media sites.
- Be respectful of your colleagues and all persons associated with the Company, including customers and suppliers.
- Promptly report to the Company’s corporate communications department any social media content which inaccurately or inappropriately discusses the Company.
- Never respond to any information, including information that may be inaccurate about the Company.
- Never post documents, parts of documents, images or video or audio recordings that have been made with Company property or of Company products, services or people or at Company functions or events.

Professional Networking

Online networking on professional or industry sites, such as LinkedIn, has become an important and effective way for colleagues to stay in touch and exchange information. Employees, officers and directors should use good judgment when posting information about themselves or the Company on any of these services.

What you post about the Company or yourself will reflect on all of us. When using professional networking sites, you should observe the same standards of professionalism and integrity described in our code and follow the social media guidelines outlined above.

Government Inquiries

The Company cooperates with government agencies and authorities. Forward all requests for information, other than routine requests, to the Legal Department immediately to ensure that we respond appropriately.

All information provided must be truthful and accurate. Never mislead any investigator. Do not ever alter or destroy documents or records subject to an investigation.

Review

The Board shall review this Code annually and make changes as appropriate.

世辉律师事务所
SHIHUI PARTNERS

北京市朝阳区东三环北路甲 26 号博瑞大厦 A 座 16 层 1606 室 邮编：100026
Suite 1606, 16/F, Tower A, Borui Plaza, No.A26 East 3rd Ring North Road, Chaoyang District, Beijing 100026, P.R.China

November 21, 2019

To: Genetron Holdings Limited□□□□□□(□□)□□□□□

1-2/F, Building 11, Zone 1,
No.8 Life Science Parkway
Changping District, Beijing,
People's Republic of China

Dear Sirs or Madams,

We are qualified lawyers of the People's Republic of China (the "**PRC**" or "**China**", for the purpose of this opinion only, the PRC shall not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) and as such are qualified to issue this opinion on the laws and regulations of the PRC effective as of the date hereof.

We act as the PRC counsel to Genetron Holdings Limited□□□□□□(□□)□□□□□(the "**Company**"), a company incorporated under the laws of the Cayman Islands, in connection with (i) the proposed initial public offering (the "**Offering**") of certain number of American depositary shares (the "**Offered ADSs**"), each Offered ADS representing certain number of ordinary shares of the Company (the "**Ordinary Shares**"), by the Company as set forth in the Company's registration statement on Form F-1, including all amendments or supplements thereto (the "**Registration Statement**"), filed by the Company with the Securities and Exchange Commission under the U.S. Securities Act of 1933 (as amended) in relation to the Offering, and (ii) the Company's proposed listing of the Offered ADSs on the NASDAQ Global Market or the New York Stock Exchange (the "**Transactions**").

A. DOCUMENTS AND ASSUMPTIONS

In rendering this opinion, we have examined originals or copies of the due diligence documents provided to us by the Company and the PRC Companies (as defined below) and such other documents, corporate records and certificates issued by the governmental authorities in the PRC (collectively, the "**Documents**").

In rendering this opinion, we have assumed without independent investigation that ("**Assumptions**"):

(i) All signatures, seals and chops are genuine, each signature on behalf of a party thereto is that of a person duly authorized by such party to execute the same, all Documents submitted to us as originals are authentic, and all Documents submitted to us as certified or photostatic copies conform to the originals;

(ii) Each of the parties to the Documents, other than the PRC Companies, (a) if a legal person or other entity, is duly organized and is validly existing in good standing under the laws of its jurisdiction of organization and/or incorporation, or (b) if an individual, has full capacity for civil conduct; each of them, other than the PRC Companies, has full power and authority to execute, deliver and perform its obligations under the Documents to which it is a party in accordance with the laws of its jurisdiction of organization or incorporation or the laws that it/she/he is subject to;

(iii) The Documents that were presented to us remain in full force and effect on the date of this opinion and have not been revoked, amended or supplemented, and no amendments, revisions, supplements, modifications or other changes have been made, and no revocation or termination has occurred, with respect to any of the Documents after they were submitted to us for the purposes of this legal opinion;

(iv) The laws of jurisdictions other than the PRC which may be applicable to the execution, delivery, performance or enforcement of the Documents are complied with;

(v) All Governmental Authorizations and other official statement or documentation were obtained from competent Governmental Agency by lawful means in due course; and

(vi) All requested Documents have been provided to us and all factual statements made to us by the Company and the PRC Companies in connection with this legal opinion are true, correct and complete, and none of the Company or the PRC Companies has withheld anything that, if disclosed to us, would reasonably cause us to alter this opinion in whole or in part.

