ADICON 艾迪康

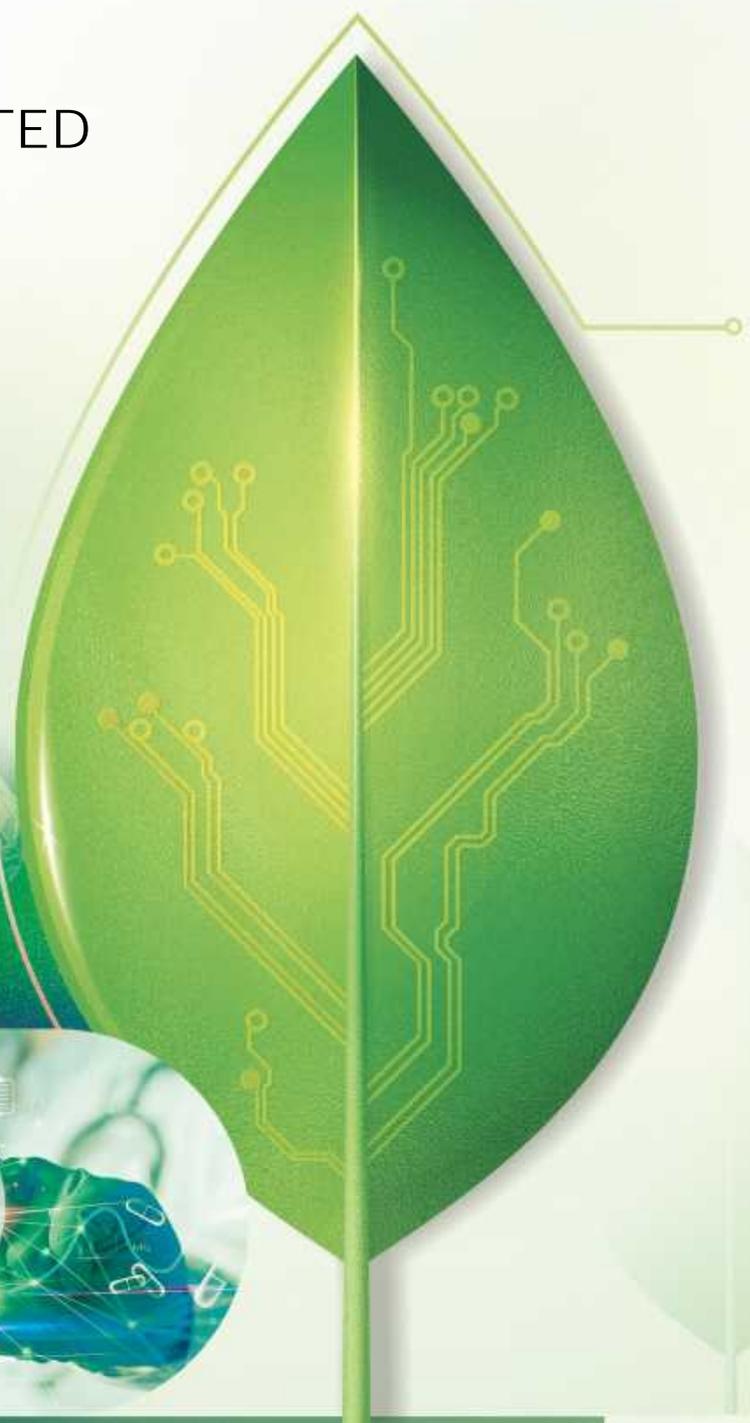## ADICON HOLDINGS LIMITED
艾迪康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9860)

2024
ENVIRONMENTAL
SOCIAL AND
GOVERNANCE REPORT

CONTENTS

About the Report

◎ Overview

This report is the second Environmental, Social, and Governance (ESG) report published by Adicon Holdings Limited (hereinafter referred to as "the Company"). It aims to provide an accurate disclosure to stakeholders regarding the governance framework, management systems, practical measures, and performance of the Company and its subsidiaries (hereinafter referred to as "Adicon", "the Group" or "we") in relation to ESG matters.

◎ Reporting Scope

This report covers Adicon's ESG efforts for the period from January 1, 2024, to December 31, 2024 (the "reporting period"), with some information provided for prior years. To provide stakeholders with a comprehensive understanding of Adicon's overall ESG matters, this report includes the operations of the Company and its subsidiaries. The scope of this report is consistent with Adicon's 2024 Annual Report.

◎ Reporting Guidelines

This report has been prepared in accordance with the *Environmental, Social and Governance Reporting Guide* set out in Appendix C2 to the *Rules Governing the Listing of Securities on Main Board (Listing Rules)* of Hong Kong Exchanges and Clearing Limited (HKEX).

This report adheres to reporting principles such as materiality, measurability, and consistency. It has been prepared through steps that include identifying and prioritizing important stakeholders and ESG-related issues, determining the scope of the ESG report, gathering relevant materials and data, compiling the report based on this information, and reviewing the contents presented in the report.

Materiality

This report addresses the ESG issues identified by the Company's Board of Directors as having a significant impact on investors and other stakeholders. The process and results of identifying Adicon's 2024 ESG material topics can be found in Chapter 1, "Materiality Issues", of this report.

Measurability

This report discloses relevant quantitative data, statistics, and the standards and methods used for calculation in the ESG field, along with textual explanations of the quantified data. Adicon's 2024 ESG quantitative data can be found in Appendix 2, "2024 Adicon ESG Performance Table", and the corresponding sections of each chapter.

Consistency

Unless otherwise stated, the Company adheres to a consistent statistical method for data disclosure in each reporting period.

◉ Sources & Credibility

The data and cases presented in this report primarily come from the Company's statistical reports and related documents, which have been reviewed by the relevant departments. The Board of Directors of the Company commits that this report does not contain any false records or misleading statements, and assumes responsibility for the truthfulness, accuracy, and completeness of its contents.

◉ Languages & Formats

This report is available in both Chinese and English versions and can be accessed in electronic format. For more information about Adicon's background, business development, and sustainability philosophy, please visit our Investor Relations website.

◉ Confirmation & Approval

This report has been confirmed by the management team and approved by the Board of Directors.

