

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, some of which are beyond the Company's control that may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



ADICON Holdings Limited

艾迪康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9860)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025

The Board is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2025, together with the comparative figures for the corresponding period in 2024.

In this announcement, “we”, “us”, “our” and “ADICON” refer to the Company and, where the context otherwise requires, the Group. Certain amounts and percentage figures included in this announcement are subject to rounding adjustments. Any discrepancies in any table, chart or elsewhere in this announcement between totals and sums of amounts are due to rounding.

KEY FINANCIAL HIGHLIGHTS

	For the year ended December 31,	
	2025 (RMB'000)	2024 (RMB'000)
Revenue	2,638,450	2,914,113
Gross Profit	952,483	1,098,649
Profit for the year	22,745	62,563
<i>Attributable to:</i>		
Owners of the parent	18,443	47,014
Non-controlling interests	4,302	15,549
Earnings per Share (Expressed in RMB per Share)		
Basic	0.03	0.07
Diluted	0.03	0.07

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

2025 remained a year of adjustment for the ICL industry, but encouragingly, we saw the Company's downward trend narrow quarter by quarter, and its operational resilience continued to strengthen. As we are turning into 2026, we are seeing continued improvements and are optimistic that we will see our industry recover back to growth. This turning point was hard-won, marking the beginning of an industry recovery. The Company will continue to maintain its good momentum and lay a solid foundation for a full recovery.

Throughout 2025, the Company made significant progress in the following areas:

- In 2025, the Company's total revenue reached RMB 2.64 billion, a year-on-year decrease of 9.5%. Despite the challenges posed by the industry environment, the Company's overall operations demonstrated strong resilience, with several core businesses achieving remarkable progress.
- Looking at specific segments:
 - Revenue from co-construction business increased by 19.8% year-on-year, with 69 new projects signed. During the reporting period, the Company deepened its cooperation with several key medical institutions and regional platforms, promoting the co-construction of testing centers, technological upgrades, and model innovation. In September 2025, the Clinical Laboratory Center of Capital Medical University officially commenced operations, creating a collaborative innovation platform integrating “testing, diagnosis, research, education, and production” to promote the downward flow of high-quality medical resources. Simultaneously, the Company successively established strategic partnerships with several medical institutions, including the Lin'an District Regional Medical Laboratory Center, Shijiazhuang Great Wall Hospital, and Inner Mongolia No.19 International Hospital. Through joint laboratory construction, deployment of automated testing lines, and output of standardized management systems, the Company innovated replicable models such as “hospital + third-party testing” and “hospital + third-party testing + equipment company,” continuously improving testing quality and service efficiency, and consolidating its leading position in the industry.

- CRO business revenue increased by approximately 31.5% year-on-year, becoming the core engine for the Company’s counter-trend growth. In November 2025, the Company announced it had entered into definitive agreement to acquire 100% of Crown Bioscience International (“**CrownBio**”), marking an important milestone in the Company’s development. CrownBio is a leading CRO company in the global preclinical oncology research field, possessing the world’s largest commercial patient-derived xenograft (PDX) model library, and its core technologies such as tumor model development are at the forefront globally. It has established 7 laboratories in 4 countries around the world, with more than 1,000 professional talents and annual revenue exceeding RMB 1 billion. It serves top global pharmaceutical companies such as Pfizer, Roche, Eli Lilly, and AstraZeneca, and its customer resources are highly complementary to the Company’s. The core strategic value of this acquisition lies in the synergy of the entire industry chain: CrownBio is deeply involved in preclinical CRO, while our CRO service offering focuses on the clinical trial stage. The collaboration between the two parties can build an integrated service capability from preclinical to clinical trials, create a differentiated competitive barrier, and promote the Company to officially enter a new development stage driven by ICL and CRO.

- Our esoteric testing revenues decreased by 2.8% year-on-year. Encouragingly, the Company’s esoteric testing business is recovering well, with revenue showing with reversion back to double digit year over year growth in the ending months of 2025, resulting in 4.2% year over year growth in the second half of 2025 for our esoteric testing revenues. Regarding core product lines, after the consolidation of Yuande Youqin in the second quarter, it formed a good synergy with the Company’s hematology testing, driving a 37.4% year-on-year increase in the Company’s hematology testing revenue (excluding Yuande Youqin contribution our hematology grew at 4.7%). Driven by the continued release of synergistic effects and business recovery, the Company is confident in the development of its hematology testing this year. Regarding Guardant Health, Inc. (Nasdaq: GH) (“**Guardant Health**”), benefiting from the growth in global demand for innovative drug R&D, testing revenues increased by 49.7% year-on-year in 2025. In February 2026, our Shanghai laboratory renewed our College of American Pathologists (“**CAP**”) laboratory accreditation program, which included expanded coverage for Guardant360[®] as part of our core testing projects in the CAP Activity Menu for cfDNA proficiency testing. We continue to pursue bringing additional Guardant Health assays to China to better serve our biopharma clients.

- In terms of bidding, the Company continued to improve the systematic construction of its bidding team, achieving a total winning bid amount of RMB 670 million, a market opportunity coverage rate of 67%, and key customer retention rate of 91%. Meanwhile, the number of successful bids from public tertiary hospitals increased by 32% year-on-year and that from public secondary hospitals grew by 21% year-on-year. Looking ahead, the Company will further deepen its refined bidding management, continuously enhance its market competitiveness, and seize high-quality business opportunities.

- Regarding the construction of digital laboratories, the new generation Laboratory Information Management System (LIMS) has been launched in all laboratories nationwide, realizing full-process digital management of clinical laboratories; the Pathology Information Management System (PIMS) has covered 10 laboratories, realizing a systematic approach to pathology and quality control; the first phase of the new generation NGS management system was successfully launched, marking a significant breakthrough in the Company’s standardization of specialized testing services.
- Regarding AI applications, in 2025, the Company continued to promote intelligent testing upgrades, implementing multiple AI applications around core scenarios such as pathological diagnosis, clinical assistance, and laboratory efficiency.
 - AI-assisted pathology slide reading technology has been successfully applied in fields such as cervical cancer and reproductive genetics. AI-assisted ThinPrep cytologic test (TCT) coverage exceeded 60%. Overall slide reading speed was 6-7 times faster than purely manual methods, with a cumulative AI-assisted slide reading volume exceeding 13 million slides, significantly improving diagnostic efficiency, stability, and throughput.
 - The Group’s AI-powered intelligent agent, “Ai Xiao Yi (艾小醫)”, has been successfully launched, marking the large-scale deployment of AI technology in the Company’s online business. The product focuses on major diseases and cervical and breast cancer screening scenarios, providing patients with easy-to-understand interpretations of test reports and offering clinicians precise and efficient auxiliary diagnostic support. As of the end of the reporting period, it has served over 4 million users and 150,000 doctors, becoming a frequently used intelligent efficiency tool in medical institutions, effectively enhancing customer stickiness and service value.
 - Since its launch in September 2025, the AI-powered intelligent review system for pathology reports has reviewed over 200,000 reports, identifying over 20,000 abnormal reports, significantly improving review efficiency and quality.
 - The flow cytometry AI analysis platform can build an intelligent flow cytometry analysis system based on AI algorithms, achieving automatic gating, intelligent adjustment, and automated result processing of lymphocyte subsets, significantly reducing reliance on manual operation and significantly improving laboratory testing efficiency and result accuracy.