B. DEFINITIONS

In addition to the terms defined in the context of this opinion, the following capitalized terms used in this opinion are defined as follows:

"CSRC"	means China Securities Regulatory Commission.
"Governmental Agency"	means any competent government authority, court, arbitration commission, or regulatory body of the PRC. "Governmental Agencies" shall be construed accordingly
"Governmental Authorization"	means any approval, consent, permit, authorization, filing, registration, exemption, waiver, endorsement, annual inspection, qualification and license required by the applicable PRC Laws to be obtained from any Governmental Agency.
"M&A Rules"	means the *Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors* promulgated by six PRC regulatory agencies, including the Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange, which became effective on September 8, 2006 and was amended on June 22, 2009 by the Ministry of Commerce.
"PRC Civil Procedures Law"	means the *Civil Procedures Law of PRC* promulgated by Standing Committee of the National People's Congress, which was latest amended and effective from July 1, 2017 .
"PRC Companies"	mean the PRC Subsidiary, the PRC Operating Entity, and subsidiaries of the PRC Subsidiary or the PRC Operating Entity, and "PRC Company" means any of them.
"PRC Operating Entity"	means Genetron Health (Beijing) Co., Ltd.(□□□□□□□□□□□□□□), a variable interest entity incorporated in the PRC.
"PRC Subsidiary"	means Genetron (Tianjin) Co., Ltd.(□□□□□□□□□), a wholly-foreign owned enterprise incorporated under PRC Laws.

"PRC Laws" mean any and all laws, regulations, statutes, rules, orders, decrees, notices, judicial interpretations and other legislation currently in force and publicly available in the PRC as of the date hereof.

C. OPINIONS

Based on our review of the Documents and subject to the Assumptions and the Qualifications (as defined below), we are of the opinion as of the date hereof that:

(i) *VIE Structure*

Except as disclosed in the Registration Statement, (a) the ownership structure of PRC Companies, both currently and immediately after giving effect to the Offering, does not and will not result in any violation of PRC Laws currently in effect; (b) each of PRC Companies and, to the best of our knowledge after due inquiry, each shareholder of the PRC Operating Entity, has full power, authority and legal right (corporate or otherwise) to execute, deliver and perform their respective obligations in respect of each of the agreements under the contractual arrangements as listed in Schedule I hereto (the "VIE Agreements") to which it is a party, and has duly authorized, executed and delivered each of the VIE Agreements to which it is a party; and (c) the VIE Agreements are currently valid, binding and enforceable in accordance with the applicable PRC Laws currently in effect, and do not result in any violation of the applicable PRC Laws currently in effect.

However, there are substantial uncertainties regarding the interpretation and application of current and future PRC Laws and there can be no assurance that the Governmental Agency will ultimately take a view that is consistent with our opinion stated above.

(ii) *M&A Rules; No Governmental Authorization; No Conflicts*

The M&A Rules, among other things, purport to require an offshore special purpose vehicle controlled directly or indirectly by PRC companies or individuals and formed for purposes of overseas listing through acquisition of PRC domestic interests held by such PRC companies or individuals, to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange. The CSRC has not issued any definitive rules or interpretations concerning whether offerings such as the Offering are subject to the CSRC approval procedures under the M&A Rules.

Based on our understanding of the current PRC Laws as of the date hereof (including the M&A Rules), a prior approval from the CSRC is not required under the M&A Rules for the Offering and the listing and trading of the ADSs on the NASDAQ Global Market or the New York Stock Exchange because (a) the CSRC currently has not issued any definitive rule or interpretation concerning whether offering such as this offering contemplated by our Company are subject to the M&A Rules; (b) our PRC Subsidiary was incorporated as a wholly foreign-owned enterprise by means of direct investment rather than by merger or acquisition directly or indirectly of the equity interest or assets of a PRC domestic company owned by PRC companies or individuals as defined under the M&A Rules; and (c) no provision in the M&A Rules clearly classifies the contractual arrangements contemplated under the VIE Agreements as a type of transaction subject to the M&A Rules.