◉ Feedback

We highly value stakeholder feedback and encourage you to contact us through the following means. Your feedback will help us further improve our ESG report disclosures and enhance our ESG performance.

Email: ir@adicon.com.cn

Letter from Chairwoman

The year 2024 marks a new chapter for Adicon — a pivotal year of progress following our successful public listing. Building on our core strength in medical diagnostics, we accelerated digital transformation, advanced the adoption of AI technologies, and continuously enhanced our service capabilities and operational efficiency. While maintaining steady growth performance, we responded actively to national policies, strengthened regional collaboration, and expanded innovative service scenarios to further enhance our core competitiveness. At the same time, we remained committed to sustainable development, reinforcing compliance and deepening social responsibility practices to deliver long-term value for our stakeholders.

With over two decades of dedication to the independent clinical laboratory (ICL) industry, Adicon firmly believes that high-quality development must be grounded in sound corporate governance. Over the past year, we further strengthened our ESG governance framework, with the Board of Directors as the highest decision-making body, embedding sustainability principles into both our core diagnostics business and broader corporate strategy. By systematically identifying and addressing material industry issues, enhancing risk prevention mechanisms, and fostering a strong culture of compliance, Adicon demonstrated resilience amid a dynamic market landscape. We believe that only through transparent governance and a bottom-line mindset can we ensure long-term, steady growth and continuous innovation.

Guided by our founding belief that "every sample represents a life", we have continued to invest in R&D and drive innovations in diagnostic technologies and service models, setting industry benchmarks in precision medicine and advanced specialty testing. Innovation remains at the core of our strategy. We have established six key technology centers across mass spectrometry analysis, clinical testing, pathology diagnosis, hematology diagnosis, genetic and chromosomal testing, and molecular diagnostics—targeting six major disease areas to build a diversified and precise diagnostic ecosystem. Through a comprehensive quality management system, we provide reliable support for clinical diagnosis and lead the industry in high-standard, high-quality development.

Amid the accelerating wave of digital transformation, we continue to place customer needs at the center, constantly expanding the depth and breadth of our services. In recent years, AI has been integrated across multiple functions within Adicon, including internal efficiency improvement, diagnostic assistance, and report interpretation—delivering gains in both management effectiveness and service delivery. We have built a safe, efficient, and intelligent diagnostic ecosystem. At the same time, we recognize that trust stems from the fulfillment of every promise. That is why we uphold the highest standards in information security and privacy protection, safeguarding our clients' rights and interests.

Our employees are Adicon's most valuable assets and the core driver of our development. Staying true to our people-centered philosophy, we are committed to building an open and inclusive workplace. Through diverse career development paths and a customized promotion framework, we provide employees with holistic growth opportunities—ranging from technical specialization to managerial advancement. In 2024, we partnered with leading universities to establish a triad model of collaboration—"industry-academia talent bases, academic research platforms, and professional skill competitions"—to cultivate well-rounded talent equipped with both theoretical knowledge and practical expertise. In addition to career development, we also prioritize employee wellbeing through health checkups, mental wellness support, safety measures, and risk management, ensuring a comprehensive safety and health system for our staff.

In the face of global climate challenges, Adicon actively embraces environmental responsibility and integrates green principles across our operations. In 2024, we achieved solid results in low-carbon operations and environmental compliance, advancing green laboratory initiatives and optimizing our energy mix. We are committed to contributing to the national dual-carbon goals and making sustainability a core part of Adicon's value system. For key business areas such as cold-chain logistics, we have adopted practical measures, including new energy transport vehicles and smart temperature control systems, to steadily advance our green transition. Meanwhile, we continuously improve our climate governance framework and strengthen our ability to identify and manage climate-related risks—further elevating the strategic depth of our sustainability approach.

A company's true value lies not only in delivering economic returns, but also in its long-term impact on social wellbeing. In 2024, Adicon continued to work closely with partners across sectors to promote initiatives in maternal and child health, grassroots medical services, and public education—bringing our philosophy of altruism into action. In response to the "Healthy China 2030" initiative, we actively engaged in collaboration projects with medical institutions at all levels, participated in the development of regional testing centers, and leveraged our technical expertise to support the hierarchical medical system, improving both the accessibility and reach of healthcare services.

As we embark on our 20th anniversary, Adicon is more committed than ever to the path of sustainable development. We will continue to deepen our ESG governance, explore the balance between innovation and responsibility, and play a more active role in the healthcare ecosystem. We believe that only by safeguarding life with reverence, embracing change with openness, and fostering mutual benefit across the value chain, can we live up to the expectations of our time—and together with our stakeholders, compose a powerful chapter of high-quality development.

Ms. Yang Ling
Chairwoman
April 25, 2025

Inside Adicon

⊚ About Us

We were established on January 16, 2004 as a national chain of independent medical laboratories, and have since expanded our presence by setting up over 30 medical testing facilities across China. Guided by advanced management systems from European and American independent laboratories, we have implemented globally recognized quality standards and fostered extensive collaborative exchanges with medical testing institutions worldwide. At present, our operations are structured around three core platforms: an R&D center, clinical pharmacology services, and diagnostic testing services. Our diagnostic platform integrates five specialized laboratories, namely clinical, pathology, reproductive genetics, genomics, and mass spectrometry, supported by over 200 patents. We currently offer more than 4,000 testing items, serving approximately 19,000 clients nationwide.