- Regarding the layout of the smart testing ecosystem, the Company is actively promoting the integrated construction of AI+ regional testing centers, building a regionalized and intensive smart testing ecosystem. Currently, district-level testing centers in Nanyang and Tianqiao have been established through a co-construction model, achieving deep integration of AI technology and regional medical resources, and comprehensively improving the standardization and intelligent service level of testing. Furthermore, the Group is actively engaging with leading internet groups that have plans to establish a presence in the AI healthcare ecosystem to explore the possibility of business cooperation.
- Regarding data assets, leveraging twenty years of experience in precision medicine testing, the Company is gradually completing data collection, governance, desensitization, and cleaning, building a private data warehouse, and establishing a data security classification system. By continuously improving data mining and modeling capabilities, the Company is creating multi-dimensional data products to empower internal business decisions and external value-added services, actively exploring new paths for data asset commercialization and cooperation.
- In terms of testing services, the Company continued to expand its high-precision testing capabilities, adding nearly 300 new items in 2025. These included NGS series testing for companion diagnostics of solid tumors, Ai Jian Wei (艾鑒微)'s targeted detection of pathogenic microorganisms causing central nervous system/reproductive tract infections (t-NGS), a series of testing for neurological immune diseases, Alzheimer's disease blood biomarker testing (single-molecule immunoassay), high-sensitivity Minimal Residual Disease (MRD) monitoring of hematological malignancies (digital polymerase chain reaction (PCR)), hematological malignancies immune repertoire testing, and second-generation flow cytometry for plasma cell tumors.
- Regarding logistics, in 2025, 23 subsidiaries successfully passed the certification for compliance with the "Operating Code for Cold-Chain Logistics of Medical Testing Biological Specimens (《醫學檢驗生物樣本冷鏈物流運作規範》)." The Company actively participated in industry standard development, leading the drafting of the group standard "Medical Cold Chain Samples for Drone Delivery Services (《無人機配送服務範圍醫學冷鏈樣本》)," and participating in the drafting of several industry standards, including the national standard "Medical Device Logistics Traceability (《醫療器械物流追溯》)" and the "Hospital In-Hospital Logistics Center Warehouse Planning and Configuration Requirements (《醫院院內物流中心庫規劃與配置要求》)," continuously promoting the standardized development of the industry.
- In terms of cost control, the Company reduced reagent procurement costs by approximately 14% year-on-year in 2025 through measures such as supplier negotiation, substitution of similar products, and localization of imported reagents. The payment cycle was extended by 6 days compared to 2024, significantly improving capital turnover efficiency. As of the end of the reporting period, the Company's reagent localization rate continued to increase.

- In terms of scientific research and innovation, the Company continues to focus on the research and development and translational application of cutting-edge medical testing technologies. In 2025, the Company actively promoted several key research projects: a collaboration with Beijing Hospital of Traditional Chinese Medicine affiliated with Capital Medical University on the “Emergency Community-Acquired Pneumonia Pathogen Diagnosis and Emerging Infectious Disease Monitoring” project; and a collaboration with the Department of Obstetrics of Hangzhou First People’s Hospital to launch a provincial multi-center study on “Screening and Treatment of Single-Gene Genetic Diseases in Preconception and Early Pregnancy.” Simultaneously, the Company added two new projects to the Ministry of Education’s Industry-Academia Collaborative Education Platform and established academic cooperation relationships with Zhejiang University and Nanchang Medical College, continuously enhancing its capacity for collaborative innovation across industry, academia, and research.
- In terms of quality management, as of the end of the reporting period, 25 out of the Group’s 34 laboratories had obtained ISO15189 certification, maintaining its leading position in the industry in terms of the average number of certification items; 17 laboratories had passed ISO9001 quality management system, ISO14001 environmental management system, and ISO45001 occupational health and safety management system certifications (“three-system certification”); in addition, 1 laboratory obtained the China Metrology Accreditation (CMA) qualification, and 2 laboratories obtained CAP accreditation. In the future, the Company will continue to promote the improvement of laboratory quality standards and system optimization, further consolidate its leading position in the industry, and enhance the service value to customers and partners.

Industry Overview

The construction of county-level medical consortia is driving increased demand for third-party medical testing services

With the continuous advancement of the construction of closely integrated county-level medical consortia and the accelerated integration of county-level medical resources, during the 15th Five-Year Plan period, the PRC government will continue supporting the sharing of resources including medical imaging, electrocardiography diagnosis, and clinical laboratory testing at the county and district levels. The service demands of county-level medical institutions are gradually shifting from previous single-item collaborations to a regional overall service model. The services include outsourcing of laboratory and pathology reports, construction of information platforms, supply of reagents and equipment, logistics and distribution, and laboratory operation.

In this process, third-party medical testing institutions can leverage centralized laboratory platforms, standardized quality management systems, and mature logistics and information systems to provide stable and efficient testing services to primary healthcare institutions, helping to improve the testing capabilities and service efficiency of county-level medical institutions. As the demand for county-level medical services continues to grow, various entities, including Integrated Clinical Laboratory companies, In Vitro Diagnostics (IVD) manufacturers, and distribution companies, are participating therein, and the division of labor

within the industry is gradually evolving. Overall, leading Integrated Clinical Laboratory companies with advantages in scale, technology, and service networks are expected to gain more market opportunities in the industry's development.

Financial Review

Selected Items from the Audited Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue

Our revenue for the year ended December 31, 2025 amounted to RMB2,638.5 million, representing a decrease of approximately 9.5% as compared with RMB2,914.1 million for the year ended December 31, 2024. This decrease was primarily due to downward pricing pressure driven by healthcare insurance payment constraints and industry headwinds, coupled with insufficient growth in sales volume that failed to effectively offset the impact of the pricing decline.

However, as discussed in our business review section, we saw robust growth in our co-construction and CRO segments, and took major steps forward in new client acquisitions. This cushioned us from the broader industry pressure driven by healthcare insurance payment that caused a more pronounced impact across the ICL industry.

Cost of Sales

Our cost of sales for the year ended December 31, 2025 amounted to RMB1,686.0 million, representing a decrease of approximately 7.1% as compared with RMB1,815.5 million for the year ended December 31, 2024. This decrease was primarily due to our active efforts to reduce our reagent procurement costs as described below, as well as our continuous improvements in operational efficiency.

