INTERIM REPORT 2026

ADICON 艾迪康

ADICON HOLDINGS LIMITED
艾迪康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9860)

CONTENTS

DEFINITIONS

"AI"	artificial intelligence
"Annual General Meeting"	the annual general meeting of the Company
"ASP"	average selling price
"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 of the Company
"CAP"	College of American Pathologists
"Carlyle"	The Carlyle Group Inc., a company listed on Nasdaq Global Select Market (ticker symbol: CG)
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "the PRC"	the People's Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires, references in this interim report to "China" and the "PRC" do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"CNV"	copy number variation
"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
"Corelink"	Corelink Group Limited, a limited liability company incorporated in the British Virgin Islands on January 2, 2008, a company wholly-owned by Mr. LIN Jixun, one of the founders of the Group and a non-executive Director
"COVID-19"	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2
"CPPCC"	Chinese People's Political Consultative Conference
"CRO"	contract research organization
"DIP"	diagnosis-intervention packet
"Director(s)"	the director(s) of the Company
"DRG"	diagnosis-related group(s)

"ECL"	expected credit loss
"FVTPL"	fair value through profit or loss
"GLP-1RAs"	GLP-1 receptor agonists
"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
"LDT"	laboratory developed tests
"LIMS"	Laboratory Information Management System
"LIS"	Laboratory Information System
"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
"MRD"	minimal residual disease
"NGS"	next-generation sequencing
"PIMS"	Pathology Information Management System
"Prospectus"	the prospectus issued by the Company on June 19, 2023
"Renminbi" or "RMB"	Renminbi, the lawful currency of China
"Reporting Period"	for the six months ended June 30, 2026
"R&D"	research and development
"RSU(s)"	the restricted share units

"Shanghai Jince"	Shanghai Jince Clinical Laboratories Co., Ltd. (上海錦測醫學檢驗所有限公司), a company established in the PRC with limited liability on August 2, 2006
"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
"2019 Incentive Plans"	the senior executive incentive plan of the Company and the senior management incentive plan of the Company adopted and approved on July 9, 2019, as amended from time to time
"2024 Incentive Plan"	the 2024 incentive plan of the Company adopted and approved on March 28, 2024, as amended from time to time
"2025 Incentive Plan"	the 2025 incentive plan of the Company adopted and approved on May 26, 2025, as amended from time to time
"%"	per cent

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. GAO Song *(resigned on March 2, 2026)*
Mr. WANG Legang *(Interim Chief Executive Officer and Chief Operating Officer) (appointed on February 13, 2026)*

Non-executive Directors

Ms. YANG Ling *(Chairwoman of the Board)*
Mr. LIN Jixun
Ms. FENG Janine Junyuan *(resigned on February 24, 2026)*
Mr. LI Bo *(appointed on February 24, 2026)*
Mr. ZHOU Mintao

Independent Non-executive Directors

Mr. MI Brian Zihou
Mr. YEH Richard *(Lead independent non-executive Director)*
Mr. ZHANG Wei
Ms. FENG Danlong *(appointed on August 25, 2026)*

AUDIT COMMITTEE

Mr. YEH Richard *(Chairman)*
Mr. ZHANG Wei
Mr. MI Brian Zihou

REMUNERATION COMMITTEE

Mr. MI Brian Zihou *(Chairman)*
Ms. YANG Ling
Mr. ZHANG Wei *(resigned on August 25, 2026)*
Ms. FENG Danlong *(appointed on August 25, 2026)*

NOMINATION COMMITTEE

Ms. YANG Ling *(Chairwoman)*
Mr. ZHANG Wei
Mr. YEH Richard

STRATEGY COMMITTEE

Mr. ZHOU Mintao (*Chairman*)
Ms. YANG Ling
Mr. WANG Legang *(appointed on February 13, 2026)*
Mr. GAO Song *(resigned on March 2, 2026)*
Mr. LIN Jixun
Ms. FENG Janine Junyuan *(resigned on February 24, 2026)*
Mr. LI Bo *(appointed on February 24, 2026)*

AUTHORIZED REPRESENTATIVES

Ms. YANG Ling
Mr. WANG Lawrence Allen

JOINT COMPANY SECRETARIES

Mr. WANG Lawrence Allen
Ms. SO Ka Man *(FCG, HKFCG)* *(resigned on August 25, 2026)*
Ms. LEE Lai Wah *(ACG, HKACG)* *(appointed on August 25, 2026)*

REGISTERED OFFICE

P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road, Grand Cayman
KY1-1205
Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN THE PRC

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West Lake District
Hangzhou, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Sheung Wan
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road,
Grand Cayman
KY1-1205
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

HONG KONG LEGAL ADVISOR

Kirkland & Ellis
26th Floor, Gloucester Tower
The Landmark, 15 Queen's Road Central
Central, Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
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STOCK CODE

9860

KEY FINANCIAL HIGHLIGHTS

	Unaudited For the six months ended June 30,	
	2026 **(RMB'000)**	2025 (RMB'000)
Revenue	**1,284,764**	1,270,559
Gross Profit	**487,140**	454,472
Profit for the period	**35,267**	28,569
Attributable to:		
Owners of the parent	**32,006**	27,273
Non-controlling interests	**3,261**	1,296
Earnings per Share		
(Expressed in RMB per Share)		
Basic	**0.04**	0.04
Diluted	**0.04**	0.04

CEO STATEMENT

The first half of 2026 was a pivotal period for ADICON, building on the past while opening a new chapter and confirming an operational inflection point. Over the past several years, China's ICL industry has undergone a period of deep adjustment amid industry-wide challenges, including the deepening of DRG/DIP payment reform, continued medical insurance cost containment and reforms to the pricing of laboratory testing services. Throughout this period, all of us at ADICON remained firmly confident in the industry's medium- and long-term prospects, maintaining prudent operations and staying focused on our core business. During the Reporting Period, our company's total revenue returned to positive year-on-year growth, confirming an operational inflection point — a hard-won achievement. As signs of recovery across the industry gradually emerge, our company will continue to strengthen its operating foundations and consolidate this hard-won positive momentum.

In the first half of 2026, our company recorded revenue of RMB1.285 billion, representing an increase of 1.1% year on year, with overall operations showing steady improvement and multiple core businesses delivering meaningful progress. During the period, our company's gross profit margin increased to 37.9%, up 2.1 percentage points year on year; adjusted net profit increased by 19.6% year on year; and adjusted EBITDA increased by 11.7% year on year. Against an industry backdrop of continued pricing pressure, steady growth in testing volume effectively offset price declines, supporting a gradual recovery in profitability and continued improvement in the quality of operations.

We remain firmly convinced that short-term cyclical fluctuations will not alter the ICL industry's long-term growth fundamentals. China's ICL penetration rate remains in the single digits, leaving substantial headroom relative to mature overseas markets. As the development of closely integrated county-level medical communities advances and the standardisation of medical service pricing items for laboratory testing progresses, laboratory departments at public hospitals are gradually shifting from traditional "profit centres" to "cost centres", supporting continued growth in demand for outsourced medical testing services. Industry rationalisation and capacity consolidation are accelerating, while market resources are increasingly concentrating among leading players with scaled operating capabilities, deep technical expertise and robust compliance systems, creating clear structural opportunities for our company's long-term, high-quality development.

Building on the recovery in performance and broad-based improvement in business fundamentals during the first half, our company formally launched the new five-year strategic plan, establishing Organic Growth, Inorganic Growth and AI/ToC Enablement as three core growth engines. **We aim to deliver a meaningful step-up in operational scale and earnings quality by 2031. We remain confident in the medium- and long-term prospects of the ICL industry and in our ability to return to growth ahead of the industry.**

1) **Organic Growth:** We will continue to reinforce Routine Testing as the foundation of its core business, maintaining resilient operations and seeking to outperform the broader industry. Esoteric Testing will focus on four core product lines — hematology, infectious diseases, oncology and genetics — and continue to deepen its technical capabilities, raise barriers to entry and expand market share. Leveraging policy support under the national "Thousand-County Initiative", the Co-construction business plans to continue expanding the regional testing centre network, extending further into county-level healthcare markets and broadening service coverage. Leveraging Yuande Youqin's operational strengths and our exclusive strategic cooperation with Guardant Health in Mainland China's biopharmaceutical market, the CRO business will continue to deepen its presence in oncology clinical services and strengthen its capabilities in supporting the clinical translation of innovative drugs.

2) **Inorganic Growth:** We have moved decisively beyond a model focused primarily on scale expansion and transitioned to a disciplined integration strategy centred on complementary capabilities and synergy realisation. Going forward, we will focus on high-barrier segments within Esoteric Testing, address gaps in regional market coverage and extend our healthcare value chain. We will continue to develop an efficient and comprehensive ICL esoteric-testing laboratory system, upgrade CRO central laboratory service capabilities, unlock industrial synergies in innovative IVD, and concurrently build Group-wide AI capabilities and a medical data-asset ecosystem. Leveraging strong shareholder resources and the advantages of our Hong Kong-listed capital platform, we will focus on high-quality M&A and integration, strengthen post-acquisition enablement and refined operational management, and maximise the value of industrial synergies.

3) **AI/ToC Enablement:** We will connect business scenarios across healthcare institutions and consumers to build an integrated smart healthcare ecosystem. On the hospital side, the smart co-construction model will deepen collaboration with regional healthcare institutions, strengthening sample access and the medical service network. On the consumer side, we will partner with leading technology companies to tap online demand for health testing and efficiently convert digital healthcare needs into testing services. Our company's AI technologies have already been deployed in core scenarios, including AI-assisted pathology diagnosis and intelligent service systems. The vast body of medical testing data accumulated over more than two decades is being transformed into a core strategic asset.

Looking ahead, we will firmly advance our five-year strategic plan, with organic and inorganic growth as our core engines. We will continue to optimise our business mix, strengthen our technology and service capabilities, deepen digital operations and enhance cost control, thereby steadily improving earnings quality and overall competitiveness. All of us at ADICON will remain united in purpose and steadfast in execution, advance strategy implementation in a disciplined manner, and continue to create long-term, consistent and sustainable value for shareholders.