⊚ 2024 ESG Highlights

Environmental

14 subsidiaries obtained ISO 14001 Environmental Management System certification

Achieved a **100%** effective waste-disposal rate

Conducted **50** third-party exhaust emission tests, all results met national and local standards

Deployed **287** new-energy vehicles, accounting for 39 % of the fleet

Performed **145** wastewater tests, all parameters complied with national and local discharge regulations

Conducted **climate-risk identification and assessment** and developed corresponding response strategies

Social

Engaged in over **25** collaborative exchanges with more than **10** universities

Customer satisfaction stood at **97.7%**

Achieved **100%** employee training coverage, averaging **4.46** hours per person

Surpassed **8 million** AI-assisted image reviews

Launched the "**721** Development Program" in 2024—70 % on-the-job practice, 20 % feedback from others, 10 % formal training

29 subsidiaries' laboratory information platforms, the group's remote pathology diagnosis system, and LIMS obtained national MLPS Level 3 information-security certification

14 subsidiaries obtained **ISO 45001** Occupational Health and Safety Management System certification

Donated HPV-testing services worth RMB **2** million to women in impoverished areas, completing 10,000 cervical-cancer screenings across **12** provinces/municipalities

Established **6** technology centers focusing on R&D in **6** core disease areas

Governance

Built a **six-tier** risk-management framework to bolster the group's risk-prevention capabilities

Delivered **13** specialized business-ethics trainings—including **4** for board members—with 100% coverage of employees and directors

Conducted **4** anti-bribery special audits

⊙ Awards & Honors

July 2024

Received the "2024 Technology Innovation Leadership Award" at the 13th China Finance Summit (CFS2024).

December 2024

Honored with "Annual Growth Value Award" at the 6th Guruclub "Golden Grid Awards".

December 2024

Listed in "Best Innovative Practice" category of 2024 Listed Companies Investor Relations Data Ranking.

January 2025

Awarded "2024 Healthcare Corporate Responsibility Model" at the 14th Philanthropy Festival and 2024 ESG Summit.

Subsidiary Achievements in 2024

December 2024

10 subsidiaries including Hangzhou Adicon certified as first batch of enterprises compliant with national standard *Operational Specification for Cold Chain Logistics of Medical Laboratory Biological Samples*.

Tianjin Adicon and Hangzhou Aiyijian recognized as "Specialized, Refined, Unique, Innovative SMEs"

January-February 2025

Hangzhou Adicon Received "Quality Management Innovation Award" from Hangzhou Municipal Government, and "Government Quality Award" from Xihu District.

Wuhan Adicon awarded "Gazella Company" title by Hubei Provincial Department of Science & Technology.

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Steadfast Foundations

Sustained Growth

At Adicon, we believe robust and efficient governance is the cornerstone of corporate advancement. We rigorously adhere to industry standards, embed compliance across all operations, and strengthen risk prevention throughout our processes. Dedicated to continuous improvement in ESG management, we collaborate closely with stakeholders to advance sustainable development.

Corporate Governance

Guided by laws and regulations including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Listing Rules*, we have established internal governance frameworks such as our *Corporate Governance Code* and *Articles of Association*. Our governance structure ensures seamless collaboration among governing bodies, decision-making authorities, and supervisory mechanisms, driving operational compliance while enhancing governance efficiency.
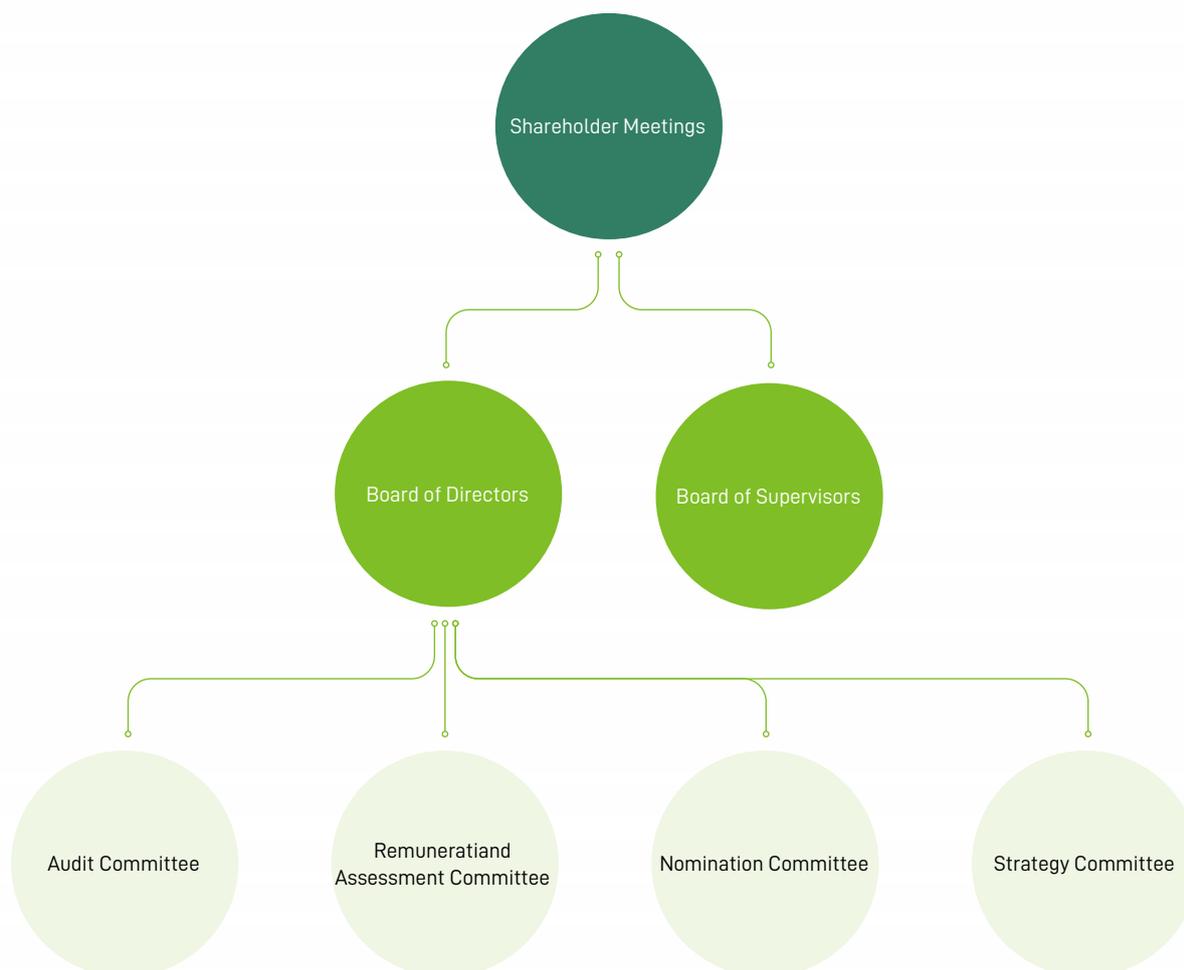
Governance Structure of Adicon Holdings Limited

As of the end of the reporting period, our Board of Directors comprises eight members, including one executive director, four non-executive directors and three independent non-executive directors. In our director selection process, we holistically evaluate multiple dimensions including gender, age, industry experience and academic background. Currently, our Board includes two female directors. The Board members collectively bring extensive professional expertise across biopharmaceuticals, healthcare, corporate management and risk management sectors, providing valuable insights and specialized perspectives to guide our strategic formulation and implementation.