Gross Profit and Gross Profit Margin

Based on the factors described above, the gross profit of our Group was RMB952.5 million for the year ended December 31, 2025, representing a decrease of approximately 13.3% as compared with RMB1,098.6 million for the year ended December 31, 2024.

Gross profit margin is calculated as gross profit divided by revenue. The gross profit margin of our Group was 36.1% in 2025, compared with 37.7% in 2024. The decrease in gross profit margin was primarily due to the decline in our revenue, which resulted in weaker operational leverage, and was only partially mitigated through our cost reduction efforts.

Leveraging our nationwide laboratory network and strong purchasing power, we continued to collaborate with our supplier relationships to achieve better pricing and terms to achieve further costs savings for our reagents and consumables. In general, our experienced procurement team in headquarters negotiates with and coordinates suppliers and vendors to aggregate purchase volume and thereby secure better terms for our subsidiaries. All of our suppliers and vendors are periodically tendered to ensure that we are able to take advantage

of our operating scale effectively and ensure optimal and cost-effective high-quality reagents and consumables for delivering our testing services. Moreover, our continued improvements in operating scale and business growth enabled us to gain stronger bargaining power with our suppliers, which have enabled us to mitigate the effects of reduced operating leverage.

To ensure that local suppliers can provide a comparable level of quality and consistency, we continually validate local suppliers' offerings, and only cooperate with those that meet our standards. For suppliers that meet our requirements, we will make an effort to transit our exacting testing volume to lower cost local suppliers for these reagents. We are in a continuous process of assessing and validating new local supplier alternatives on a test-by-test or testing group-by-testing group basis and have been able to secure the benefits of lower costs while maintaining the same strict quality standards as imported equipment and reagents.

Other Income and Gains

Our other income and gains for the year ended December 31, 2025 amounted to RMB32.3 million, representing a decrease of approximately 34.4% as compared with RMB49.3 million for the year ended December 31, 2024. This decrease was primarily due to reduced income from bank interest income and to a lesser extent a reduction in government grant income.

Selling and Marketing Expenses

Our selling and marketing expenses for the year ended December 31, 2025 amounted to RMB452.9 million, representing a decrease of approximately 2.8% as compared with RMB465.7 million for the year ended December 31, 2024. This decrease was primarily due to the decrease in staff costs and travel expenses as we implemented enhanced cost control measures in 2025, offset by higher marketing costs due to higher contribution of our esoteric testing business last year.

Administrative Expenses

Our administrative expenses for the year ended December 31, 2025 amounted to RMB248.5 million, representing a decrease of approximately 1.9% as compared with RMB253.3 million for the year ended December 31, 2024. This decrease was primarily due to reduction in staff headcount and wages offset by severance and ESOP related expenses.

R&D Expenses

Our R&D expenses for the year ended December 31, 2025 amounted to RMB103.7 million, representing a decrease of approximately 13.6% as compared with RMB120.0 million for the year ended December 31, 2024. This decrease was primarily due to reduced laboratory expenses and reagent consumables and reduction in staffing headcount due to a reduction in development projects in 2025.

Other Expenses

Our other expenses for the year ended December 31, 2025 amounted to RMB79.3 million, representing a decrease of approximately 51.8% as compared with RMB164.6 million for the year ended December 31, 2024. This decrease was primarily because of the reduction in the amount of allowance for expected credit losses associated with the receivables losses, net of reversal. These impairment losses consist of customer receivables impairment resulting from reimbursement related budget pressures experienced by our customer base. In addition, we recorded RMB19.5 million net losses from foreign exchange (as compared with RMB7.6 million net gains for the year ended December 31, 2024) and RMB4.4 million losses on disposal of property, plant and equipment and other intangible assets (as compared with RMB10.2 million for the year ended December 31, 2024) due to cost reduction and laboratory network optimization efforts.

Finance Costs

Our finance costs for the year ended December 31, 2025 amounted to RMB48.5 million, representing a decrease of approximately 7.4% as compared with RMB52.4 million for the year ended December 31, 2024. This decrease was primarily due to our reduced cost of bank loans.

Income Tax Expenses

Our income tax expenses for the year ended December 31, 2025 amounted to RMB29.0 million, representing a decrease of approximately 1.2% as compared with RMB29.4 million for the year ended December 31, 2024. This decrease was generally in line with the decrease in our profit before tax, as adjusted by non-taxable fair value gains and losses and share-based payment expenses in 2025.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by approximately 63.6% from RMB62.6 million for the year ended December 31, 2024 to RMB22.7 million for the year ended December 31, 2025.

Selected Items from the Consolidated Statement of Financial Position

Current Assets/Liabilities

Our total current assets decreased to RMB3,011.5 million as of December 31, 2025 from RMB3,050.7 million as of December 31, 2024, and our total current liabilities increased to RMB2,097.0 million as of December 31, 2025 from RMB1,925.1 million as of December 31, 2024.

Inventories

Our inventories as of December 31, 2025 amounted to RMB129.3 million, representing an increase of approximately 1.8% as compared with RMB126.9 million as of December 31, 2024. This increase was primarily due to normal variations in purchases in reagents and consumables. Our inventory turnover days decreased from 31 days in 2024 to 28 days in 2025, primarily due to our continuous efforts on better inventory management.

Trade and Bills Receivables

Our trade and bills receivables as of December 31, 2025 amounted to RMB1,298.9 million, representing a decrease of approximately 5.7% as compared with RMB1,377.4 million as of December 31, 2024. This decrease was primarily due to the Company's diligent cash collection efforts and conservative expected credit losses reserves taken in 2025. Our gross trade and bills receivables turnover days increased from 220 days in 2024 to 239 days in 2025 due to decline in revenues outpacing the decline in gross receivables, and our receivables turnover days from our base business (excluding large screening Covid receivables) increased from 172 days in 2024 to 200 days in 2025 for the same reason.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables as of December 31, 2025 amounted to RMB250.2 million, representing a decrease of approximately 0.3% as compared with RMB251.1 million as of December 31, 2024. This decrease was primarily due to (i) a RMB2.8 million decrease in advance lease payments for short-term leases; (ii) a RMB1.8 million decrease in subscription receivable for exercising share awards; and (iii) offset by a RMB1.4 million increase in prepayments for reagents and consumables.

Trade and Bills Payables

Our trade and bills payables as of December 31, 2025 amounted to RMB697.0 million, representing a decrease of approximately 3.4% as compared with RMB721.8 million as of December 31, 2024. This decrease was primarily due to reduction in purchases from suppliers as a result of decline in revenues in 2025. Our trade and bills payables turnover days increased from 148 days in 2024 to 154 days in 2025, primarily attributable to the negotiation of better payment terms with our suppliers.