However, there are substantial uncertainties regarding the interpretation and application of current and future PRC Laws and there can be no assurance that the Governmental Agency will ultimately take a view that is consistent with our opinion stated above.

(iii) *Enforceability of Civil Procedures.*

The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against the Company or its directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or the Cayman Islands.

(iv) *Taxation*

The statements made in the Registration Statement under the caption “Taxation—People’s Republic of China Taxation” with respect to the PRC tax laws and regulations or interpretations, constitute true and accurate descriptions of the matters described therein in all material aspects and such statements represent our opinion.

(v) *PRC Laws*

All statements set forth in the Registration Statement under the captions “Prospectus Summary”, “Risk Factors”, “Use of Proceeds”, “Enforceability of Civil Liabilities”, “Corporate History and Structure”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” “Business”, “Regulation”, and “Taxation” in each case insofar as such statements describe or summarize PRC legal or regulatory matters, are true and accurate in all material aspects, and correctly set forth therein, and nothing has been omitted from such statements which would make the same misleading in all material aspects.

D. QUALIFICATIONS

Our opinion expressed above is subject to the following qualifications (the "**Qualifications**"):

(i) Our opinion is limited to the PRC Laws of general application on the date hereof. We have made no investigation of, and do not express or imply any views on, the laws of any jurisdiction other than the PRC.

(ii) The PRC Laws referred to herein are laws and regulations publicly available and currently in force on the date hereof and there is no guarantee that any of such laws and regulations, or the interpretation or enforcement thereof, will not be changed, amended or revoked in the future with or without retrospective effect.

(iii) Our opinion is subject to the effects of (a) certain legal or statutory principles affecting the enforceability of contractual rights generally under the concepts of public interest, social ethics, national security, good faith, fair dealing, and applicable statutes of limitation; (b) any circumstance in connection with formulation, execution or performance of any legal documents that would be deemed materially mistaken, clearly unconscionable, fraudulent, coercionary or concealing illegal intentions with a lawful form; (c) judicial discretion with respect to the availability of specific performance, injunctive relief, remedies or defenses, calculation of damages, entitlement to attorney's fees and other costs, or waiver of immunity from jurisdiction of any court or from legal process; (d) applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights generally; and (e) the discretion of any competent PRC legislative, administrative or judicial bodies in exercising their authority in the PRC.

(iv) This opinion is issued based on our understanding of the current PRC Laws. For matters not explicitly provided under the current PRC Laws, the interpretation, implementation and application of the specific requirements under the PRC Laws are subject to the final discretion of competent PRC legislative, administrative and judicial authorities, and there can be no assurance that the Government Agencies will ultimately take a view that is not contrary to our opinion stated above.

(v) We may rely, as to matters of fact (but not as to legal conclusions), to the extent we deem proper, on certificates and confirmations of responsible officers of the PRC Companies and PRC government officials.

(vi) This opinion is intended to be used in the context which is specifically referred to herein and each section should be considered as a whole and no part should be extracted and referred to independently.

(vii) As used in this opinion, the expression "to our best knowledge" or similar language with reference to matters of fact refers to the current actual knowledge of the attorneys of this firm who have worked on matters for the Company in connection with the Offering and the transactions contemplated thereunder. We have not undertaken any independent investigation to determine the existence or absence of any fact, and no inference as to our knowledge of the existence or absence of any fact should be drawn from our representation of the Company or the rendering of this opinion.

We hereby consent to the use of this opinion in, and the filing hereof as an exhibit to, the Registration Statement, and to the reference to our name in under the captions "Risk Factors", "Enforceability of Civil Liabilities", "Corporate History and Structure", "Taxation", and "Legal Matters" in the Registration Statement.