ESG Governance

We fully integrate sustainability principles into corporate operations by establishing a three-tier ESG governance structure and conducting materiality assessments to continuously enhance ESG performance. We actively engage with stakeholders to address their concerns and jointly advance sustainable development.

Board Declaration

The Board of Directors serves as the highest decision-making body for our ESG matters and bears ultimate responsibility. The Board delegates oversight to the Strategy Committee, which formulates and reviews ESG policies, objectives, and strategies, monitors implementation progress, and reports to the Board. The Board regularly evaluates ESG goal attainment and policy execution to ensure effective governance.

ESG Management Approach & Strategy

The Board closely tracks regulatory and industry trends while maintaining proactive stakeholder dialogue. Aligning with our development needs and long-term vision, we dynamically refine ESG strategies to ensure business synergy and precise responsiveness to stakeholder priorities.
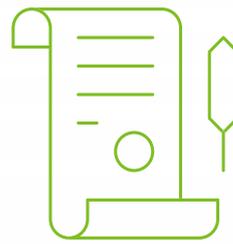
ESG Risk Management

The Board of Directors holds ultimate responsibility for assessing and determining our ESG governance risks. The Strategy Committee assists in analyzing the interplay between business operations and ESG matters, establishing priority ESG issues, and effectively identifying associated risks and opportunities. The Board reviews and finalizes the ESG risk register, makes decisions on risk mitigation strategies, and ensures the long-term effectiveness of the ESG risk management framework.

● ESG Governance Structure

We have established a comprehensive three-level ESG governance framework. At the decision-making level, our Board of Directors is responsible for reviewing, evaluating and approving corporate ESG policies while setting corresponding management objectives, with regular follow-ups to monitor policy implementation and goal achievement. The Strategy Committee operates at the management level to formulate ESG-related regulations and policies, communicate requirements to various departments, supervise execution and implementation, and report progress to the Board. All departments across the Group and our subsidiaries strictly implement ESG policies at the operational level, breaking down tasks according to specific ESG topics to facilitate the realization of ESG performance and objectives.

Governance Level

- Our supreme decision-making body for ESG matters.
- Approves ESG strategies and objectives while monitoring and reviewing progress.
- Ratifies ESG-related policies and regulations.
- Evaluates corporate ESG risks and opportunities, including climate change response.
- Authorizes the annual ESG report.

Board of Directors

Management Level

- Formulates ESG strategies and objectives with progress oversight.
- Develops ESG policies and regulatory frameworks.
- Identifies ESG-related risks and opportunities.
- Reviews the annual ESG report.
- Provides regular reporting to the Board.

Strategy Committee

Implementation Level

- Translates corporate ESG strategies into actionable plans.
- Participates in ESG policy development and ensures operational execution.
- Compiles the annual ESG report with strategic committee support.
- Delivers periodic reports to the Strategy Committee.

Environment, Health & Safety Department (EHS Department)

Human Resources Department

Supply Chain

Laboratory

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◉ Stakeholder Engagement

We attach great importance to the thoughts and opinions of our stakeholders. We've set up diverse communication channels to promptly collect and address stakeholders' demands. We welcome supervision from all parties, which will contribute to our sustainable development. In the reporting period, our major stakeholders and their key concerns are as summarized in the table below.

Stakeholders	Expectations & Demands	Channels
Shareholders/Investors	Compliant Operations Business Ethics Risk Management	Shareholder Meetings Information Disclosure Roadshows
Government & Regulatory Authorities	Compliant Operations Tax Payment According to Law Business Ethics Quality and Safety Improved Accessibility to Medical Treatment	Supervision and Inspection Information Disclosure Meetings
Customers	Quality and Safety Customer Services Information Security and Privacy Protection Responsible Marketing	Customer Satisfaction Surveys Customer Service Hotline Official WeChat Account Wecom
Employees	Compensation and Benefits Training and Development Attraction and Retention Occupational Health and Safety Diversity and Equal Opportunities	Performance Incentives and Assessment Multi-dimensional Training Regular Meetings Service Hotline and Emails Employee Activities
Suppliers	Business Ethics Supplier Management Cooperation	Research and Visits Supplier Meetings Supplier Assessment Supplier Cooperation
Communities	Philanthropy Support for Local Development Environment Management Climate Change	Company Website Official WeChat Account Service Hotline and Emails Charity Work Volunteering

◉ Material ESG Topics

To clarify ESG governance priorities and enhance effectiveness, we identify and evaluate material ESG topics based on industry trends, regulatory requirements, and stakeholder concerns. These findings are regularly updated and systematically organized into an ESG topic list. We have developed a materiality matrix that assesses topics along two dimensions: "Significance to Adicon's Sustainability" and "Significance to Stakeholders". The 2024 ESG Materiality Matrix is shown in the figure below:

Medium
- Waste Management
- Employee Benefits and Welfare
- Responsible Supply Chain
- Tackling Climate Change
- Occupational Health and Safety

Major
- Innovation and R&D
- Compliance management
- Quality and Safety
- Business Ethics
- Customer Services
- Risk Management
- Talent Attraction and Retention
- Information Security and Privacy Protection

Minor
- Charity
- Intellectual Property Rights Protection

Medium
- Employee Development and Training
- Resource Management
- Industrial Cooperation
- Medical Waste Management
- Diversity

Significance to Stakeholders (vertical axis: High)

Significance to Adicon's Sustainability (horizontal axis: Moderate → High)