Financial Assets at FVTPL

Our financial assets at FVTPL amounted to RMB84.3 million as of December 31, 2025, as compared with nil as of December 31, 2024. This change was due to the purchase of financial assets in relation to the acquisition of AstraBio Ltd, a developer of hematology and flow cytometry diagnostic reagents.

Other Payables and Accruals

Our other payables and accruals as of December 31, 2025 amounted to RMB525.8 million, representing a decrease of approximately 14.3% as compared with RMB613.4 million as of December 31, 2024. This decrease was primarily due to a decrease of RMB43.4 million in payroll payables mainly resulting from a reduction in reserves taken in the Company's year-end bonus payroll compared to the prior year.

Contract Liabilities

Our contract liabilities as of December 31, 2025 amounted to RMB23.4 million, representing a decrease of approximately 21.8% as compared with RMB29.9 million as of December 31, 2024. This decrease was primarily due to the decrease in advance payments from customers for the delivery of equipment in 2025.

Pledged Deposits

Our pledged deposits as of December 31, 2025 amounted to RMB932.2 million, representing a decrease of approximately 2.5% as compared with RMB956.0 million as of December 31, 2024. This decrease was primarily due to release of pledged deposits as a result of paydown of offshore loans with onshore cash deposits.

Liquidity and Capital Resources

During the year ended December 31, 2025, our Group funded cash requirements principally from cash generated from operating activities. As of December 31, 2025, we had cash and cash equivalents of RMB1,103.2 million, representing an increase of approximately 5.7% as compared with RMB1,043.8 million as of December 31, 2024. This increase was primarily due to increase in our working capital management and decreased capital expenditure spending, improving our cash flow generation in 2025.

Our current cash and cash equivalents, together with anticipated operating cash inflows, are expected to be sufficient to meet our working capital requirements, daily operational needs, and financial commitments. As of the date of this announcement, we do not have any definitive plans for material fundraising activities. However, we will continue to monitor market conditions and may pursue equity or debt financing opportunities should the need arise to support future growth initiatives or enhance liquidity.

Indebtedness

During the year ended December 31, 2025, we incurred borrowings to finance our bolt-on acquisitions, capital expenditure and working capital requirements, which were mainly denominated in RMB. All of the interest-bearing bank borrowings during the year ended December 31, 2025 were loans with effective annual interest rates ranging from 1.90% to 4.65% as of December 31, 2025. Our net cash position (equals cash and cash equivalents plus pledged deposits and net of interest-bearing bank borrowing) decreased by 18.3% from RMB693.9 million as of December 31, 2024 to RMB566.7 million as of December 31, 2025.

Contingent Liabilities

As of December 31, 2025, we were not involved in any material legal, arbitration or administrative proceedings that, if adversely determined, would be expected to materially and adversely affect our financial position or results of operations.

Capital Expenditures

Capital expenditures primarily consisted of expenditures on (i) property and equipment, and (ii) other intangible assets, which primarily include patents, software and customer relationships.

Our capital expenditures for the year ended December 31, 2025 amounted to RMB108.2 million, representing a decrease of approximately 7.9% as compared with RMB117.6 million for the year ended December 31, 2024. This decrease was primarily due to the decrease in our purchases of property and equipment and other intangible assets as a result of rationalization of our capital expenditure spending in a challenging industry environment, offset by our continued expansion of our co-construction business in 2025.

Capital Commitments

Capital commitments primarily constituted our purchases of property and equipment for the construction, expansion and enhancement of our facilities.

Our capital commitments as of December 31, 2025 amounted to RMB10.2 million, representing an increase of approximately 9.2% as compared with RMB9.3 million as of December 31, 2024. This increase was primarily due to expansion and enhancement of selected facilities.

Financial Ratios

The following table sets forth certain of the key financial ratios as of the dates indicated:

	As of December 31,	
	2025	2024
Liquidity ratios		
Current ratio ⁽¹⁾	1.44	1.58
Quick ratio ⁽²⁾	1.37	1.52
	<hr/> <hr/>	<hr/> <hr/>
Capital adequacy ratios		
Gearing ratio ⁽³⁾	0.79	0.74
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (1) Current assets divided by current liabilities as of the end of the years.
- (2) Current assets less inventories divided by current liabilities as of the end of the years.
- (3) Total borrowings divided by total equity as of the end of the years.

Charges on Assets

As of December 31, 2025, the Group had no charges on assets.

Future Plans for Material Investments

As of the date of this announcement, the Group does not have any concrete committed plans for material investments and capital assets not previously disclosed in 2026.

Foreign Exchange Risk and Hedging

We primarily operate in the PRC with most of our transactions denominated and settled in RMB. However, certain of our time deposits, bank balances and cash and other financial assets are denominated in foreign currencies and exposed to foreign currency risks. We currently do not have a foreign currency hedging policy. However, we manage foreign exchange risks by closely monitoring our foreign exchange exposure and will consider hedging against significant foreign exchange risks should the need arise.

Material Acquisitions, Significant Investments and Disposals

During the year ended December 31, 2025, save as disclosed respectively in the announcements of the Company dated May 6, 2025 and November 13, 2025, we did not make any other material acquisitions, significant investments or disposals of subsidiaries, associates and joint ventures.

As of December 31, 2025, we did not hold any significant investments (including any investment in an investee company) with a value of 5% or more of the Group's total assets.

Employees and Remuneration

As of December 31, 2025, we had a total of 5,071 employees (as of December 31, 2024: 5,445 employees). For the year ended December 31, 2025, we incurred total remuneration costs of RMB874.2 million (for the year ended December 31, 2024: RMB887.2 million). The remuneration packages of our employees include salaries, benefits, social insurance and share-based compensation, the amount of which is generally determined by their qualifications, industry experience, position and performance. We contribute to social insurance and housing provident funds as required by the PRC laws and regulations.