Mr. WANG Legang
Executive Director, Interim Chief Executive Officer and Chief Operating Officer
ADICON Holdings Limited

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the first half of 2026, the Company reached operational inflection points across multiple aspects and made significant progress in the following areas:

- During the first half of 2026, the Company's total revenue reached RMB1.28 billion, representing a year-on-year increase of 1.1%; net profit amounted to RMB35.3 million, representing a year-on-year increase of 23.4%; and gross profit margin reached 37.9%, increasing by over 200 basis points year on year. Despite ongoing pressures on average selling prices, the Company saw double-digit volume improvements in the first half of this year, driving year-on-year improvements across key operating indicators, including revenue, net profit and gross profit margin, and positioning itself among the first industry participants to emerge from the downturn and enter a recovery phase.

- From the perspective of the segment performance breakdown,

  - **Co-construction Business:** Revenue increased by 17.4% year on year, while the value of newly signed orders doubled year on year. Since the beginning of 2026, the Company has entered into strategic cooperation agreements with Mindray Medical, Jointown Pharmaceutical Group, WEGO Shingene Medical and Haier Biomedical. The parties will pursue in-depth collaboration across three core areas: the co-construction of regional testing centers, the co-construction of hospital laboratories, and the sharing of supply-chain resources, thereby advancing from "resource complementarity" to "ecosystem co-development". Looking ahead, the 15th Five-Year Plan identifies the implementation of an initiative to strengthen the foundations of healthcare services as a key task and explicitly calls for support for the development of 1,000 closely integrated county-level medical communities. The co-construction business has become a core component of the Company's strategy and is expected to facilitate the implementation of additional flagship projects.

  - **CRO Business:** Revenue increased by 34.9% year on year, while the value of newly signed orders grew strongly year over year. In June 2026, Shanghai Jince entered into a strategic cooperation framework agreement with Gan & Lee Pharmaceuticals in Beijing. In the field of diabetes therapies, Shanghai Jince has participated in nearly 40 central laboratory projects for clinical trials of novel diabetes drugs and supported the successful launch of 19 drugs, covering mainstream therapies including GLP-1RAs, insulin products and SGLT-2 inhibitors. In response to Gan & Lee Pharmaceuticals' research and development needs in metabolic diseases, we are able to leverage our capabilities to provide testing support aligned with the clinical research requirements of innovative therapies such as GLP-1RAs.

  - **Esoteric Testing Segment:** Revenue increased by 11.1% year on year. The hematology, reproductive genetics, infectious diseases, maternal and child health, and oncology product lines all recorded relatively strong growth. In 2026, the Company further deepened the integration of Yuande Youqin. Revenue from the hematology product line increased by 28.2% year on year (pro forma for Yuande Youqin acquisition at the beginning of the reporting period, we achieved 17.6% year over year growth), with substantive progress made in expanding complementary test offerings, sharing sales channels and conducting joint branding initiatives. Based on its mapping of tertiary hospital accounts, the Company steadily advanced engagement with priority hospitals and coordinated efforts to ramp up testing volumes, effectively supporting the overall growth of the esoteric testing segment. Looking ahead, the Company will continue to strengthen its portfolio and academic promotion capabilities across four key product lines—hematology, oncology, infectious diseases and genetics—and further enhance its market share and brand influence in the high-end esoteric testing market.

- **Routine Testing**: Revenue increased by 0.1% year on year. Due to the impact of the DRG/DIP payment reform, the Company's overall average selling price remained under downward pressure in the first half of the year. Growth in testing volume substantially offset the decline in pricing. Meanwhile, the year-on-year decline in pricing has continued to narrow, while the industry's testing outsourcing rate has increased. We believe the Company's testing volume will continue to grow, supporting an inflection point in the growth of routine testing revenue.

- **Health Check-up Business:** Revenue decreased by 44.7% year on year. The health check-up sector has faced multiple challenges since 2025, and we expect industry headwinds to persist throughout this year. Amid the challenging industry environment, both health check-up volume and average selling price came under pressure. Nevertheless, we remain committed to developing our health check-up business. At this stage, our focus is on optimizing the customer mix and establishing long-term customer relationships to support steady business growth.

- **Bidding:** During the first half of 2026, the Group secured 516 successful bids, representing an increase of approximately 26.5% year on year, with the total value of successful bids reaching RMB690 million, representing a significant increase of 100% year on year. Against a backdrop of increasing market-based competition and the growing prevalence of tendering in the industry, the Company materially increased both the number and value of successful bids, further strengthening its market competitiveness and market share.

- **Customer Base:** In the first half of 2026, revenue from public tertiary hospitals increased by 15.1% year on year and continued to account for a growing share of total revenue, further strengthening the Company's core healthcare institution customer base. Revenue from pharmaceutical customers also gained strong momentum. Going forward, the Company will continue to optimize its customer mix by deepening engagement and long-term strategic cooperation with leading hospitals to unlock incremental demand for diagnostic testing services, while expanding its pharmaceutical customer base to diversify revenue sources and enhance the overall quality of its customer portfolio.

• **AI Applications:** The Company continued to advance the implementation and innovation of AI solutions across multiple domains, consistently enhancing diagnostic efficiency and service value. Going forward, the Company will continue to deepen its capabilities in areas including intelligent co-construction solutions for institutional clients, intelligent ecosystem development for individual users, precision testing, efficient operations, professional services and data assets, accelerating the deep integration of AI technologies with its testing business.

- **In May 2026, ADICON and Digital China formally entered into a strategic cooperation framework agreement.** The parties agreed to a three-year in-depth collaboration, under which they will leverage frontier technologies including privacy-preserving computing, data de-identification and multimodal foundation models to jointly advance the application of intelligent medical testing in real-world scenarios. This cooperation marked a new stage in ADICON's AI strategy characterized by "ecosystem collaboration, systematic R&D and scaled deployment".

- **In April 2026, the ADICON Research Suite AI research client was officially launched.** Designed for medical researchers and powered by generative AI, the client provides services including an AI-powered reader, an AI writing workbench and intelligent manuscript submission support. It helps clinicians reduce time spent on repetitive, low-value and time-consuming research tasks, thereby further improving their research efficiency.

- **In March 2026, ADICON and GoBroad Healthcare Group formally entered into a strategic cooperation agreement at Shanghai Zhaxin Hospital.** The parties will focus on the integration of AI and clinical practice, promoting the application of AI from laboratories to clinical settings and developing trusted intelligent assistants for clinicians.

- **In December 2025, Adicon (Hangzhou) Clinical Laboratories Co., Ltd. and Huawei Cloud Computing Technologies Co., Ltd. formally entered into a cooperation agreement.** The parties launched the Huawei Cloud-powered "Wenyi (問醫)" medical foundation model and a suite of intelligent-agent solutions. Going forward, the Company aims to provide not only testing data, but also full-cycle solutions spanning disease screening, diagnostic support, treatment assistance and health management.

- **The Group's intelligent transformation strategy entered a broader implementation phase.** The AI medical insurance assistant made substantial progress, having completed multiple rounds of validation at several medical institutions and progressing towards practical deployment. Applications including OCR-based intelligent recognition of test requisition forms, intelligent LIMS review and intelligent question-and-answer services were implemented across multiple use cases, building reusable AI capabilities in order-entry efficiency, testing quality control and knowledge support. Gastrointestinal AI, AI-powered flow-cytometry analysis and AI-enabled pathology quality control also advanced in parallel, further strengthening the Group's platform capabilities.

• **Information Technology:** The next-generation LIMS has been fully rolled out across all subsidiaries. The rollout of the next-generation PIMS continued, with deployment completed at 16 subsidiaries to date. Phase I of the NGS system has gone live, enabling genetic disease analysis to migrate from offline processes to an online platform. Phase II, which focuses on oncology analysis and automated report generation, commenced development at mid-year. The Group's key annual "single-barcode functionality" allows customers' original barcodes to be used throughout the workflow from sample receipt to instrument testing, effectively addressing data fragmentation. Meanwhile, the rollout of key products, including regional LIS, remote pathology diagnosis and in-hospital LIS, accelerated. These products have been successfully deployed at a clinical laboratory center jointly established with a higher education institution, several district-level testing centers and hospitals. The Digital Information Center is progressively expanding its focus from Group-wide digital development towards deeper digital and intelligent transformation.

• **Operational Excellence:** During the first half of 2026, the Company's gross profit margin was 37.9%, representing a year-on-year increase of 2%. The Company continued to optimize its cost structure and improve operational efficiency, maintaining industry-benchmark performance. Compared with the first half of 2025, reagent procurement costs decreased by approximately 12% year on year, logistics cost per test decreased by approximately 9%, and laboratory productivity improved by 15% year on year, demonstrating the effectiveness of the Company's lean management. Looking ahead, cost optimization will continue to be a key driver of the Company's sustainable development. Through initiatives such as centralizing laboratory capacity, deploying AI and integrating functions, coupled with a rigorous management system, the Company aims to sustain cost reductions while maintaining steady efficiency gains.

- **Testing Items:** The Company continued to deepen its product portfolio and upgrade its technologies in oncology, infectious diseases and hematology.
  - **Oncology:** The Company completed the upgrade of its core product portfolio, introducing a broad RNA fusion panel, dedicated assays for central nervous system tumors and renal cell carcinoma, and comprehensive hereditary tumor risk assessment. It also upgraded its small-panel NGS assays from DNA-only testing to combined DNA and RNA testing, while upgrading its large-panel assay into a high-throughput testing solution covering 810 genes.
  - **Infectious Diseases:** Focusing on complex infection scenarios, the Company developed and launched probe capture-based broad-range targeted testing for infectious pathogens (3,000+), bloodstream infections (3,000+) and infections in pathological tissue specimens (2,000+), systematically improving pathogen detection rates and support for precision anti-infective treatment.
  - **Hematology:** The Company achieved improvements in both diagnostic efficiency and the breadth of its product portfolio. The turnaround time for routine pathology reports was reduced to within 24 hours, while automated generation of MICM integrated reports was implemented. More than 60 upgrades were completed across its NGS products, including the addition of a CNV analysis module and the launch of post-treatment follow-up testing, creating an end-to-end clinical testing pathway spanning initial diagnosis, MRD monitoring and follow-up.
- **Scientific Research:** In April 2026, we held in-depth discussions with Harbin Medical University on potential cooperation. Through industry-academia collaboration, the parties aim to build an integrated innovation chain spanning industry, academia, research and application, with a joint laboratory serving as the technological core, a regional precision testing center as the service platform, and joint talent development as the foundation for growth. The Company also established an ongoing clinical research incubation mechanism. During the first half of the year, the output of high-quality SCI papers increased significantly year on year, promoting the integration of AI research tools and advanced testing technologies into standardized clinical diagnosis and treatment pathways.
- **Capacity Expansion:** In May 2026, the Adicon Northern Capacity Center was established in Jinan. With a total investment of RMB100 million and a gross floor area of approximately 7,200 square meters, the center is planned to comprise a matrix of eight specialized laboratories. Upon full commissioning, it is expected to become a core regional capacity hub serving 13 provinces and municipalities in northern China. Supported by a digital operating platform and an integrated cold-chain logistics system, the center will efficiently undertake clinical testing and public health emergency screening, deepen industry-academia-research collaboration, and aim to develop into a benchmark integrated medical testing complex in northern China.
- **Laboratory Quality Management:** Across the Group, 18 entities have obtained integrated triple-system certification, while 25 laboratories have obtained ISO 15189 accreditation, with the average number of accredited items remaining at an industry-leading level. In 2026, Shanghai Jince successfully completed its CAP re-accreditation and continued to work with Guardant Health to advance the international development of precision oncology diagnostics and treatment. Looking ahead, the Company will continue to enhance laboratory quality standards and optimize its quality systems, further consolidating its leading position in the industry and enhancing service value for customers and partners.