Legend:
- Environmental Domain
- Social Domain
- Governance Domain

Compliant Operations

We uphold compliance as the cornerstone of our operations, strictly adhering to laws and regulations including the *Civil Code of the People's Republic of China*, the *Company Law of the People's Republic of China*, and the *Enterprise Income Tax Law of the People's Republic of China*. We continuously optimize our internal control and risk management mechanisms while strengthening our business ethics governance framework, demonstrating our commitment to compliance through concrete actions.
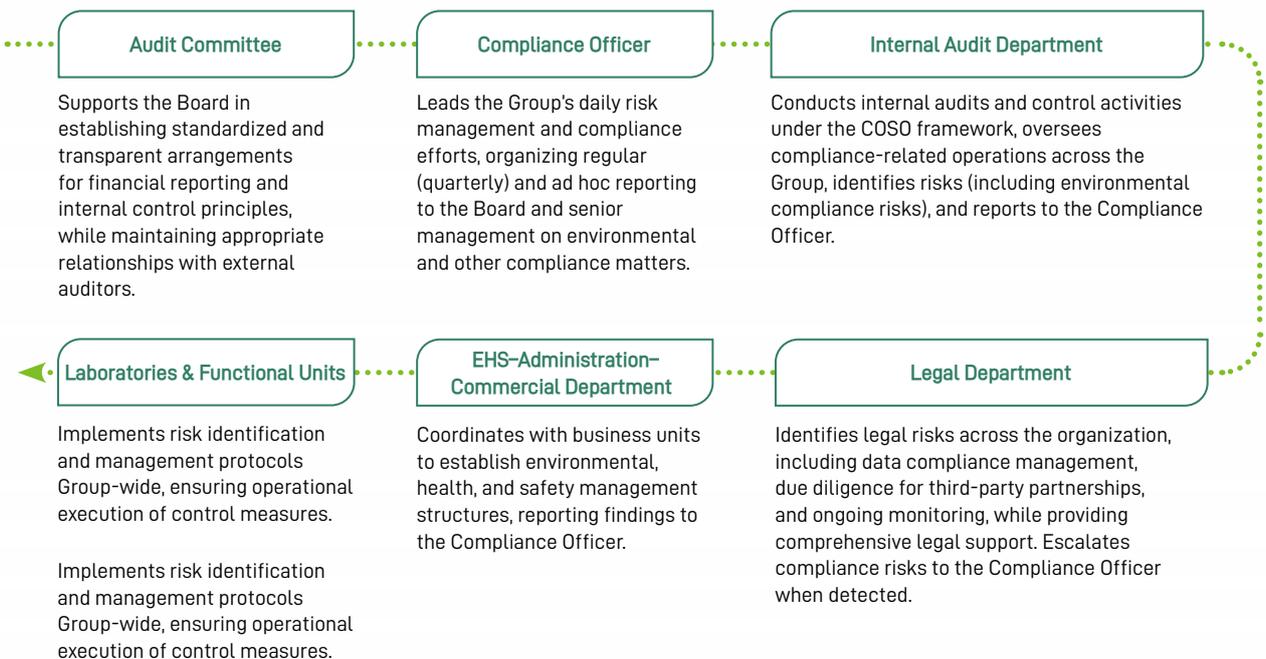
◎ Compliant Management

To enhance employee compliance awareness, we conducted 12 specialized training sessions during the reporting period, delivered through both online and offline channels. These sessions covered critical areas such as business ethics, labor management, and data compliance, effectively improving employees' compliance awareness and competencies.

◎ Risk Management

We strictly adhere to internal policies and regulations, including the *Basic Standards for Enterprise Internal Control* and the *Corporate Governance Code*, to continuously monitor and manage operational risks. By progressively strengthening our risk resilience, we build a robust foundation for sustainable growth.

Guided by the *COSO Enterprise Risk Management Framework*, we have established a comprehensive risk management system and developed internal guidelines such as the *Approval Authority Management Policy.* During the reporting period, we updated the *Adicon Internal Control Manual* to further clarify control objectives, key control points, and standardized management requirements, ensuring consistent business process governance across the Group.

Additionally, we implemented a six-tier risk control framework. Through collaborative efforts among the Audit Committee, Compliance Officer, Internal Audit Department, Legal Department, EHS–Administration–Commercial Department, as well as laboratories and functional units, we maintain an end-to-end process covering risk identification, assessment, and mitigation. This multi-layered approach reinforces our Group-wide risk prevention capabilities.

Audit Committee	Compliance Officer	Internal Audit Department
Supports the Board in establishing standardized and transparent arrangements for financial reporting and internal control principles, while maintaining appropriate relationships with external auditors.	Leads the Group's daily risk management and compliance efforts, organizing regular (quarterly) and ad hoc reporting to the Board and senior management on environmental and other compliance matters.	Conducts internal audits and control activities under the COSO framework, oversees compliance-related operations across the Group, identifies risks (including environmental compliance risks), and reports to the Compliance Officer.

Laboratories & Functional Units	EHS–Administration–Commercial Department	Legal Department
Implements risk identification and management protocols Group-wide, ensuring operational execution of control measures. Implements risk identification and management protocols Group-wide, ensuring operational execution of control measures.	Coordinates with business units to establish environmental, health, and safety management structures, reporting findings to the Compliance Officer.	Identifies legal risks across the organization, including data compliance management, due diligence for third-party partnerships, and ongoing monitoring, while providing comprehensive legal support. Escalates compliance risks to the Compliance Officer when detected.

Adicon's Six-Tier Risk Management Framework

- The Internal Audit Department identifies and evaluates risks across key business cycles and processes through interviews, site visits, penetration testing, and inspections. Risks are categorized as "High", "Medium", or "Low" based on severity.

- The department reviews the completeness of existing controls (including policies and procedures) to ensure full coverage of identified risks.

- If control gaps are detected, it facilitates the design and development of new controls through special audits and regular communication with headquarters' Executive Committee (EC).

Risk Assessment

Execution Effectiveness Evaluation

Adicon Risk Management Process

Control Activity Implementation

Control Design Effectiveness Evaluation

- Through subsidiary audits or group-level special audits, the department examines compliance with established policies.

- It further evaluates whether properly designed controls are being implemented as required.

- The team monitors control implementation while continuously verifying risk coverage adequacy.

- It also assesses the practicality and executability of deployed controls.