To maintain the quality, knowledge and skill levels of the workforce, our Group provides regular and specialized trainings tailored to the needs of employees in different departments, including regular training sessions conducted by senior employees or third-party consultants covering various aspects of our business operations.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the year ended	
		December 31,	
	Notes	2025	2024
		RMB'000	RMB'000
REVENUE	4	2,638,450	2,914,113
Cost of sales		(1,685,967)	(1,815,464)
		<hr/>	<hr/>
Gross profit		952,483	1,098,649
Other income and gains		32,326	49,261
Selling and marketing expenses		(452,850)	(465,691)
Administrative expenses		(248,490)	(253,274)
Research and development costs		(103,674)	(120,037)
Other expenses		(79,325)	(164,590)
Finance costs		(48,506)	(52,358)
Share of loss of an associate		(180)	—
		<hr/>	<hr/>
PROFIT BEFORE TAX	5	51,784	91,960
Income tax expense	6	(29,039)	(29,397)
		<hr/>	<hr/>
PROFIT FOR THE YEAR		22,745	62,563
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Owners of the parent		18,443	47,014
Non-controlling interests		4,302	15,549
		<hr/>	<hr/>
		22,745	62,563
		<hr/> <hr/>	<hr/> <hr/>

	Notes	For the year ended December 31,	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the financial statements of subsidiaries		<u>7,956</u>	<u>(5,073)</u>
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the financial statements of the Company		<u>5,614</u>	<u>(6,239)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		<u>13,570</u>	<u>(11,312)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>36,315</u>	<u>51,251</u>
Attributable to:			
Owners of the parent		32,013	35,702
Non-controlling interests		4,302	15,549
		<u>36,315</u>	<u>51,251</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
		<i>RMB</i>	<i>RMB</i>
Basic	8	0.03	0.07
Diluted	8	0.03	0.07

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As of 31 December,	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property and equipment	9	373,427	398,520
Right-of-use assets		165,684	165,719
Goodwill		117,214	79,802
Other intangible assets		179,047	154,064
Investments in an associate		6,653	—
Deferred tax assets		133,637	129,180
Prepayments, deposits and other receivables	11	40,139	54,543
Amounts due from related parties		2,555	2,511
Financial assets at FVTPL		79,774	—
Pledged deposits		694,000	650,000
		<hr/>	<hr/>
Total non-current assets		1,792,130	1,634,339
		<hr/> <hr/>	<hr/> <hr/>
CURRENT ASSETS			
Inventories		129,279	126,935
Trade and bills receivables	10	1,298,934	1,377,364
Prepayments, deposits and other receivables	11	210,053	196,521
Financial assets at FVTPL		4,551	—
Amounts due from related parties		27,264	25
Pledged deposits		238,200	306,000
Cash and cash equivalents		1,103,174	1,043,833
		<hr/>	<hr/>
Total current assets		3,011,455	3,050,678
		<hr/> <hr/>	<hr/> <hr/>
CURRENT LIABILITIES			
Trade and bills payables	12	696,965	721,814
Other payables and accruals	13	525,808	613,380
Contract liabilities		23,397	29,905
Interest-bearing bank borrowings		763,933	467,975
Profit tax payable		21,039	30,274
Amounts due to related parties		6,972	1,081
Lease liabilities		58,855	60,709
		<hr/>	<hr/>
Total current liabilities		2,096,969	1,925,138
		<hr/> <hr/>	<hr/> <hr/>
NET CURRENT ASSETS		914,486	1,125,540
		<hr/> <hr/>	<hr/> <hr/>
TOTAL ASSETS LESS			
 CURRENT LIABILITIES		2,706,616	2,759,879
		<hr/> <hr/>	<hr/> <hr/>

	Notes	As of 31 December,	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		704,722	837,943
Lease liabilities		123,304	124,523
Deferred tax liabilities		25,326	22,737
Other non-current liabilities		4,000	—
		<hr/>	<hr/>
Total non-current liabilities		857,352	985,203
		<hr/> <hr/>	<hr/> <hr/>
NET ASSETS		1,849,264	1,774,676
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Share capital	14	97	97
Treasury shares	14	(61,079)	(112,120)
Reserves		1,781,576	1,760,108
		<hr/>	<hr/>
		1,720,594	1,648,085
Non-controlling interests		128,670	126,591
		<hr/>	<hr/>
Total equity		1,849,264	1,774,676
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

ADICON Holdings Limited (“the Company”) is a limited liability company incorporated in the Cayman Islands on 20 March 2008 and its shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 30 June 2023. Its registered office is located at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company is an investment holding company. During the year, the Company’s subsidiaries were principally engaged in providing medical testing services and trading of medical testing equipment in the People’s Republic of China (the “PRC”).

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) as issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments, wealth management products, and contingent consideration which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

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

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

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income ("FVTOCI") and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts, and add new disclosure requirements. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **IFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **IAS 7 *Statement of Cash Flows*:** The amendments replace the term “cost method” with “at cost” in paragraph 37 of IAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

Geographical information

For management purposes, the Group is organised into a whole business unit based on its products and services. Management monitors the results of the Group's operating as a whole for the purpose of making decisions about resource allocation and performance assessment.

Since nearly all of the Group's non-current assets were located in Chinese mainland, no geographical segment information is presented in accordance with *IFRS 8 Operating Segments*.

Information about a major customer

No revenue from the Group's sales to a single customer amounted to 10% or more of the Group's revenue during the year.

4. REVENUE

An analysis of revenue is as follows:

(i) Disaggregated revenue information

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers		
Medical diagnostic services	<u>2,638,450</u>	<u>2,914,113</u>
Timing of revenue recognition		
At a point in time	2,590,955	2,878,000
Over time	<u>47,495</u>	<u>36,113</u>
Total	<u>2,638,450</u>	<u>2,914,113</u>

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in the contract liabilities balance at the beginning of year:	<u>29,905</u>	<u>34,664</u>

(ii) **Performance obligations**

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

Testing services for R&D projects and others

Under testing services for R&D projects and others, revenue is recognised at the amount to which the Group has the right to invoice for the services performed. Therefore, under the practical expedient allowed by IFRS 15, the Group does not disclose the value of unsatisfied performance obligation.

5. PROFIT BEFORE TAX

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

	2025	2024
	RMB'000	RMB'000
Cost of services provided	1,535,519	1,514,526
Cost of inventories sold	150,448	300,938
Depreciation of property and equipment*	109,926	105,104
Depreciation of right-of-use assets*	62,733	60,955
Amortisation of other intangible assets*	12,262	10,034
Share of loss of an associate	180	—
Fair value (gains)/losses on financial assets on FVTPL, net	(344)	2,230
Research and development costs	103,674	120,037
Auditors' remuneration	3,230	3,230
Employee benefit expense*		
(including directors' remuneration):	874,158	887,189
Share awards	4,943	2,151
Salaries and other benefits	725,439	723,122
Pension scheme contributions, social welfare and other welfare	143,776	161,916
Lease payments not included in the measurement of lease liabilities	11,455	15,996
Bank interest income	(13,185)	(21,472)
Foreign exchange losses/(gains), net	19,518	(7,594)
Losses on disposal of items of property and equipment and other intangible assets	4,373	10,174
(Gains)/losses on lease termination of items of right-of-use assets	(18)	159
Impairment losses, net of reversal:	49,544	142,097
– Financial assets under the ECLs model	49,711	139,777
– Inventories	(167)	2,320

* The depreciation of property and equipment, the depreciation of right-of-use assets, the amortisation of other intangible assets, and the employee benefit expense for the year are included in "Cost of sales", "Selling and marketing expenses", "Administrative expenses" and "Research and development costs" in the consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX

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

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains.