Strategic Outlook: The Company believes that 2026 marks the beginning of an upturn in the ICL industry and is confident in its ability to return to growth ahead of the industry and play a leading role in the sector's recovery. Over the next five years, ADICON will remain grounded while maintaining a long-term perspective.

Routine testing will continue to serve as the foundation of the Company's development, supported by deeper customer acquisition and retention efforts to reinforce its growth base. The esoteric testing segment will remain focused on clinical value, leveraging major projects to drive rapid growth. The CRO segment will capitalize on industry opportunities to accelerate business development and contract acquisition. The co-construction segment is expected to benefit from policy support for regional testing centers and become an important driver of revenue growth.

Concurrently, mergers and acquisitions and post-acquisition integration will serve as an additional growth engine, enabling the Company to bring in high-quality resources and accelerate integration and synergies across business segments. Amid the current complex and volatile market environment, ADICON remains confident in the medium- and long-term prospects of the industry, strategically positioning itself in high-potential segments and seeking breakthrough growth while consolidating its existing businesses.

INDUSTRY OVERVIEW

Industry Demand: Aging, County-Level Healthcare Expansion, and Precision Diagnostics Continue to Drive ICL Testing Demand

Population Aging and Rising Health Awareness Continue to Release Incremental Demand for Testing in the Long Term

According to the National Bureau of Statistics, China's population aged 65 and above reached 224 million at the end of 2025, accounting for 15.9% of the total population. The accelerating aging trend has directly increased the patient base of chronic and critical diseases, driving long-term demand for routine screening, follow-up monitoring and prognosis assessment, and supporting steady growth in overall testing volumes. Meanwhile, increasing public health awareness and rising demand for proactive early screening and preventive healthcare have further expanded testing scenarios.

In March 2026, the Outline of the 15th Five-Year Plan for National Economic and Social Development of the PRC, approved by the National People's Congress, set out systematic plans for advancing the Healthy China initiative and addressing population aging. The Outline explicitly proposed strengthening comprehensive chronic disease prevention and management, developing full-cycle services covering prevention, treatment, rehabilitation and health management, improving early screening, early diagnosis and early treatment systems, and promoting mutual recognition of medical examination and testing results. In June 2026, the State Council approved the National Health 15th Five-Year Plan, which further emphasized the establishment of a full-lifecycle healthcare service system and the coordinated allocation and collaboration of medical, medical insurance and disease prevention resources to provide systematic, continuous and high-quality healthcare services. These top-level policy initiatives continue to stimulate testing demand across the entire population and throughout the healthcare lifecycle, providing long-term support for the growth of the medical testing market.

Advancement of the Hierarchical Healthcare System Drives Growth in County-Level Testing Demand

The Chinese government has introduced a number of measures to promote the hierarchical healthcare system, further improving access to primary healthcare services and balancing the allocation of public healthcare resources. In September 2025, the State Council approved the Implementation Plan for the Primary Healthcare Strengthening Project, which specifies that tightly integrated county healthcare networks will achieve basic nationwide coverage across counties and county-level cities by 2027. In May 2026, the General Office of the National Health Commission issued the Guidelines for the Construction and Service of Medical Testing Centers within Tightly Integrated County Healthcare Networks (Trial) and three other guidelines. The guidelines specify that leading hospitals within county healthcare networks should retain only routine basic testing capabilities, while specialized testing projects that involve higher technical requirements and beyond local capabilities should be outsourced to qualified third-party laboratories through unified selection processes. These measures are expected to continue accelerating the development of tightly integrated county healthcare networks and increasing demand for ICL testing services in these regions.

Improved Diagnostic Services Create More Demand Growth Opportunities for the Industry

The continuous development of precision medicine and the emergence of new technologies have significantly stimulated the growth of China's ICL market. These advancements will substantially assist physicians in integrating individual health data and information from clinical factors, real-time monitoring factors, molecular and diagnostic factors (including epigenetic multi-omics), as well as external factors such as environment, behavior, socioeconomic conditions and lifestyle, to develop personalized evidence-based therapeutic interventions and achieve superior treatment outcomes. This will create a new growth curve for the ICL industry.

Policy Environment: Payment Reform and Tighter Regulation Are Promoting Higher ICL Penetration and Industry Structure Optimization

Diagnostics Services Price Items Guideline and DRG/DIP Payment Reform Are Expected to Increase Laboratory Outsourcing Over the Long Term

In July 2024, the Office of the National Healthcare Security Administration issued the Notice on the Release of the Version 2.0 Grouping Scheme for DRG and DIP Payment and Further Advancing Related Work, further improving the DRG/DIP payment grouping system, optimizing the special case review mechanism, clarifying the applicable scenarios and handling procedures for complex critical illnesses and special cases, and advancing the reform of healthcare payment methods. In April 2025, the National Health Commission, the National Administration of Traditional Chinese Medicine and the National Disease Control and Prevention Administration jointly issued the Notice on Further Regulating Medical Examination and Laboratory Testing Services, requiring healthcare institutions to eliminate unreasonable examination and testing packages and promote more standardized and efficient testing practices. In March and June 2026, the National Healthcare Security Administration successively released two consultation drafts of the Guidelines for Pricing Items of Laboratory Testing Services. The proposed guidelines introduced two key pricing principles: (i) the cost of testing reagents will be incorporated into medical service prices, and healthcare institutions will not be allowed to separately charge reagent fees; and (ii) provincial and municipal healthcare security authorities will independently determine the maximum prices for various testing items within their respective jurisdictions.

These policies may result in greater pricing pressure on testing reagents that have not yet been included in centralized procurement programs and may temporarily constrain the pace of adoption of certain advanced testing technologies. Meanwhile, they are expected to accelerate the substitution of imported reagents with domestic products. Furthermore, adjustments to pricing mechanisms and laboratory testing packages continue to emphasize and improve cost control measures, driving fundamental changes in hospital revenue models. Laboratory departments are expected to shift from traditional "profit centers" to "cost centers", making cost management a key operational priority. We believe these measures will accelerate the long-term increase in third-party outsourcing penetration, with the industry structure expected to consolidate toward diagnostic testing service providers with cost advantages.

Stronger Anti-Corruption Measures Are Expected to Promote Industry Consolidation

In May 2024, the National Health Commission and 13 other government authorities issued the Key Tasks for Correcting Unhealthy Practices in Pharmaceutical Procurement and Healthcare Services in 2024, followed by a one-year nationwide campaign to address corruption in the pharmaceutical and healthcare sectors. The campaign covered systematic governance across the entire value chain, including production, distribution and hospital utilization. In May 2025, the Key Tasks for Correcting Unhealthy Practices in Pharmaceutical Procurement and Healthcare Services in 2025 were released to guide further regulatory efforts and improvements, with more specific oversight measures for the laboratory testing sector. In April 2026, the Supreme People's Court and the Supreme People's Procuratorate jointly issued the Interpretation on Several Issues Concerning the Application of Law in Handling Criminal Cases of Corruption and Bribery (II), which took effect on May 1, 2026. The new Interpretation further tightened judicial standards for identifying bribery and corruption-related offences in the healthcare sector, with the threshold for criminal liability related to bribery offences set at RMB30,000 for personnel in both public and private medical institutions.

These anti-corruption policies continue to expand regulatory coverage and strengthen enforcement, significantly raising compliance requirements for industry participants. For the ICL industry, particularly leading companies, these measures are expected to create a fairer and more transparent competitive environment, shifting industry competition toward technological innovation and service value. These policies will effectively address unfair competition practices and enable compliant industry leaders to leverage their advantages in resources, technology and brand recognition to gain greater market share through superior service quality and innovation. In addition, improved regulatory transparency will enhance industry confidence and promote the healthy and sustainable development of the ICL industry.

Expansion of LDT Pilot Programs Creates Additional Growth Opportunities for the Industry

Policy exploration and implementation relating to LDTs continue to accelerate. The Regulations on the Supervision and Administration of Medical Devices, implemented in 2021, provided a regulatory basis for medical institutions to independently develop and use in vitro diagnostic reagents. At the end of 2022, the national LDT pilot program was launched, with the National Medical Products Administration and the National Health Commission issuing the Notice on Conducting Pilot Programs for Medical Institutions to Independently Develop and Use In Vitro Diagnostic Reagents. By May 2026, three batches of pilot institutions had been announced, covering a total of 42 Tier III hospitals across 10 provinces and municipalities. In July 2026, the Guangzhou Municipal Bureau of Industry and Information Technology issued the Several Measures on Deepening Institutional Reform, Expanding Application Scenarios and Supporting the High-Quality Development of the Biopharmaceutical Industry, explicitly supporting qualified LDT pilot medical institutions in jointly establishing LDT research and development centers with third-party medical laboratories, research institutes, manufacturers and other industry participants.

The LDT pilot program is continuing to expand, with policy emphasis gradually shifting from individual medical institution-based pilots toward a collaborative model led by medical institutions with participation from third-party medical laboratories and industry chain partners. This development is expected to create incremental market opportunities for precision diagnostic applications, including targeted therapy, genetic testing and rare disease diagnosis and treatment.