While refining our risk control system, we have consistently strengthened risk identification and management practices. During the reporting period, we developed an annual Risk Control Matrix (RCM) tailored to our business characteristics, incorporating a dynamic update mechanism to ensure timely and precise risk prevention.

Compliance Marketing Training   Case

To enhance employee compliance awareness and mitigate corporate compliance risks, we conduct quarterly offline training sessions covering topics such as "Compliance Marketing Training" and "Business Ethics Training". These sessions, featuring compliance framework overviews, case analyses, and practical exercises, help employees thoroughly understand compliance requirements and their significance. This initiative has effectively reduced overall compliance risks while providing solid safeguards for our compliant operations.

Business Ethics

We uphold the values of fairness, integrity, and probity, strictly adhering to business ethics principles and complying with laws including the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Anti-Money Laundering Law of the People's Republic of China*. We have established robust internal policies such as the *Anti-Fraud Management Policy*, *Anti-Corruption Policy and Procedures*, and *Employee Code of Conduct and Disciplinary Measures* to resolutely combat bribery, extortion, fraud, money laundering, and other illegal activities. During the reporting period, we updated the E*mployee Code of Conduct and Disciplinary Measures* to clarify definitions of conflicts of interest and familial relationships, ensuring effective conflict-of-interest management.

We implemented a dual-governance framework led by the Chief Compliance Officer and the Supervision Committee to institutionalize business ethics oversight. This structure strengthens corporate discipline through ongoing anti-corruption investigations and consistent enforcement of compliance violations.

Chief Compliance Officer

- Under the oversight of the Board of Directors and Chief Executive Officer, it oversees the implementation of internal business ethics policies and periodically updates anti-corruption procedures in response to operational needs and regulatory changes.

- Regularly reports to the Board on the execution and effectiveness of the Group's business ethics compliance program.

Supervision Committee

- Leads corporate conduct and disciplinary governance, directing oversight activities including disciplinary supervision, anti-corruption investigations, and enforcement actions for compliance violations.

We conduct regular anti-bribery audits across the Group and all subsidiaries, focusing on key areas including business entertainment expenses, external conference fees, and intermediary service charges. These audits systematically identify and investigate compliance violations in commercial activities. During the reporting period, we completed four anti-bribery audits.

Integrity Culture Development

Our Internal Audit Department and Human Resources Department collaborate to organize annual compliance pledge signings and implement systematic anti-corruption training programs. During the reporting period, we facilitated employee signing of compliance commitment documents and conducted 13 business ethics training sessions, including 4 specialized sessions for board members, achieving full coverage across all employees and directors.

Business Ethics Training for Directors	Case

During the reporting period, we conducted four business ethics training sessions specifically designed for board members, covering critical areas including anti-commercial bribery, anti-fraud measures, data compliance, unannounced inspections, and EHS. Furthermore, the Chief Compliance Officer provides quarterly reports to the Board on the Group's compliance management status, while consistently reinforcing the core values of integrity and compliant operations.

We work collaboratively with our partners to establish a responsible ecosystem, continuously strengthening business ethics throughout the entire value chain. Our standard practice requires all external contracting parties to sign the *Anti-Corruption and Anti-Bribery Commitment Letter*, through which we persistently communicate and promote integrity values. This approach fosters ethical and trustworthy business partnerships across our network.

Regulation & Whistleblowing

We proactively welcome comprehensive oversight from all sectors of society. In strict compliance with our *Anti-Corruption Policy and Procedures*, we have established multiple reporting channels including dedicated hotlines, email, and written correspondence, all publicly accessible to employees, clients, and the public. A specialized anti-fraud hotline and reporting email directly route cases to the investigation team leader, ensuring efficient oversight implementation.

Reporting Channels		
	Hotline	
	(0571) –87775834	
	Email	
	audit@adicon.com.cn	
	Mailing Address	
	2nd Floor, Building 6, Aijian Technology Park, 208 Zhenzhong Road, Xihu District, Hangzhou (Internal Audit Department)	

During the reporting period, we received and investigated 2 reported cases, achieving a 100% resolution rate with zero concluded corruption lawsuits.

We prioritize whistleblower protection through safeguards established in our *Anti-Fraud Management Policy*, implementing strict confidentiality measures for all reports. We expressly prohibit any form of retaliation against whistleblowers or investigators. Violations involving information leaks or retaliatory actions will face severe disciplinary action per the *Employee Code of Conduct and Disciplinary Measures*, including potential legal prosecution when warranted.

02 Quality as Foundation

Innovation-Driven Development

We consider quality the cornerstone of corporate development. By establishing a comprehensive quality management system, we continuously improve our testing services, logistics, warehousing, and end-to-end processes to build core competitiveness. Driven by innovation and R&D, we expand our service portfolio to meet diverse client needs. Simultaneously, we are dedicated to sustainable procurement, collaborating with partners to establish an eco-conscious supply chain ecosystem.

Quality Management

Guided by our core belief that "Every Sample Represents a Life" and our quality principle of "Scientific, Accurate, Efficient, and Fulfillment", we consistently optimize our quality management system. We promote standardized processes across logistics, storage, and other critical links, delivering high-quality services to spearhead industry excellence.

◉ Quality System

Standardization of Quality Management

We strictly comply with laws and regulations including the *Medical Quality Management Measures, Regulations on the Administration of Medical Institutions,* and *Regulations on the Supervision and Administration of Medical Devices*. In accordance with standards such as *Medical Laboratories - Particular Requirements for Quality and Competence (ISO 15189)* and *Quality Management Systems - Guidelines for the Application of GB/T 19001-2016*, we continuously optimize institutional documents including the *Pre-examination Process Management Procedure*, *Management Manual*, and *Examination Process Management Procedure* to establish a comprehensive internal quality management system.

To ensure effective operation of the quality management system, we set annual key quality control (QC) objectives covering quality control implementation rate, report error rate, inter-laboratory quality assessment, and other metrics, with dynamic tracking of target achievement. In 2024, we successfully met all QC indicators.