Hong Kong

The subsidiaries which operate in Hong Kong are subject to profits tax at a rate of 8.25% which applies to the first HKD2,000,000 of assessable profits, and the remaining assessable profits are subject to profits tax at a rate of 16.5%.

Pursuant to the PRC Enterprise Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% since September 2023. The Group is therefore liable to withholding taxes on dividends distributed by those subsidiaries established in Chinese mainland in respect of earnings generated from 1 January 2008.

Chinese mainland

Pursuant to the Enterprise Income Tax Law of the PRC and the respective regulations (the “EIT Law”), the subsidiaries which operate in Chinese mainland are subject to EIT at a rate of 25% on the taxable income, except for certain subsidiaries which are entitled to preferential tax rates.

Pillar Two income taxes

The Group is out of the scope of the Pillar Two model rules because the revenue for the year ended 31 December 2025 did not exceed Euro 750 million. The Group continues to closely monitor Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

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

	2025	2024
	RMB'000	RMB'000
Current income tax	35,938	55,035
Deferred income tax	(6,899)	(25,638)
Total tax charge for the year	29,039	29,397

A reconciliation of the tax expense applicable to profit before tax using the statutory rate for the jurisdiction in which the majority of the Group's subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2025	2024
	RMB'000	RMB'000
Profit before tax	51,784	91,960
Tax at the statutory tax rate (25%)	12,946	22,990
Lower tax rates for specific provinces or enacted by local authority	(1,547)	(7,100)
Effect on opening deferred tax assets or liabilities resulting from previously unrecognised tax losses, tax credit or temporary differences	(6,376)	(1,244)
Adjustments in respect of current tax of previous periods	440	4,060
Additional deductible allowance for qualified research and development costs	(16,695)	(16,521)
Expenses not deductible for tax	5,060	4,557
Tax losses utilised from previous periods	(251)	(2,078)
Tax losses and temporary differences not recognised	33,066	24,173
Effect of withholding tax at 5% (2024: 5%) on the distributable profits of the Group's PRC subsidiaries	2,396	560
	<hr/>	<hr/>
Tax charge at the Group's effective rate	29,039	29,397
	<hr/> <hr/>	<hr/> <hr/>

7. DIVIDENDS

No dividend has been paid or declared by the Company for the year ended 31 December 2025.

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 714,501,132 (2024: 721,371,760) outstanding during the year, as adjusted to reflect the rights issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares. For the year ended 31 December 2025, the calculation of diluted earnings per share has not considered restricted share units ("RSUs") under the share incentive plans of the Company as the inclusion would be anti-dilutive.

The calculations of basic and diluted earnings per share are based on:

	2025	2024
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000)	18,443	47,014
Ordinary shares ('000)		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation*	714,501	721,372
Earnings per share (RMB per share)	0.03	0.07
Effect of dilution – weighted average number of ordinary shares: Weighted average number of ordinary shares outstanding during the year used in the diluted earnings per share calculation	714,501	721,372
Diluted earnings per share (RMB per share)	0.03	0.07

* The weighted average number of shares was after taking into account the effect of treasury shares held.

9. PROPERTY AND EQUIPMENT

	Office and electronic equipment <i>RMB'000</i>	Laboratory equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Leasehold improve- ments <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2025						
At 1 January 2025:						
Cost	101,918	560,340	14,896	271,110	8,047	956,311
Accumulated depreciation	(57,657)	(353,834)	(12,108)	(134,192)	—	(557,791)
Net carrying amount	<u>44,261</u>	<u>206,506</u>	<u>2,788</u>	<u>136,918</u>	<u>8,047</u>	<u>398,520</u>
At 1 January 2025, net of accumulated depreciation						
	44,261	206,506	2,788	136,918	8,047	398,520
Additions	9,039	54,092	285	424	20,927	84,767
Acquisition of a subsidiary	1,017	5,954	69	2,585	—	9,625
Disposals	(1,101)	(6,715)	(33)	(1,710)	—	(9,559)
Transfers	223	—	—	10,251	(10,474)	—
Depreciation provided during the year	(13,964)	(65,848)	(703)	(29,411)	—	(109,926)
At 31 December 2025, net of accumulated depreciation	<u>39,475</u>	<u>193,989</u>	<u>2,406</u>	<u>119,057</u>	<u>18,500</u>	<u>373,427</u>
At 31 December 2025:						
Cost	107,848	612,596	15,842	281,160	18,500	1,035,946
Accumulated depreciation	(68,373)	(418,607)	(13,436)	(162,103)	—	(662,519)
Net carrying amount	<u>39,475</u>	<u>193,989</u>	<u>2,406</u>	<u>119,057</u>	<u>18,500</u>	<u>373,427</u>

	Office and electronic equipment <i>RMB'000</i>	Laboratory equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Leasehold improve- ments <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
31 December 2024						
At 1 January 2024:						
Cost	97,985	522,037	16,605	260,600	8,708	905,935
Accumulated depreciation	(46,123)	(324,960)	(11,711)	(112,154)	—	(494,948)
Net carrying amount	<u>51,862</u>	<u>197,077</u>	<u>4,894</u>	<u>148,446</u>	<u>8,708</u>	<u>410,987</u>
At 1 January 2024, net of accumulated depreciation						
	51,862	197,077	4,894	148,446	8,708	410,987
Additions	8,320	71,495	216	8,962	15,832	104,825
Disposals	(1,064)	(3,976)	(342)	(6,806)	—	(12,188)
Transfers	—	—	—	16,493	(16,493)	—
Depreciation provided during the year	(14,857)	(58,090)	(1,980)	(30,177)	—	(105,104)
At 31 December 2024, net of accumulated depreciation	<u>44,261</u>	<u>206,506</u>	<u>2,788</u>	<u>136,918</u>	<u>8,047</u>	<u>398,520</u>
At 31 December 2024:						
Cost	101,918	560,340	14,896	271,110	8,047	956,311
Accumulated depreciation	(57,657)	(353,834)	(12,108)	(134,192)	—	(557,791)
Net carrying amount	<u>44,261</u>	<u>206,506</u>	<u>2,788</u>	<u>136,918</u>	<u>8,047</u>	<u>398,520</u>

10. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	1,702,708	1,745,680
Bills receivable	6,533	4,564
	<u>1,709,241</u>	<u>1,750,244</u>
Allowance for expected credit losses	(410,307)	(372,880)
Total	<u><u>1,298,934</u></u>	<u><u>1,377,364</u></u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally from 90 to 120 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of trade and bills receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
1 month to 6 months	827,628	855,432
6 months to 1 year	197,983	213,256
1 year to 2 years	154,132	261,867
2 years to 3 years	110,304	40,694
Over 3 years	8,887	6,115
Total	<u><u>1,298,934</u></u>	<u><u>1,377,364</u></u>