Yours faithfully,

/s/ SHIHUI PARTNERS
SHIHUI PARTNERS

SCHEDULE I

VIE Agreements

(1) Exclusive Business Cooperation Agreement (□□□□□□□□) dated as of July 2, 2019 by and between Genetron (Tianjin) Co., Ltd. and Genetron Health (Beijing) Co., Ltd.

(2) Exclusive Option Agreement (□□□□□□□) dated as of July 30, 2019 by and among Genetron (Tianjin) Co., Ltd., Genetron Health (Beijing) Co., Ltd. and its shareholders

(3) Equity Interest Pledge Agreement (□□□□□□) dated as of July 30, 2019 by and among Genetron (Tianjin) Co., Ltd. and Genetron Health (Beijing) Co., Ltd. and its shareholders

(4) Shareholder Voting Rights Entrustment Agreement (□□□□□□□□□) dated as of July 30, 2019 among Genetron (Tianjin) Co., Ltd., Genetron Health (Beijing) Co., Ltd. and its shareholders

(5) Spousal Consent Letter (□□□□□) signed as of July 30, 2019 by the spouse of Mr. Sizhen Wang

(6) Spousal Consent Letter (□□□□□) signed as of July 30, 2019 by the spouse of Ms. Xiaoge Wang

(7) Spousal Consent Letter (□□□□□) signed as of July 30, 2019 by the spouse of Ms. Shuyan Wei

Exhibit 99.3

November 21, 2019

Genetron Holdings Limited
1-2/F, Building 11, Zone 1
No.8 Life Science Parkway
Changping District, Beijing, 102206
People's Republic of China
+86 10 5090-7500

Re: Consent of Frost & Sullivan

Ladies and Gentlemen,

Reference is made to the registration statement on Form F-1 (the "**Registration Statement**") filed by Genetron Holdings Limited (the "**Company**") with the United States Securities and Exchange Commission (the "**SEC**") under the Securities Act of 1933, as amended, in connection with its proposed initial public offering (the "**Proposed IPO**").

We hereby consent to the use of and references to our name and the inclusion of information, data and statements from our research reports and amendments thereto, including, but not limited to, the industry report titled "Precision Medicine Market Study" (collectively, the "**Reports**"), and any subsequent amendments to the Reports, as well as the citation of our research reports and amendments thereto, (i) in the Registration Statement and any amendments thereto, including, but not limited to, under the "Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Industry Overview" and "Business" sections, (ii) in any written correspondence with the SEC, (iii) in any other future filings with the SEC by the Company, including, without limitation, filings on Form 20-F, submissions on Form 6-K and other SEC filings or submissions (collectively, the "**SEC Filings**"), (iv) in institutional and retail roadshows and other activities in connection with the Proposed IPO, (v) on the websites or in the publicity materials of the Company and its subsidiaries and affiliates, and (vi) in other publicity and marketing materials in connection with the Proposed IPO.

We further hereby consent to the filing of this consent letter as an exhibit to the Registration Statement and any amendments thereto and as an exhibit to any other SEC Filings.

Yours faithfully,
For and on behalf of
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.

/s/ Yves Wang
Name: Yves Wang
Title: Managing Director

Exhibit 99.4

November 20, 2019

Genetron Holdings Limited (the "**Company**")
1-2/F, Building 11, Zone 1, No.8 Life Science Parkway, Changping District
Beijing 102206, People's Republic of China

Ladies and Gentlemen:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the reference of my name as a director of the Company, effective immediately upon the effectiveness of the Company's registration statement on Form F-1 initially filed by the Company on November [●], 2019 with the U.S. Securities and Exchange Commission.

Sincerely yours,

/s/ Webster K. Cavenee
Name: Webster K. Cavenee

Exhibit 99.5

November 20, 2019

Genetron Holdings Limited (the "**Company**")
1-2/F, Building 11, Zone 1, No.8 Life Science Parkway, Changping District
Beijing 102206, People's Republic of China

Ladies and Gentlemen:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the reference of my name as a director of the Company, effective immediately upon the effectiveness of the Company's registration statement on Form F-1 initially filed by the Company on November 19, 2019 with the U.S. Securities and Exchange Commission.

Sincerely yours,

/s/ Dian Kang
Name: Dian Kang