We have established a two-tier "Headquarter-Laboratory" quality assurance (QA) management system that clearly defines responsibilities at each level while coordinating implementation and supervision of laboratory quality management standards. The headquarter QA team formulates quality management policies and evaluation metrics, while overseeing laboratory QA teams in implementing standards and improving QC levels.

Headquarter QA Team

- Develops unified quality standards, specification policies, and operational manuals.

- Conducts comprehensive monitoring of laboratory QA implementation through regular internal audits and unannounced inspections.

- Establishes laboratory-specific QA evaluation metrics to drive continuous QC improvement.

- Strictly implement HQ-mandated quality management protocols. Submit monthly progress reports to the headquarter.

- Refine work instructions and daily operational standards to ensure full QC compliance.

- Enhance quality control through periodic self-inspections and timely preventive/corrective actions.

Laboratory QA Teams

Adicon QA Management Framework

In compliance with our internal management systems including the *Pre-examination Process Management Procedure, Examination Process Management Procedure, Post-examination Process Management Procedure, Equipment Management Procedure, Employee Performance Incentive Management System,* and *Personnel Management Procedure,* we have implemented a comprehensive QC mechanism that covers the entire testing cycle, equipment operations, and personnel management to rigorously enhance testing quality oversight.

Testing Management

Pre-testing Phase: Standardizes operational requirements for sample collection, reception, transportation, storage, and processing to ensure pre-analysis sample quality.

While-testing Phase: Defines testing methodologies and QC standards to guarantee result precision, accuracy, and internal comparability, delivering reliable test data and valid reports to clients.

Post-testing Phase: Regulates report preparation and distribution to ensure clarity, objectivity, correctness, and timeliness; ensures proper storage, retention, and disposal of post-test samples.

Equipment Management

Standardizes unified procedures for equipment procurement, installation, operation, calibration, maintenance, decommissioning, and retirement to maintain result stability and accuracy.
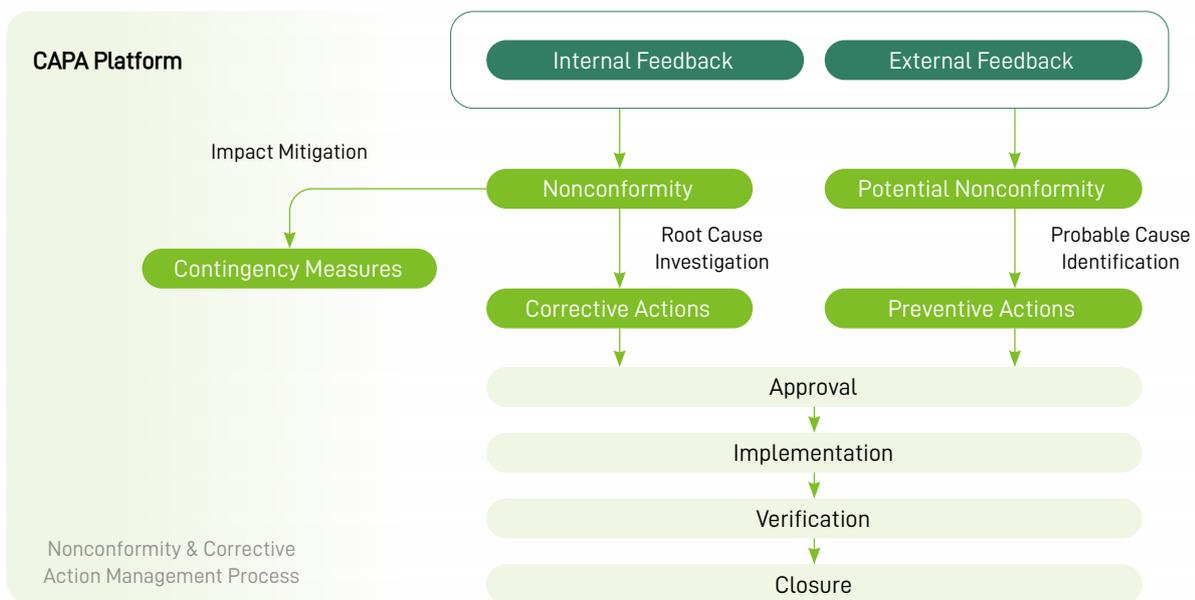
Personnel Management

Continuously enhances laboratory technicians' qualifications and competencies through self-learning and systematic training to reduce human error rates and improve result reliability.

Evaluates QC performance outcomes and implements reward/disciplinary measures to further improve staff accuracy and efficiency.

Adicon QC Mechanism

We have established the *Nonconformity and Corrective Action Management Procedure* and *Nonconformity Management Standard Operating Procedure* to systematically identify, handle, analyze root causes, and implement corrective measures. All Adicon laboratories nationwide uniformly adopt the Non-conformance and Corrective Action and Preventative Action (CAPA) system, promoting the digitalization of nonconformity handling processes. Additionally, we have created a Nonconformity Case Database to facilitate experience sharing and continuous improvement across laboratories.

CAPA Platform

Internal Feedback   External Feedback

Impact Mitigation

Nonconformity   Potential Nonconformity

Contingency Measures

Root Cause Investigation   Probable Cause Identification

Corrective Actions   Preventive Actions

Approval

Implementation

Verification

Closure

Nonconformity & Corrective Action Management Process

We have established the *Abnormal Sample Handling Standard Operating Procedure* and *Clinical Laboratory Report Review Standard Operating Procedure* to define standardized processes for addressing various issues including insufficient sample volume, sample leakage, non-compliant sample containers, abnormal sample characteristics, discrepant sample information, and unclear test items. For cases requiring retesting due to abnormal results, we have implemented the Laboratory Test Result Review Standard Operating Procedure and Clinical Laboratory Report Review Standard Operating Procedure, with particular focus on result verification and corrective actions to ensure the accuracy and reliability of test outcomes.

To ensure efficient handling of abnormal results, we have developed a well-defined responsibility assignment and process mechanism that guarantees seamless coordination across all stages of operation.

Identification & Handling of Abnormal Samples

Laboratory and logistics personnel are responsible for identifying and processing abnormal samples.

Client Notification & Communication

The customer service department is tasked with notifying clients and providing clear explanations regarding any abnormalities.

Test Entry & Exception Handling

The specimen information entry center manages test registration and addresses related exceptions.