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	372,880	242,373
Impairment losses	49,702	139,804
Amount written off as uncollectible	(12,275)	(9,297)
At end of year	<u><u>410,307</u></u>	<u><u>372,880</u></u>

The Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECLs. The Group determines the ECLs on these items by using a provision matrix. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns such as ageing, historical denial and past collection experience, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The following table details the risk profile of trade and bills receivables, the expected loss rate represents combined expected loss rate of different groupings of various customer segments:

	As at 31 December 2025		
	Amount	Expected	Impairment
	RMB'000	loss rate	RMB'000
		%	
Individually assessed	106,418	100.00	106,418
Measured by provision matrix:			
1 month to 6 months	862,975	4.85	41,880
6 months to 1 year	215,506	8.13	17,523
1 year to 2 years	213,325	27.75	59,193
2 years to 3 years	207,210	46.77	96,906
3 years to 4 years	64,068	86.16	55,203
4 years to 5 years	25,096	99.94	25,081
Over 5 years	8,110	99.91	8,103
Total	1,702,708		410,307

	As at 31 December 2024		
	Amount	Expected	Impairment
	RMB'000	loss rate	RMB'000
		%	
Individually assessed	125,727	100.00	125,727
Measured by provision matrix:			
1 month to 6 months	887,190	3.58	31,758
6 months to 1 year	245,057	12.98	31,801
1 year to 2 years	341,135	23.24	79,268
2 years to 3 years	101,361	59.85	60,667
3 years to 4 years	36,605	83.45	30,548
4 years to 5 years	9,564	99.39	9,506
Over 5 years	3,605	100.00	3,605
Total	1,750,244		372,880

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Deposits		21,018	20,553
– current		5,245	7,173
– non-current	(a)	15,773	13,380
Prepayments	(b)	45,203	43,778
Prepayments for property, plant and equipment		10,791	11,840
Deposit for purchase of interest	(c)	18,200	18,200
Advance lease payments for short-term leases		3,490	6,286
Subscription receivable for exercising share awards	(d)	82,039	83,851
Prepaid taxes		30,185	29,413
Long-term receivables	(e)	30,626	29,601
– current		16,764	—
– non-current		13,862	29,601
Others		8,927	7,820
		<hr/>	<hr/>
Provision for impairment		(287)	(278)
		<hr/>	<hr/>
Total		250,192	251,064
		<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) The amount represents deposits for leases of properties with over one-year lease terms and deposits with suppliers.
- (b) The amount represents prepayments for reagents and consumables.
- (c) As at 31 December 2025, the balance amounting to approximately RMB18,200,000 represents a deposit for purchase of interest from two Independent Clinical Laboratories (“ICLs”) in Henan from parties which are independent of the Company and its connected persons. The deposit was refundable if certain conditions were not satisfied.
- (d) As at 31 December 2025, the balance amounting to approximately RMB82,039,000 represents the subscription receivables due from executive directors, senior management and employees under share incentive plans to settle the share awards being exercised. The amount is not yet received by the Company due to the restrictions from the Sale and Payment of Foreign Exchange Regulations.
- (e) In June 2024, a subsidiary of the Group entered into a supplemental agreement with a customer for nucleic acid testing services completed in 2022. Pursuant to the supplemental agreement, the receivables of RMB31,900,000 due from the customer will be settled by three instalment payments over three consecutive years. As such, the receivable has been reclassified as a non-current asset and measured at its present value of RMB29,099,000 as of the date of signing the supplemental agreement, and subsequently measured at amortised cost.

12. TRADE AND BILLS PAYABLES

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

	2025	2024
	RMB'000	RMB'000
Within 1 year	624,378	649,124
1 to 2 years	33,552	47,205
2 to 3 years	17,881	23,502
Over 3 years	21,154	1,983
Total	696,965	721,814

The trade and bills payables are non-interest-bearing and are normally settled on 60 to 120 day terms.

13. OTHER PAYABLES AND ACCRUALS

	<i>Notes</i>	2025	2024
		RMB'000	RMB'000
Payroll payables		182,826	226,178
Accruals		124,954	141,673
Payables arising from acquisitions	(a)	99,728	99,306
Other payables		56,473	78,501
Amounts due to non-controlling shareholders	(b)	61,175	61,175
Accrued listing expenses		—	5,310
Deferred revenue		652	1,237
Total		525,808	613,380

Notes:

- (a) In connection with the acquisition of Shangrao Adicon and Jiangxi Jince, the Group was obligated to purchase the remaining non-controlling interests in Shangrao Adicon and Jiangxi Jince from minority shareholders upon satisfaction of certain conditions in the relevant share purchase agreements. As of 31 December 2025, the liabilities arising from purchase obligation amounted to RMB42,160,000 (2024: RMB42,160,000).

In connection with the acquisition of Henan Adicon, the Group acquired 51% equity interests in Henan Adicon during 2022 with the remaining unpaid consideration recognised as contingent consideration. The value of the liabilities amounted to RMB13,337,000 as of 31 December 2025 (2024: RMB13,337,000). The Group is also obligated to purchase 19% equity interests in Henan Adicon from minority shareholders upon satisfaction of certain condition of 2024 and 2025 precedents in the relevant share purchase agreements. As of 31 December 2025, the liabilities arising from purchase obligation amounted to RMB43,809,000 (2024: RMB43,809,000).

In connection with the acquisition of Youqin, the Group acquired 100% equity interests in Yuande Youqin during 2025 at a total consideration of RMB35,422,000 in cash, of which the cash consideration of RMB35,000,000 had been paid as at 31 December 2025.

- (b) Pursuant to the share purchase agreement entered into between the Group and the then shareholders of Henan Adicon, the collection of revenue from COVID-19 testing services earned by Henan Adicon during 2021 shall be repaid to the then shareholders. The balance amounting to RMB61,175,000 (2024: RMB61,175,000) represents the revenue collected by the Group on behalf of the then shareholders as at 31 December 2025.