AI, Big Data Processing and Other Technologies Continue to Drive Transformation in the Healthcare and Life Sciences Industry

The development of biopharmaceutical technologies is rapidly enabling the discovery of new targets, therapies and disease models, while accelerating advances in diagnostic technologies. These developments support drug development and clinical trials, improve patient enrollment efficiency, and optimize follow-up diagnosis, treatment monitoring and disease progression or recurrence monitoring. Meanwhile, big data and AI are reshaping the clinical diagnostics industry. Intelligent integration of genomic data, electronic health records and other information enables more accurate disease identification, risk prediction and personalized treatment. AI technologies not only improve laboratory quality control and enhance the accuracy and consistency of testing results, but also support disease surveillance and health trend analysis. We continue to invest in upgrading laboratory information systems and data management capabilities, while leveraging AI to optimize warehouse management, reporting processes and logistics operations to improve efficiency and accuracy.

In November 2025, the National Health Commission and four other government authorities issued the Implementation Opinions on Promoting and Regulating the Application of AI in Healthcare, specifying that by 2027, a number of clinical specialty-specific vertical AI models will be developed, and by 2030, AI-assisted applications in primary healthcare will achieve broad coverage. In December 2025, the National Healthcare Security Administration issued the Guidelines for Pricing Items of Pathology Medical Services (Trial), incorporating "AI-assisted diagnosis" as an expanded item included in pathology service pricing, providing a clearer pathway for the application of AI-assisted diagnostic technologies.

We believe that the ICL industry is at the forefront of healthcare digitalization and will become an important driver and beneficiary of future technological advancement. As AI achieves breakthroughs in healthcare applications, ICL companies, supported by extensive data resources and broad application scenarios, have become key platforms for AI implementation and innovation, driving medical testing toward a more intelligent and precise future.

FINANCIAL REVIEW

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

Revenue

Our revenue for the six months ended June 30, 2026 amounted to RMB1,284.8 million, representing an increase of approximately 1.1% as compared with RMB1,270.6 million for the six months ended June 30, 2025. This increase was primarily due to improved growth in sales volume moderated by continued, but improving reimbursement-related pricing pressure resulting in a turnaround to overall revenue increase in the first half of this year. We are continuing to see improving industry conditions during the course of this year.

Our volume gains have been driven by our continued investment into our esoteric testing offerings, co-construction and CRO segments, and continued sales force push in new customer acquisitions.

Cost of Sales

Our cost of sales for the six months ended June 30, 2026 amounted to RMB797.6 million, representing a decrease of approximately 2.3% as compared with RMB816.1 million for the six months ended June 30, 2025. This decrease was primarily due to the cost savings achieved as a result of our laboratory network optimizations we put in place throughout last year, as well as our continued improvement in reagent procurement costs as described below, and our ongoing improvements in operational efficiency.

Gross Profit and Gross Profit Margin

Based on the factors described above, the gross profit of our Group was RMB487.1 million for the six months ended June 30, 2026, representing an increase of approximately 7.2% as compared with RMB454.5 million for the six months ended June 30, 2025.

Gross profit margin is calculated as gross profit divided by revenue. The gross profit margin of our Group was 37.9% for the six months ended June 30, 2026, compared with approximately 35.8% for the six months ended June 30, 2025. The increase in gross profit margin was primarily due to an inflection in revenue growth with continued realization of cost savings in our laboratory operations. We continued to optimize and realize improved operating leverage within our existing laboratory network through focus on testing volume aggregation at our regional centers of excellence.

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 cost 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.

Other Income and Gains

Our other income and gains for the six months ended June 30, 2026 amounted to RMB17.6 million, representing an increase of approximately 39.3% as compared with RMB12.7 million for the six months ended June 30, 2025. This increase was primarily due to a non-recurring gain on the disposal of right-of-use asset and increased government grant income received in the first half of 2026 compared to the prior year.

Selling and Marketing Expenses

Our selling and marketing expenses for the six months ended June 30, 2026 amounted to RMB210.9 million, representing an increase of approximately 7.4% as compared with RMB196.4 million for the six months ended June 30, 2025. This increase was primarily due to an increase in sales and marketing staff costs and marketing expenses as we continued to focus our sales force on driving our esoteric testing offerings.

Administrative Expenses

Our administrative expenses for the six months ended June 30, 2026 amounted to RMB130.2 million, representing an increase of approximately 15.6% as compared with RMB112.6 million for the six months ended June 30, 2025. This increase was primarily due to an increase in staff costs and professional services fees in relation to third-party consultant research firms.

R&D Expenses

Our R&D expenses for the six months ended June 30, 2026 amounted to RMB49.5 million, representing a decrease of approximately 9.8% as compared with RMB54.9 million for the six months ended June 30, 2025. This decrease was primarily due to reduced use of reagents and consumables and reduction in staffing headcount due to a reduction in development projects in the first half of 2026.

Other Expenses

Our other expenses for the six months ended June 30, 2026 amounted to RMB27.5 million, representing a decrease of approximately 23.1% as compared with RMB35.7 million for the six months ended June 30, 2025. This decrease was primarily due to 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 RMB2.7 million in net losses from foreign exchange (as compared with RMB5.3 million in net losses for the six months ended June 30, 2025) and RMB1.5 million in losses on disposal of property, plant and equipment and other intangible assets (being at the same level as RMB1.5 million in losses for the six months ended June 30, 2025) due to ongoing cost reduction and laboratory network optimization efforts.

Finance Costs

Our finance costs for the six months ended June 30, 2026 amounted to RMB23.3 million, representing an increase of approximately 5.8% as compared with RMB22.0 million for the six months ended June 30, 2025. This increase was primarily due to debt incurred as a result of our recent acquisition of Yuande Youqin.

Income Tax Expenses

Our income tax expenses for the six months ended June 30, 2026 amounted to RMB27.3 million, representing an increase of approximately 61.3% as compared with RMB16.9 million for the six months ended June 30, 2025. This increase resulted from one-time prior period tax expense recognition and the general increase in our profit before tax, as adjusted by non-taxable fair value gains and losses and share-based payment expenses in the first half of 2026.

Profit for the Period

As a result of the foregoing, our profit for the period increased by approximately 23.4% from RMB28.6 million for the six months ended June 30, 2025 to RMB35.3 million for the corresponding period in 2026.

Selected Items from the Unaudited Consolidated Statement of Financial Position

Current Assets/Liabilities

Our total current assets decreased to RMB2,868.6 million as of June 30, 2026 from RMB3,011.5 million as of December 31, 2025, and our total current liabilities decreased to RMB1,883.6 million as of June 30, 2026 from RMB2,097.0 million as of December 31, 2025.

Inventories

Our inventories as of June 30, 2026 amounted to RMB109.9 million, representing a decrease of approximately 15.0% as compared with RMB129.3 million as of December 31, 2025. This decrease was primarily due to both our normal inventory seasonality and our continued inventory management efforts. Our inventory turnover days decreased from 28 days in 2025 to 27 days in the six months ended June 30, 2026, primarily due to our continuous efforts on better inventory management.

Trade and Bills Receivables

Our trade and bills receivables as of June 30, 2026 amounted to RMB1,429.5 million, representing an increase of approximately 10.1% as compared with RMB1,298.9 million as of December 31, 2025. This increase was primarily due to both our normal seasonality and continuing payment pressures from our customer base. Our gross trade and bills receivables turnover days increased from 239 days in 2025 to 251 days in the six months ended June 30, 2026 due to the industry-wide phenomenon of increased reimbursement-related budgetary pressures of our customers, and our receivables turnover days from our base business (excluding large screening Covid receivables) increased from 200 days in 2025 to 238 days in the six months ended June 30, 2026 for the same reason.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables as of June 30, 2026 amounted to RMB281.8 million, representing an increase of approximately 12.6% as compared with RMB250.2 million as of December 31, 2025. This increase was primarily due to (i) a RMB6.2 million decrease in subscription receivables for exercising share awards; (ii) offset by a RMB11.3 million increase in prepayments for reagents and consumables and (iii) offset by a RMB18.5 million increase in prepayments for property, plant and equipment.

Trade and Bills Payables

Our trade and bills payables as of June 30, 2026 amounted to RMB630.0 million, representing a decrease of approximately 9.6% as compared with RMB697.0 million as of December 31, 2025. This decrease was primarily due to a reduction in purchases from suppliers as a result of raw material cost management efforts. Our trade and bills payables turnover days decreased from 154 days in 2025 to 151 days in the six months ended June 30, 2026, as we continued to manage our supplier sources and payment terms.

Financial Assets at FVTPL

Our financial assets at FVTPL amounted to RMB83.8 million as of June 30, 2026, representing a decrease of approximately 0.6% as compared with RMB84.3 million as of December 31, 2025. The financial assets were maintained at relatively consistent value as a result of underlying assets maintaining the expected performance in the first half of 2026.

Other Payables and Accruals

Our other payables and accruals as of June 30, 2026 amounted to RMB468.7 million, representing a decrease of approximately 10.9% as compared with RMB525.8 million as of December 31, 2025. This decrease was primarily due to a decrease of RMB47.7 million in payroll payables mainly resulting from payout of Company's prior period-end annual bonus.

Contract Liabilities

Our contract liabilities as of June 30, 2026 amounted to RMB15.1 million, representing a decrease of approximately 35.7% as compared with RMB23.4 million as of December 31, 2025. This decrease was primarily due to the decrease in advance payments from customers for the delivery of equipment in the first half of 2026.

Pledged Deposits

Our pledged deposits as of June 30, 2026 amounted to RMB886.5 million, representing a decrease of approximately 4.9% as compared with RMB932.2 million as of December 31, 2025. This decrease was primarily due to the release of pledged onshore deposits as a result of paydown of offshore loans.

Liquidity and Capital Resources

During the six months ended June 30, 2026, our Group funded cash requirements principally from cash generated from operating activities. As of June 30, 2026, we had cash and cash equivalents of RMB870.9 million, representing a decrease of approximately 21.1% as compared with RMB1,103.2 million as of December 31, 2025. This decrease was primarily due to negative net operating cash flow as a result of seasonality in our customers' repayment cycles.