14. SHARE CAPITAL AND TREASURY SHARES

	2025 RMB'000	2024 <i>RMB'000</i>
Issued and fully paid:		
727,260,291 (2024: 727,260,291) ordinary shares	97	97

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital <i>RMB'000</i>
At 1 January 2024	727,354,791	97
Shares repurchased and cancelled (Note a)	(94,500)	—
At 31 December 2024, 1 January 2025 and 31 December 2025	727,260,291	97

A summary of movements in the Group's treasury shares is as follows:

	Number of shares	Treasury shares RMB'000
At 1 January 2024	—	—
Shares repurchased by the Company	1,611,500	14,033
Shares purchased by a trust	11,448,500	98,805
Shares cancelled (Note a)	(94,500)	(718)
At 31 December 2024, 1 January 2025	12,965,500	112,120
Shares repurchased by the Company	100,000	660
Shares purchased by a trust (Note b)	9,105,500	45,908
Issue of shares (Note c)	(12,754,297)	(97,609)
At 31 December 2025	<u>9,416,703</u>	<u>61,079</u>
Treasury shares held by the Company	1,617,000	13,975
Treasury shares held by a trust	<u>7,799,703</u>	<u>47,104</u>

Notes:

- a. In September 2024, 94,500 shares were cancelled according to the resolution of the board of directors of the Company.
- b. During the year of 2025, the trust purchased 9,105,500 shares of the Company at a total consideration, including expenses, of HK\$50,084,000 (equivalent to RMB45,908,000) and these shares were held as treasury shares.
- c. On 23 August 2025, the Group acquired 100 issued ordinary shares (equivalent to 10% interests) of AstraBio Ltd. ("AstraBio"), 900 warrants to purchase the issued shares (equivalent to 90% interest of AstraBio) and 300 warrants to subscribe for new shares of AstraBio, in exchange with 12,754,297 shares of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Compliance with the CG Code

The Company has adopted the code provisions of the CG Code and regularly reviews its compliance with the CG Code. The Board has committed to maintaining good corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

In response to the amendments to the CG Code effective July 1, 2025, the Board has approved changes to the terms of reference for the nomination committee. For details, see the announcement of the Company dated August 22, 2025.

To the best knowledge of the Directors, the Company has complied with all applicable code provisions of the CG Code for the year ended December 31, 2025 and up to the date of this announcement.

Compliance with the Model Code

The Company has adopted the Model Code as its code of conduct regarding dealing in the securities of the Company by the Directors and the Group's senior management who, because of their office or employment, are likely to possess inside information of the Company and/or securities. Specific enquiry has been made of all the Directors and they have confirmed their compliance with the Model Code for the year ended December 31, 2025 and up to the date of this announcement. In addition, no incident of non-compliance of the Model Code by the senior management of the Group was noted for the year ended December 31, 2025 and up to the date of this announcement.

In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and senior management in advance.

Purchase, Sale or Redemption of Listed Securities

In accordance with the Shareholders' resolution passed by the Shareholders at the Annual General Meeting held on May 30, 2024, the Directors were granted a general mandate (the "**Repurchase Mandate**") to repurchase no more than 72,735,479 Shares from time to time. On December 16, 2024, the Board resolved to utilize the Repurchase Mandate to repurchase Shares on the open market not more than 36,287,165 Shares. For details, please refer to the announcement of the Company dated December 19, 2024.

During the year ended December 31, 2025 and up to the date of this announcement, the Company has repurchased 100,000 Shares on the Stock Exchange at an aggregate consideration of HK\$0.7 million (including brokerage and other fees), of which 100,000 Shares are held as Treasury Shares. As of the date of this announcement, the Company held 1,617,000 Shares intended to be held as Treasury Shares. The Company has not yet determined the intended use of such Treasury Shares and will utilize them as permitted under the Listing Rules, subject to market conditions and its capital management needs.

Details of the Shares repurchased are summarized as follows:

Month of repurchase	Total number of Shares repurchased	Repurchase price per Share		Aggregate consideration (including brokerage and other fees) (HK\$ million)
		Highest (HK\$)	Lowest (HK\$)	
January 2025	100,000	7.62	6.73	0.7

Save as disclosed above, neither the Company nor any member of the Group has purchased, sold or redeemed any of the listed securities of the Company (including sale of Treasury Shares) during the year ended December 31, 2025 and up to the date of this announcement.

Audit Committee and Review of Financial Statements

The Audit Committee comprises three independent non-executive Directors, namely Mr. YEH Richard (chairman), Mr. MI Brian Zihou and Mr. ZHANG Wei. The Audit Committee is governed by terms of reference that are in compliance with the requirements of the Listing Rules.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended December 31, 2025 in conjunction with the Company's external auditor, Ernst & Young. Based on this review and discussions with the Company's senior management, the Audit Committee was satisfied that the consolidated financial statements of the Group were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the year ended December 31, 2025. The Audit Committee has also discussed the accounting policies, standards, requirements and practices adopted by the Company and reviewed the effectiveness of risk management and internal control measures of the Group with senior management. The Audit Committee does not have any disagreement with the accounting treatment adopted by the Company.

Scope of Auditor's Work

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in this announcement have been agreed by the Company's auditors, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

Events after the Year Ended December 31, 2025

The Directors are not aware of any significant events requiring disclosure that took place subsequent to December 31, 2025 and up to the date of this announcement.

Final Dividends

The Board did not recommend the payment of any final dividend for the year ended December 31, 2025 (for the year ended December 31, 2024: nil).

Annual General Meeting

The Annual General Meeting will be held prior to May 31, 2026. A circular (including notice convening the Annual General Meeting) will be published and dispatched (if requested) to the Shareholders in the manner required by the Listing Rules in due course.

Publication of Annual Results Announcement and Annual Report

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.adicon.com.cn).

The annual report for the year ended December 31, 2025 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company and dispatched to the Shareholders (if requested) in due course.

DEFINITIONS

“AI”	artificial intelligence
“Annual General Meeting”	the annual general meeting of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“China” or “the PRC”	the People’s Republic of China, and for the purposes of this announcement only, except where the context requires otherwise, references to China or the PRC exclude Taiwan and the special administrative regions of Hong Kong and Macau
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules

“Company”, “we”, “us”, “our” or “ADICON”	ADICON Holdings Limited (艾迪康控股有限公司), an exempted limited liability company incorporated in the Cayman Islands on March 20, 2008
“COVID-19”	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2
“CRO”	contract research organization
“Director(s)”	the director(s) of our Company
“ECL”	expected credit loss
“FVTPL”	fair value through profit or loss
“Group”, “our Group” or “the Group”	the Company, its subsidiaries and consolidated affiliated entities from time to time
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“ICL”	independent clinical laboratory
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
“NGS”	next-generation sequencing
“Prospectus”	the prospectus issued by the Company on June 19, 2023
“RMB”	Renminbi, the lawful currency of China

“RSU(s)”	restricted share unit(s)
“R&D”	research and development
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.00002 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Treasury Share(s)”	Share(s) held by the Company in treasury
“Yuande Youqin”	Suzhou Yuande Youqin Medical Laboratory Co., Ltd. (蘇州元德友勤醫學檢驗所有限公司), a company established in the PRC with limited liability on August 28, 2017
“%”	per cent.

By Order of the Board
ADICON Holdings Limited
Ms. YANG Ling
Chairwoman

Hong Kong, March 25, 2026

As at the date of this announcement, the Board comprises Mr. WANG Legang as an executive Director; Ms. YANG Ling, Mr. LIN Jixun, Mr. LI Bo and Mr. ZHOU Mintao as non-executive Directors; and Mr. MI Brian Zihou, Mr. YEH Richard and Mr. ZHANG Wei as independent non-executive Directors.