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 interim report, 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 six months ended June 30, 2026, 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 six months ended June 30, 2026 were loans with effective annual interest rates ranging from 1.90% to 3.50% as of June 30, 2026. Our net cash position (being cash and cash equivalents plus pledged deposits, net of interest-bearing bank borrowings) decreased by 40.9% from RMB566.7 million as of December 31, 2025 to RMB309.0 million as of June 30, 2026.

Contingent Liabilities

As of June 30, 2026, 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 six months ended June 30, 2026 amounted to RMB62.7 million, representing an increase of approximately 9.6% as compared with RMB57.2 million for the corresponding period in 2025. This increase was primarily due to the increase in our purchases of property and equipment and other intangible assets as a result of continued expansion of our co-construction business offset by the rationalization of our capital expenditure spending as we continued to optimize our laboratory network in the first half of 2026.

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 June 30, 2026 amounted to RMB11.4 million, representing an increase of approximately 11.8% as compared with RMB10.2 million as of December 31, 2025. This increase was primarily due to continued investment and optimization of our facilities.

Financial Ratios

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

	As of	
	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Liquidity ratios		
Current ratio[1]	**1.52**	1.44
Quick ratio[2]	**1.46**	1.37
Capital adequacy ratios		
Gearing ratio[3]	**0.77**	0.79

Notes:

(1) Current assets divided by current liabilities as of the end of the periods.

(2) Current assets less inventories divided by current liabilities as of the end of the periods.

(3) Total borrowings divided by total equity as of the end of the periods.

Charges on Assets

As of June 30, 2026, the Group had no charges on assets.

Future Plans for Material Investments

As of the date of this interim report, the Group does not have any concrete committed plans for material investments and capital assets, other than those as contemplated under the definitive agreement entered into by the Company in November 2025 to acquire 100% of Crown Bioscience International.

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 six months ended June 30, 2026, we did not make any material acquisitions, significant investments or disposals of subsidiaries, associates and joint ventures or 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 June 30, 2026, we had a total of 5,024 employees (as of December 31, 2025: 5,071 employees). For the six months ended June 30, 2026, we incurred total remuneration costs of RMB414.7 million (for the year ended December 31, 2025: RMB874.2 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 training 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.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of June 30, 2026, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name	Nature of Interests	Number of Shares	Approximate percentage of interest in the Company[2]
Ms. YANG Ling	Beneficial owner	502,500 (L)	0.07%
Mr. LI Bo	Beneficial owner	100,000 (L)	0.01%
Mr. WANG Legang	Beneficial owner	100,000 (L)	0.01%
Mr. LIN Jixun[1]	Interest in a controlled corporation	90,061,994 (L)	12.38%

Remark: The Letter (L) denotes the long position in such securities.

Notes:

(1) Mr. LIN Jixun is deemed to be interested in 90,061,994 Shares directly held by his wholly-owned company, Corelink.

(2) Calculated based on the number of the total issued share capital of the Company as of June 30, 2026, being 727,260,291 Shares (including 1,617,000 Treasury Shares).

Save as disclosed above, as of June 30, 2026, none of the Directors or chief executives of the Company has or is deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which will be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2026, the following persons who had interests or short positions in the Shares or underlying Shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Name	Nature of Interests	Number of Shares	Approximate percentage of interest in the Company[4]
Pearl Group Limited[1]	Beneficial owner	281,541,805 (L)	38.71%
Mr. LIN Jixun[2]	Interest in a controlled corporation	90,061,994 (L)	12.38%
Corelink[2]	Beneficial owner	90,061,994 (L)	12.38%
Mr. LIN Feng[3]	Interest in a controlled corporation	72,005,994 (L)	9.90%
Mega Stream Limited[3]	Beneficial owner	72,005,994 (L)	9.90%
GIC Private Limited	Investment manager	36,837,500 (L)	5.07%

Remark: The Letter (L) denotes the long position in such securities.

Notes:

(1) Pearl Group Limited is 94.57% owned by Carlyle Asia Partners V, L.P. and 5.43% owned by CAP V Co-Investment, L.P.. The general partner of Carlyle Asia Partners V, L.P. and CAP V Co-Investment, L.P. is CAP V General Partner, L.P.. The general partner of CAP V General Partner, L.P. is CAP V, L.L.C., an indirect subsidiary of Carlyle. CAP V, L.L.C. is wholly-owned by TC Group Cayman Investment Holdings Sub L.P.. The general partner of TC Group Cayman Investment Holdings Sub L.P. is TC Group Cayman Investment Holdings L.P.. The general partner of TC Group Cayman Investment Holdings L.P. is CG Subsidiary Holdings L.L.C.. The managing member of CG Subsidiary Holdings L.L.C. is Carlyle Holdings II L.L.C.. The managing member of Carlyle Holdings II L.L.C. is Carlyle Holdings II GP L.L.C.. The sole member of Carlyle Holdings II GP L.L.C. is Carlyle. As such, under the SFO, each of Carlyle Asia Partners V, L.P., CAP V General Partner, L.P., CAP V L.L.C., TC Group Cayman Investment Holdings Sub L.P., TC Group Cayman Investment Holdings L.P., CG Subsidiary Holdings L.L.C., Carlyle Holdings II L.L.C., Carlyle Holdings II GP L.L.C. and Carlyle is deemed to be interested in the equity interests held by Pearl Group Limited.

(2) Corelink is wholly-owned by Mr. LIN Jixun, one of the founders of the Group and a non-executive Director. Mr. LIN Jixun is the brother of Mr. LIN Feng.

(3) Mega Stream Limited is wholly-owned by Mr. LIN Feng, one of the founders of the Group. Mr. LIN Feng is the brother of Mr. LIN Jixun.

(4) Calculated based on the number of the total issued share capital of the Company as of June 30, 2026, being 727,260,291 Shares (including 1,617,000 Treasury Shares).

Save as disclosed above, to the best knowledge of the Directors and the chief executives of the Company, as of June 30, 2026, the Company is not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

EMPLOYEE INCENTIVE PLANS

As of the date of this interim report, the Company has adopted four share schemes, namely, the senior executive incentive plan, the senior management incentive plan (together with the senior executive incentive plan, the "**2019 Incentive Plans**"), the 2024 Incentive Plan and the 2025 Incentive Plan. The employee incentive plans are for retaining and motivating the senior executives, senior management members, as well as the employees of the Group.

As of June 30, 2026, no options or RSUs were outstanding under the 2019 Incentive Plans. The underlying Shares under the 2019 Incentive Plans had already been fully issued and are held by Trident Trust Company (HK) Limited and Computershare Hong Kong Investor Services Limited's account at DBS Vickers (Hong Kong) Limited. The terms of the employee incentive plans are substantially similar and not subject to Chapter 17 of the Listing Rules.

As of June 30, 2026, 5,475,000 RSUs were outstanding and no options were outstanding under the 2024 Incentive Plan. The options and RSUs to be granted under the 2024 Incentive Plan are funded by existing Shares only. The 2024 Incentive Plan constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules.

2025 Incentive Plan

The 2025 Incentive Plan was adopted and approved on May 26, 2025. The principal terms of the 2025 Incentive Plan are set out in the Appendix I to the Company's circular dated May 6, 2025.

The maximum number of Shares which may be issued upon exercise of all options and RSUs to be granted under the 2025 Incentive Plan (the "**Award**"), together with options and awards which may be issued under other share scheme(s) shall not in aggregate exceed 3% of the total number of Shares in issue, excluding Treasury Shares (the "**Scheme Mandate Limit**") as at the date of approval of the 2025 Incentive Plan, being 21,769,298 Shares, unless shareholders' approval has been obtained. Awards lapsed or forfeited in accordance with the terms of the 2025 Incentive Plan will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. Within the Scheme Mandate Limit, no option and award may be granted to service providers under the 2025 Incentive Plan. During the Reporting Period, no Award was granted by the Company under the 2025 Incentive Plan.

CHANGES IN DIRECTORS' INFORMATION

Mr. YEH Richard, an independent non-executive Director, was designated as the lead independent non-executive Director with effect from May 27, 2026. For further details, please refer to the announcement of the Company dated May 27, 2026.

Ms. FENG Danlong has been appointed as an independent non-executive Director and a member of the remuneration committee with effect from August 25, 2026. For her information, please refer to the announcement of the Company dated August 25, 2026.

Mr. ZHANG Wei has resigned as a member of the remuneration committee with effect from August 25, 2026.

Save as disclosed above, the Company is not aware of any changes in the information of Directors which are required to be disclosed pursuant to Rule 13.51B of the Listing Rules during the period from the date of 2025 annual report of the Company to the date of this interim report.

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.

With reference to the amended CG Code, Mr. YEH Richard, an independent non-executive Director, was designated as the lead independent non-executive Director with effect from May 27, 2026. The Board believes that this designation could enhance the effectiveness and diversity of the Board, and further improve the good corporate governance practices of the Company. Further details are set out in the announcement of the Company dated May 27, 2026.

To the best knowledge of the Directors, the Company has complied with all applicable code provisions of the CG Code for the six months ended June 30, 2026 and up to the date of this interim report.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as its code of conduct regarding dealings 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 its securities. Specific enquiry has been made of all the Directors and they have confirmed their compliance with the Model Code for the six months ended June 30, 2026 and up to the date of this interim report. In addition, no incident of non-compliance with the Model Code by the senior management of the Group was noted for the six months ended June 30, 2026 and up to the date of this interim report.

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 27, 2026, the Directors were granted a general mandate to repurchase no more than 72,564,329 Shares from time to time.

As of the date of this interim report, the Company held 1,617,000 Shares 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.

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 six months ended June 30, 2026 and up to the date of this interim report.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Group's unaudited consolidated interim financial statements for the six months ended June 30, 2026 have been prepared in accordance with IFRS and reviewed by the Company's independent auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee comprises three independent non-executive Directors, namely Mr. YEH Richard (chairman and lead independent non-executive Director), 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 jointly reviewed with the Company's senior management and independent auditor the unaudited consolidated interim financial information of the Group for the six months ended June 30, 2026. The Audit Committee has also discussed the accounting policies and practices adopted by the Company and internal control measures 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 unaudited consolidated financial information for the six months ended June 30, 2026 as set out in this interim report have been agreed by the Company's auditors, Ernst & Young. 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 interim report.

EVENTS AFTER THE SIX MONTHS ENDED JUNE 30, 2026

The Directors are not aware of any significant events requiring disclosure that took place subsequent to June 30, 2026 and up to the date of this interim report.

INTERIM DIVIDENDS

The Board did not recommend the payment of any interim dividend for the six months ended June 30, 2026 (for the six months ended June 30, 2025: nil).

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

As of June 30, 2026, the Directors were not aware of any circumstances giving rise to the disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

INDEPENDENT REVIEW REPORT

Ernst & Young Limited
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To the board of directors of ADICON Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 30 to 60, which comprises the condensed consolidated statement of financial position of ADICON Holdings Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2026 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong

25 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
REVENUE	4	**1,284,764**	1,270,559
Cost of sales		**(797,624)**	(816,087)
Gross profit		**487,140**	454,472
Other income and gains		**17,639**	12,664
Selling and marketing expenses		**(210,917)**	(196,376)
Administrative expenses		**(130,194)**	(112,638)
Research and development costs		**(49,504)**	(54,904)
Other expenses		**(27,486)**	(35,730)
Finance costs		**(23,255)**	(21,980)
Share of loss of an associate		**(839)**	—
PROFIT BEFORE TAX	5	**62,584**	45,508
Income tax expense	6	**(27,317)**	(16,939)
PROFIT FOR THE PERIOD		**35,267**	28,569
Attributable to:			
Owners of the parent		**32,006**	27,273
Non-controlling interests		**3,261**	1,296
		35,267	28,569

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	**2026 (Unaudited) RMB'000**	2025 (Unaudited) RMB'000
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the financial statements of subsidiaries		**–**	1,996
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the financial statements of the Company		**–**	1,136
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**–**	3,132
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**35,267**	31,701
Attributable to:			
Owners of the parent		**32,006**	30,405
Non-controlling interests		**3,261**	1,296
		35,267	31,701
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Expressed in RMB per share)			
Basic	8	**0.04**	0.04
Diluted	8	**0.04**	0.04

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
NON-CURRENT ASSETS			
Property and equipment	9	**359,434**	373,427
Right-of-use assets		**161,115**	165,684
Goodwill		**117,214**	117,214
Other intangible assets		**176,633**	179,047
Investment in an associate		**5,814**	6,653
Deferred tax assets		**130,235**	133,637
Prepayments, deposits and other receivables	11	**58,518**	40,139
Amounts due from related parties	17	**2,506**	2,555
Financial assets at fair value through profit or loss ("FVTPL")	12	**78,768**	79,774
Pledged deposits		**694,000**	694,000
Total non-current assets		**1,784,237**	1,792,130
CURRENT ASSETS			
Inventories		**109,939**	129,279
Trade and bills receivables	10	**1,429,487**	1,298,934
Prepayments, deposits and other receivables	11	**223,271**	210,053
Financial assets at FVTPL	12	**5,031**	4,551
Amounts due from related parties	18	**37,404**	27,264
Pledged deposits		**192,515**	238,200
Cash and bank balances		**870,903**	1,103,174
Total current assets		**2,868,550**	3,011,455
CURRENT LIABILITIES			
Trade and bills payables	13	**629,963**	696,965
Other payables and accruals	14	**468,725**	525,808
Contract liabilities		**15,050**	23,397
Interest-bearing bank borrowings		**695,712**	763,933
Profit tax payable		**18,994**	21,039
Amounts due to related parties	18	**8,963**	6,972
Lease liabilities		**46,237**	58,855
Total current liabilities		**1,883,644**	2,096,969
NET CURRENT ASSETS		**984,906**	914,486
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,769,143**	2,706,616

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		752,700	704,722
Lease liabilities		120,567	123,304
Deferred tax liabilities		22,990	25,326
Other non-current liabilities		—	4,000
Total non-current liabilities		896,257	857,352
NET ASSETS		1,872,886	1,849,264
EQUITY			
Equity attributable to owners of the parent			
Share capital	15	97	97
Treasury shares	15	(59,166)	(61,079)
Reserves		1,804,924	1,781,576
		1,745,855	1,720,594
Non-controlling interests		127,031	128,670
Total equity		1,872,886	1,849,264

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent									
	Share capital RMB'000 (Note 15)	Treasury shares RMB'000 (Note 15)	Capital reserve RMB'000	Share-based payment reserve RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2026 (audited)	97	(61,079)	1,765,998	7,667	(584,641)	(114,179)	706,731	1,720,594	128,670	1,849,264
Profit and total comprehensive income for the period	—	—	—	—	—	—	32,006	32,006	3,261	35,267
Share-based payment expenses (Note 16)	—	—	—	(2,084)	—	—	—	(2,084)	—	(2,084)
Share repurchase and transfer	—	1,913	(6,574)	—	—	—	—	(4,661)	—	(4,661)
Dividend declared to non-controlling shareholders	—	—	—	—	—	—	—	—	(4,900)	(4,900)
At 30 June 2026 (unaudited)	97	(59,166)	1,759,424	5,583	(584,641)	(114,179)	738,737	1,745,855	127,031	1,872,886

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent									
	Share capital RMB'000 (Note 15)	Treasury shares RMB'000 (Note 15)	Capital reserve RMB'000	Share-based payment reserve RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025 (audited)	97	(112,120)	1,765,998	2,724	(569,153)	(127,749)	688,288	1,648,085	126,591	1,774,676
Profit for the period	—	—	—	—	—	—	27,273	27,273	1,296	28,569
Other comprehensive income for the period:										
Exchange differences on translation of the financial statements of the subsidiaries	—	—	—	—	—	1,996	—	1,996	—	1,996
Exchange differences on translation of the financial statements of the Company	—	—	—	—	—	1,136	—	1,136	—	1,136
Total comprehensive income for the period	—	—	—	—	—	3,132	27,273	30,405	1,296	31,701
Acquisition of non-controlling interests	—	—	—	—	(7,374)	—	—	(7,374)	2,060	(5,314)
Share-based payment expenses (Note 16)	—	—	—	3,523	—	—	—	3,523	—	3,523
Share repurchase	—	(32,783)	—	—	—	—	—	(32,783)	—	(32,783)
At 30 June 2025 (unaudited)	97	(144,903)	1,765,998	6,247	(576,527)	(124,617)	715,561	1,641,856	129,947	1,771,803

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Notes	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		62,584	45,508
Adjustments for:			
Bank interest income		(6,672)	(6,804)
Foreign exchange losses, net	5	2,714	5,335
Finance costs		23,255	21,980
Losses on disposal of property and equipment and other intangible assets	5	1,452	1,522
Gain on lease termination of items of right-of-use assets	5	(3,036)	(18)
Depreciation of property and equipment		56,314	53,471
Depreciation of right-of-use assets		29,503	29,304
Amortisation of intangible assets		6,511	5,523
Impairment losses, net of reversal:			
– Financial assets under the expected credit loss ("ECL") model	5	17,512	26,424
– Inventories	5	(179)	(38)
Share-based payment expenses		(2,084)	3,523
Fair value losses on financial assets at FVTPL, net	5	526	—
Share of loss of an associate		839	—
		189,239	185,730
Decrease in inventories		19,519	11,100
Increase in trade and bills receivables		(160,660)	(194,011)
Increase in prepayments, deposits and other receivables		(13,454)	(5,532)
Decrease in trade payables		(65,010)	(40,500)
Decrease in other payables and accruals		(73,967)	(85,599)
Increase in pledged deposits		(10,315)	—
Cash used in operations		(114,648)	(128,812)
Income tax paid		(28,045)	(36,137)
Net cash flows used in operating activities		(142,693)	(164,949)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	**2026** **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**6,672**	6,804
Purchase of items of property and equipment		**(58,632)**	(55,249)
Purchase of other intangible assets		**(4,097)**	(1,967)
Proceeds from disposal of property and equipment		**939**	2,994
Loan to a related party	18	**(10,000)**	—
Net cash flows used in investing activities		**(65,118)**	(47,418)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		**355,395**	182,433
Repayment of bank loans		**(362,500)**	(161,000)
Withdrawal of pledged time deposits		**56,000**	—
Interest paid		**(18,554)**	(15,360)
Lease payments		**(42,385)**	(40,889)
Payments for share repurchase		**(23,524)**	(32,783)
Proceeds from shares transfer		**18,863**	—
Payments of dividends to non-controlling shareholders		**(4,900)**	(4,000)
Acquisition of non-controlling interests		**—**	(5,314)
Net cash flows used in financing activities		**(21,605)**	(76,913)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(229,416)**	(289,280)
Cash and cash equivalents at beginning of period		**1,103,174**	1,043,833
Effect of foreign exchange rate		**(2,855)**	(3,440)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**870,903**	751,113
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**1,757,418**	1,707,113
Pledged deposits		**(10,315)**	—
Time deposits when acquired, pledged as security for long term bank loans		**(870,200)**	(950,000)
Time deposits when acquired, pledged as security for bank overdraft facilities		**(6,000)**	(6,000)
Cash and cash equivalents as stated in the statement of financial position		**870,903**	751,113
Cash and cash equivalents as stated in the statement of cash flows		**870,903**	751,113

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2026

1. CORPORATE 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 address is 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 reporting period, the Company's subsidiaries were principally engaged in providing medical testing services and the trade of medical testing equipment in the People's Republic of China (the "PRC").

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

The nature and impact of the amended IFRS Accounting Standards are described below:

(a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments 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 and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The nature and impact of the amended IFRS Accounting Standards are described below: (continued)

(b) 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. 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. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to IFRS Accounting Standards – Volume 11* set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Information about geographical areas

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 operations 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 major customers

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

4. REVENUE

An analysis of revenue is as follows:

(i) Disaggregated revenue information

	Six months ended 30 June	
	2026 **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Revenue from contracts with customers		
Medical diagnostic services	**1,284,764**	1,270,559
Timing of revenue recognition		
At a point in time	**1,254,314**	1,247,993
Over time	**30,450**	22,566
Total	**1,284,764**	1,270,559

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

	Six months ended 30 June	
	2026 **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Revenue recognised that was included in the contract liabilities balance at the beginning of period	**23,397**	29,905

(ii) Performance obligations

Testing services for research and development ("R&D") projects and others

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

5. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of services provided	**669,122**	665,639
Cost of inventories sold	**128,502**	150,448
Fair value losses on financial assets at FVTPL, net	**526**	—
Research and development costs	**49,504**	54,904
Foreign exchange losses, net	**2,714**	5,335
Losses on disposal of items of property and equipment and other intangible assets	**1,452**	1,522
Gain on lease termination of items of right-of-use assets	**(3,036)**	(18)
Impairment losses, net of reversal:	**17,333**	26,386
– Financial assets under the ECL model	**17,512**	26,424
– Inventories	**(179)**	(38)

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 or 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 subsidiary which operates in Hong Kong is subject to profits tax at a rate of 8.25% on the first 2,000,000 Hong Kong dollars ("HKD") 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 has been effective since 1 January 2008 and applies to earnings generated 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 has been 5% since September 2023. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese mainland in respect of earnings generated from 1 January 2008.

6. INCOME TAX (Continued)

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 a multinational enterprise group. The Group is not within the scope of the Pillar Two model rules because the annual consolidated revenue of the Group is less than 750 million euro. Therefore, the Group did not disclose any information required by the amendments in the 2025 annual consolidated financial statements and this interim condensed consolidated financial information.

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	**20,663**	14,612
Prior periods income tax (note i)	**5,588**	—
Deferred income tax	**1,066**	2,327
Total tax charge for the period	**27,317**	16,939

Note:

(i) In April 2026, Adicon (Nanjing) Clinical Laboratories Co., Ltd. ("Adicon Nanjing"), a subsidiary of the Group, was publicly notified that its High and New Technology Enterprise ("HNTE") qualification had been revoked with retrospective effect from 2023. During the six months ended 30 June 2026, Adicon Nanjing recognized income tax expense of RMB5,588,000 based on the increase in the applicable corporate income tax rate of Adicon Nanjing from 15% to 25% for the affected periods.

7. DIVIDENDS

No dividend has been paid or declared by the Company during the six months ended 30 June 2026.

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

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 720,028,715 (2025: 710,148,323) outstanding during the period, as adjusted to reflect the rights issue during the period.

The calculation of the diluted earnings per share amount is based on the profit for the period 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 period, 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 period ended 30 June 2026, the calculation of diluted earnings per share has taken into account the restricted share units ("RSUs") under the share incentive plans of the Company as these RSUs had a dilutive effect on the basic earnings per share.

The calculation of basic earnings per share is based on:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**32,006**	27,273
	32,006	27,273
Ordinary shares ('000)		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation*	**720,029**	710,148
Earnings per share (RMB per share)	**0.04**	0.04
Effect of dilution – weighted average number of ordinary shares ('000):		
RSUs	**19**	—
Weighted average number of ordinary shares outstanding during the period used in the dilutive earnings per share calculation	**720,048**	710,148
Diluted earnings per share (RMB per share)	**0.04**	0.04

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

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets at a cost of RMB44,713,000 (unaudited) (30 June 2025: RMB39,350,000 (unaudited)).

Assets with a net book value of RMB2,391,000 (unaudited) were disposed of by the Group during the six months ended 30 June 2026 (30 June 2025: RMB4,486,000 (unaudited)), resulting in a net loss on disposal of RMB1,452,000 (unaudited) (30 June 2025: RMB1,492,000 (unaudited)).

10. TRADE AND BILLS RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	**1,850,922**	1,702,708
Bills receivable	**5,377**	6,533
	1,856,299	1,709,241
Allowance for expected credit losses	**(426,812)**	(410,307)
Total	**1,429,487**	1,298,934

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.

10. TRADE AND BILLS RECEIVABLES (Continued)

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the billing date and net of allowance for expected credit losses, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
1 month to 6 months	**954,113**	827,628
6 months to 1 year	**216,233**	197,983
1 year to 2 years	**155,134**	154,132
2 years to 3 years	**94,202**	110,304
Over 3 years	**9,805**	8,887
Total	**1,429,487**	1,298,934

The movements in the allowance for expected credit losses of trade receivables are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At beginning of period/year	**410,307**	372,880
Impairment losses, net	**17,519**	49,702
Write-off	**(1,014)**	(12,275)
At end of period/year	**426,812**	410,307

10. TRADE AND BILLS RECEIVABLES (Continued)

The Group has applied the simplified approach under 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 the combined expected loss rate of different groupings of various customer segments:

	As at 30 June 2026		
	Amount RMB'000	Expected loss rate %	Impairment RMB'000 (Unaudited)
Individually assessed	125,524	100.00	125,524
Measured by provision matrix:			
1 month to 6 months	985,747	3.21	31,634
6 months to 1 year	254,011	14.87	37,778
1 year to 2 years	211,768	26.74	56,633
2 years to 3 years	167,774	43.85	73,573
3 years to 4 years	59,999	84.21	50,528
4 years to 5 years	31,025	99.34	30,821
Over 5 years	20,451	99.36	20,321
	1,856,299		426,812

	As at 31 December 2025		
	Amount RMB'000	Expected loss rate %	Impairment RMB'000 (Audited)
Individually assessed	106,418	100.00	106,418
Measured by provision matrix:			
1 month to 6 months	869,508	4.82	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
	1,709,241		410,307

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Subscription receivables for exercising share options (current)	(a)	75,792	82,039
Long-term receivables	(b)	31,121	30,626
– Current		17,259	16,764
– Non-current		13,862	13,862
Deposit for proposed acquisition	(c)	18,200	18,200
Deposits		27,461	21,018
– Current		11,772	5,245
– Non-current	(d)	15,689	15,773
Advance lease payments for short-term leases (current)		3,443	3,490
Others (current)		10,824	8,927
Prepayments	(e)	56,483	45,203
Prepayments for property, plant and equipment		29,247	10,791
Prepaid taxes		29,498	30,185
Subtotal		282,069	250,479
Provision of impairment		(280)	(287)
Total		281,789	250,192

Notes:

(a) As at 30 June 2026, the balance amounting to approximately RMB75,792,000 (unaudited) 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 has not yet been received by the Company due to the restrictions under the Sale and Payment of Foreign Exchange Regulations.

(b) In 2025, 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 receivable due from the customer will be settled by three instalment payments over three consecutive years. As such, the receivable has been measured at its present value as of the date of signing the supplemental agreement, and is subsequently measured at amortised cost.

(c) As at 30 June 2026, the balance of approximately RMB18,200,000 (unaudited) represents an advance payment for the proposed acquisition of two independent clinical laboratories ("ICLs") in Henan from third parties and their related parties, namely Yongcheng Meikang Shengde Medical Laboratory Co., Ltd. and Minquan County Meikang Shengde Medical Laboratory Co., Ltd.. The advance payment is refundable if certain conditions for acquisition are not met.

(d) The amount represents deposits for lease of properties with lease terms exceeding one year and deposits with suppliers.

(e) The amount represents prepayments for reagents and consumables.

11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Analysed into:		
Current portion	**223,271**	210,053
Non-current portion	**58,518**	40,139
	281,789	250,192

Other receivables had no recent history of default and past due amounts. The financial assets included in the above balances related to receivables were categorised in Stage 1 at the end of the reporting period. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the reporting period, the Group estimated that the expected credit loss rate for deposits and other receivables was minimal.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long-ageing balances are reviewed regularly by senior management. In view of the fact that the Group's deposits and other receivables related to a large number of diversified counterparties and there was no recent history of default and past due amounts, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its deposits and other receivable balances.

12. FINANCIAL ASSETS AT FVTPL

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current		
Warrants to purchase the issued shares	78,768	79,774
Current		
Warrants to subscribe new shares	5,031	4,551

Note:

In August 2025, the Group purchased 900 warrants to purchase the issued shares and 300 warrants to subscribe new shares of AstraBio Ltd. ("AstraBio"). The warrants to purchase the issued shares granted ADICON Group the option, at its sole discretion, to acquire 900 ordinary shares of AstraBio in a single transaction. Upon satisfaction of certain operation conditions of AstraBio, this option may be exercised at any time between the earliest exercise date of 1 July 2028 and the expiration date of 31 December 2031, the exercise price of all the warrants is not exceed to 2% total issued share of the Company. The Group accounts for the warrants as financial assets at FVTPL, with carrying amounts of RMB78,768,000 (unaudited) as at 30 June 2026 (2025: RMB79,774,000).

The warrants to subscribe new shares represents the warrants that ADICON Group has the option to freely choose to subscribe for 300 new ordinary shares of AstraBio at any time within 5 years from the acquisition date of 23 August 2025, the exercise price of each warrant is RMB100,000. The Group accounts for the warrants as financial assets at FVTPL, with carrying amounts of RMB5,031,000 (unaudited) as at 30 June 2026 (2025: RMB4,551,000).

13. TRADE AND BILLS PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade and bills payables	629,963	696,965

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	571,222	624,378
1 year to 2 years	22,595	33,552
2 years to 3 years	19,778	17,881
Over 3 years	16,368	21,154
	629,963	696,965

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

14. OTHER PAYABLES AND ACCRUALS

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Payroll payables		135,096	182,826
Accruals		107,081	124,954
Payables arising from acquisitions	(a)	99,981	99,728
Other payables		65,099	56,473
Amount due to non-controlling shareholders	(b)	61,175	61,175
Deferred revenue		293	652
		468,725	525,808

14. OTHER PAYABLES AND ACCRUALS (Continued)

Notes:

(a) In connection with the acquisition of Shangrao Adicon Clinical Laboratory Co., Ltd. ("Shangrao Adicon") and Jiangxi Jince BioTech Co., Ltd. ("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 30 June 2026, the liabilities arising from purchase obligation amounted to RMB42,160,000 (unaudited) (2025: RMB42,160,000).

In connection with the acquisition of Henan Adicon Clinical Laboratories Co., Ltd. ("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 30 June 2026 (unaudited) (2025: 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 30 June 2026, the liabilities arising from purchase obligation amounted to RMB43,809,000 (unaudited) (2025: RMB43,809,000).

In connection with the acquisition of Suzhou Yuande Youqin Medical Laboratory Co., Ltd. ("Youqin"), the Group acquired 100% equity interests in 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. As of 30 June 2026, the liabilities arising from purchase obligation amounted to RMB422,000 (unaudited) (2025: RMB422,000).

(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 was to be repaid to the then shareholders. The balance amounting to RMB61,175,000 (unaudited) (31 December 2025: RMB61,175,000) represents the revenue collected by the Group on behalf of the then shareholders as at 30 June 2026.

15. SHARE CAPITAL

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Issued and fully paid:		
727,260,291 (2025: 727,260,291) ordinary shares	97	97

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

Share capital

	Number of shares in issue	Share capital RMB'000 (Unaudited)
At 30 June 2026 (unaudited) and 31 December 2025	727,260,291	97

Treasury shares

	Number of treasury shares (Unaudited)	Treasury shares RMB'000 (Unaudited)
At 1 January 2026	9,416,703	61,079
Changes during the period (unaudited) (note a)	2,376,000	(1,913)
At 30 June 2026 (unaudited)	11,792,703	59,166
Treasury shares held by the Company	1,617,000	13,975
Treasury shares held by trust	10,175,703	45,191

Notes:

(a) During the six months ended 30 June 2026, the trust established to manage treasury shares of the Company made a net repurchase of 2,376,000 shares of the Company for share incentive plans.

16. SHARE INCENTIVE PLAN

Pre-IPO Employee Incentive Plans

In July 2019, the board of directors of the Company passed a resolution to adopt share incentive plans for senior executives and senior management (the "Pre-IPO Employee Incentive Plans"). These plans were subsequently amended and restated on 7 November 2020, 15 April 2021 and 1 October 2021 to promote the success of the Company and to incentivise directors and employees of the Group. Under the Pre-IPO Employee Incentive Plans, the board of directors of the Company may at its discretion approve up to 10% of prevailing ordinary share capital of the Company on a fully diluted basis as at the date of such grant to any eligible senior executive or senior management of the Company.

During the year ended 31 December 2019 to the year ended 31 December 2023, the Company granted share options and RSUs to eligible senior executives and senior management of the Group, allowing them to subscribe for up to 101,171,226 underlying shares of the Company.

Set out below are the details of the specific grants under the Pre-IPO Employee Incentive Plans:

Grantee	Date of grant	Type	Number of underlying shares granted	Weighted average exercise /subscription price	Vesting period
			'000	United states dollar per share	
Executive directors and senior management	24 November 2021 to 9 February 2022	RSUs	12,573	1.66	15 December 2021 to 31 March 2026

The share options granted to employees shall vest and become 100% exercisable on the anniversary of the vesting commencement date. The share options and RSUs granted to executive directors and senior management shall vest and become exercisable either i) as to 25% of the total number of options or RSUs granted on the first anniversary of the vesting commencement date, and the remaining 25%, 25% and 25% of the total number of options granted shall vest and become exercisable on the second, third and fourth anniversaries of the vesting commencement date, or ii) as 100% of the total number of the options or RSUs granted become exercisable or shall vest immediately after the grant date. The RSU recipients are obligated to pay the subscription price of the RSUs upon vesting.

In addition to employee time-based vesting condition, the number of share options/RSUs that vest also depends on the financial performance targets including total sales, sales by specified categories and the net profit target achieved by the Group during the vesting period. The vesting conditions for a member of senior management also include market capitalisation targets upon completion of IPO and acquisition of business.

During the six months ended 30 June 2026, a reverse of RMB506,000 (unaudited) share-based payment expenses due to forfeiture of shares was recorded in profit or loss under the Pre-IPO Employee Incentive Plans. In comparison, share-based payment expenses of RMB103,000 (unaudited) were charged to profit or loss during the six months ended 30 June 2025.

16. SHARE INCENTIVE PLAN (Continued)

2024 Incentive Plans

In March 2024, the board of directors of the Company passed a resolution to adopt share incentive plans for senior executives and senior management (the "2024 Incentive Plans") to promote the success of the Company and to incentivise directors and employees of the Group. Under the 2024 Incentive Plans, the board of directors of the Company approved the repurchase of up to 3% of shares outstanding to grant to any eligible senior executive or senior management of the Company.

In 2024, the Company granted RSUs to eligible senior management of the Group, allowing them to subscribe for up to 9,150,000 underlying shares of the Company.

During the six months ended 30 June 2026, the Company granted RSUs to eligible senior management of the Group, allowing them to subscribe for up to 2,400,000 underlying shares of the Company.

Set out below are the details of the specific grant under the 2024 Incentive Plans:

Grantee	Date of grant	Type	Number of underlying shares granted '000	Weighted average subscription price HKD per share	Vesting period
Senior management	31 October 2024	RSUs	9,150	7.91	31 March 2025 to 31 March 2028
Senior management	10 June 2026	RSUs	2,400	3.60	10 June 2026 to 31 March 2030

The RSUs granted to senior management shall vest and become either i) 100% shall vest on the first day of the sixth month from the vesting commencement date, or ii) 25% of the total number of RSUs granted on the first day of the sixth month from the vesting commencement date, and the remaining 25%, 25% and 25% of the total number of RSUs granted shall vest and become exercisable on the second, third and fourth anniversaries of the first vesting date, respectively.

In addition to the time-based vesting condition, the number of RSUs that vest shall also depend on the financial performance targets including total sales, net profit achieved by the Group, and trade and bills receivables collected during the vesting period.

16. SHARE INCENTIVE PLAN (Continued)

2024 Incentive Plans (Continued)

During the six months ended 30 June 2026, a reverse of RMB1,578,000 (unaudited) share-based payment expenses due to forfeiture of shares was recorded in profit or loss under the 2024 Incentive Plans. In comparison, share-based payment expenses of RMB3,420,000 (unaudited) were charged to profit or loss during the six months ended 30 June 2025.

The fair value of RSUs on the grant date during the six months ended 30 June 2026 was computed using a binomial model with the assumptions summarised as follows:

	2026
Risk-free interest rate (%)	**2.74 to 2.94**
Expected dividend yield (%)	**—**
Expected volatility (%)	**59.86 to 66.92**
Expected life (year)	**1.1 to 4.1**
Weighted average share price (HKD per share)	**3.45**

17. COMMITMENT

The Group had the following contractual commitment at the end of the reporting period:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Acquisition of property and equipment	**11,360**	10,163

18. RELATED PARTY TRANSACTIONS

(a) Names and relationships of related parties

Name	Notes	Relationship
艾康生物技術 (杭州) 有限公司 ACON Bio-Technology Hangzhou Co., Ltd. ("ACON")	(i)	Controlled by a shareholder
艾健醫療器械 (杭州) 有限公司 AJON Medical Device (Hangzhou) Co., Ltd. ("AJON")	(i)	Controlled by a shareholder
蘇州元德維康生物醫藥有限公司 Suzhou Yuande Weikang Biopharmaceutical Co., Ltd. ("Weikang")	(ii)	Associate of the Company

Notes:

(i) An entity controlled by Mr. LIN Jixun, one of the founders and a non-executive director of the Company.

(ii) Weikang is a wholly-owned subsidiary of AstraBio, and the Group has significant influence over AstraBio.

(b) Transactions with related parties

The following transactions were carried out with related parties:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Sales to		
ACON	**42**	34
Loan to		
Weikang	**10,000**	—
Interest expense to		
Weikang	**100**	—
Purchases from		
ACON	**842**	540
Weikang	**2,930**	—
Total	**3,772**	540
Rent from		
AJON	**6,440**	4,673

The directors of the Company are of the opinion that the above sales to the related party and purchases from the related parties were conducted in the ordinary course of business and on arm's length commercial terms.

18. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balances with related parties

As disclosed in the statement of financial position, the Group had outstanding balances with related parties at 30 June 2026 and 31 December 2025.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Due from related parties		
Trade receivables (trade in nature)		
ACON	**36**	13
Other receivables and prepayments (trade in nature)		
ACON	**17**	49
AJON	**2,500**	2,500
	2,517	2,549
Other receivables and prepayments (non-trade in nature)		
Weikang	**37,357**	27,257
Total amounts due from related parties	**39,910**	29,819
Analysed as:		
Current	**37,404**	27,264
Non-current	**2,506**	2,555
	39,910	29,819
Due to related parties		
Trade payables (trade in nature)		
ACON	**521**	647
AJON	**368**	302
Weikang	**7,465**	5,414
	8,354	6,363
Other payables (trade in nature)		
ACON	**40**	—
AJON	**569**	609
	609	609
Total amounts due to related parties	**8,963**	6,972

The Group's balances with related parties are unsecured, interest-free and repayable on demand.

18. RELATED PARTY TRANSACTIONS (Continued)

(d) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	**3,736**	2,558
Performance related bonuses	**492**	256
Share-based compensation expenses	**(506)**	103
Total compensation paid to key management personnel	**3,722**	2,917

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	As at 30 June 2026		As at 31 December 2025	
	Carrying amount RMB'000 (Unaudited)	**Fair value RMB'000 (Unaudited)**	Carrying amount RMB'000 (Audited)	Fair value RMB'000 (Audited)
Financial assets				
Warrants to purchase the issued shares	**78,768**	**78,768**	79,774	79,774
Warrants to subscribe new shares	**5,031**	**5,031**	4,551	4,551
Pledged deposits	**694,000**	**694,000**	694,000	694,000
Total	**777,799**	**777,799**	778,325	778,325
Financial liabilities				
Contingent consideration	**13,337**	**13,337**	13,337	13,337
Interest-bearing bank borrowings	**752,700**	**752,700**	704,722	704,722
Total	**766,037**	**766,037**	718,059	718,059

Management has assessed that the fair values of cash and bank balances, the current portion of pledged deposits, trade and bills receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, amounts due from/to related parties, and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the financial controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of the period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of pledged deposits and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2026 and 31 December 2025 were assessed to be insignificant.

The fair values of long-term receivables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2026 and 31 December 2025:

	Valuation Technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Warrants to purchase the issued shares	Discounted cash flow model	Discount rate	13% (2025: 13%)	1% (2025: 1%) increase/decrease in multiple would result in decrease/increase in fair value by 14%/17% (2025: 19%/24%)
Warrants to subscribe new shares	Discounted cash flow model	Discount rate	13% (2025: 13%)	1% (2025: 1%) increase/decrease in multiple would result in decrease/increase in fair value by 14%/17% (2025: 19%/24%)

19. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

As at 30 June 2026 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Assets				
Warrants to purchase the issued shares	—	—	78,768	78,768
Warrants to subscribe new shares	—	—	5,031	5,031
	—	—	83,799	83,799

As at 31 December 2025 (Audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Assets				
Warrants to purchase the issued shares	—	—	79,774	79,774
Warrants to subscribe new shares	—	—	4,551	4,551
	—	—	84,325	84,325

During the periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

20. EVENTS AFTER THE REPORTING PERIOD

There were no significant events subsequent to 30 June 2026.