Fee Assessment & Waiver Process

The sales department evaluates potential test fee waivers for clients and initiates the waiver procedure when applicable.

Abnormal Result Handling Process

Quality Enhancement Assurance

We consistently prioritize the improvement and advancement of testing result quality as our core objective, driving continuous quality optimization through intelligent and centralized management. We leverage our intelligent LIMS (Laboratory Information Management System) to achieve precise quality control while continually refining laboratory processes to ensure the reliability of results.

Intelligent LIMS Empowers Precise Quality Supervision   **Case**

In microbiology testing, our laboratory has integrated the industry's latest standards (CLSI M100 Performance Standards for Antimicrobial Susceptibility Testing, 2024 Edition) into the LIMS. This implementation enables automatic linking of 50 interpretive comments for bacterial antimicrobial susceptibility results regarding multidrug resistance and intrinsic resistance. This enhancement not only improves testing efficiency and accuracy but also ensures seamless alignment with international standards, providing robust support for precision medicine and clinical decision-making.

For reagent management, the LIMS successfully interfaces with manufacturers' result calculation software. The system imports computed results from reagent manufacturers as documented files and associates them with corresponding samples via barcode tracking, guaranteeing data import accuracy. Furthermore, the system incorporates a new "similarity comparison" feature for reagent manufacturer result documents. By cross-referencing imported data with historical records, the system automatically triggers pop-up alerts when similarity exceeds 65%, prompting staff to verify data accuracy. This innovation effectively prevents reporting errors caused by duplicate data imports, significantly enhancing data management reliability and report quality.

We have implemented electronic management for proficiency testing records, inter-laboratory comparison data, accreditation certificates, internal audit materials, risk management documentation, and supplier qualifications by uploading them to the DTMS (Document and Training Management System), significantly enhancing archival management standardization and efficiency. Furthermore, to improve testing efficiency, we adopted a centralized management approach during the reporting period, consolidating dispersed laboratories into several core facilities. This restructuring has markedly increased testing throughput while maintaining uncompromised quality standards.

Laboratory Process Refinement for Enhanced Quality Control — Case

In July 2024, the laboratory introduced tube decapping machines to address recentrifugation issues caused by manual separation tube cap removal. This equipment effectively prevents secondary centrifugation's impact on critical test indicators like blood potassium, ensuring result accuracy. The automation has simultaneously reduced sample processing time, accelerated result delivery, and improved overall operational efficiency.

For bone marrow testing workflows, we optimized the "slide interpretation and data entry" process through LIMS upgrades. The enhanced system now streamlines end-to-end management including sample handover, slide selection, staining, microscopic analysis, result input, chemical staining, marrow characteristic analysis, and report issuance. These improvements have substantially increased interpretation efficiency and data entry accuracy while reducing human errors, ultimately elevating both the quality and timeliness of bone marrow test reports.

Adicon's Proficiency Testing Performance — Case

In August 2024, Hangzhou Adicon achieved perfect scores in both the National Metagenomic Next-Generation Sequencing Proficiency Testing for Central Nervous System Infections and the BGI Platform's Interlaboratory Quality Assessment.

As of the reporting period end, Hangzhou Adicon has maintained a five-year streak of perfect scores in the Illumina Platform's Interlaboratory Proficiency Testing for Circulating Tumor DNA (ctDNA) Gene Mutation Detection via NGS and Tumor Somatic Mutation Detection via NGS with Bioinformatics Analysis.

As of the reporting period end, Hangzhou Adicon has consecutively passed the Interlaboratory Quality Assessment for Solid Tumor Somatic Mutation Detection via NGS for seven years.

We have established a comprehensive staff quality training and assessment system with differentiated competency requirements tailored to various employee levels. New laboratory personnel must complete designated course credits and pass competency evaluations to obtain operational qualifications. Furthermore, laboratory staff returning after an absence exceeding six months are required to undergo multidimensional technical reassessment covering theoretical knowledge, practical operations, and problem-solving capabilities before resuming their positions, ensuring their skills meet job requirements.

Through our TMS (Training Management System) platform, we provide a sophisticated curriculum system that includes role-specific onboarding training, phased continuing education, and group-based competency assessment courses, comprehensively addressing the needs of employees at different positions and career stages. The platform leverages an advanced course management system, intelligent notification mechanisms, and a dual-evaluation system to ensure efficient and standardized training processes while significantly enhancing the learning experience. During the reporting period, the TMS platform offered 1,848 online courses and 541 offline courses, effectively improving staff professional skills and overall competencies.

Additionally, we conduct regular organization-wide quality training sessions covering specialized content such as objectives and KPIs management, corrective action implementation, and DTMS system operations. These sessions combine theoretical instruction with hands-on practice to strengthen quality awareness and enhance team-wide quality control standards. We periodically invite external industry experts to conduct specialized lectures and workshops while actively participating in professional events, ensuring our laboratory teams remain at the forefront of industry knowledge and maintain high standards of professional capability and quality management excellence.

"Pursuing Dreams for 'Ai' (Love & Adicon), Creating the Future Together" -- New Employee Training

2024 Hangzhou Clinical Laboratory Practical Skills Competition

2024 Shanghai Jince Clinical Laboratory Medical Knowledge Challenge

As of the end of the reporting period, the quality-related certifications obtained by our subsidiaries are shown in the table below. Notably, three laboratories in Suzhou, Guizhou, and Chongqing newly obtained ISO 15189 certification during the reporting period.

ISO 15189 Medical Laboratory Quality and Competence Accreditation   **23**

ISO 9001 International Quality Management System Standard   **14**

College of American Pathologists Laboratory Accreditation (CAP Certification)   **1**

Inspection Body Accreditation: CMA Certification   **1**

◎ Logistics Quality

We work to build a comprehensive, flexible, and efficient logistics network to accommodate the widespread distribution of laboratories and diverse service demands. We strictly adhere to industry standards such as *Requirements for Sample Collection, Transport, Reception and Processing in Medical Laboratories (GB/T 42060-2022)*, while developing and refining internal protocols including the *Logistics Department Service Standardization Management System, Sample Reception Standard Operating Procedure, Sample Packaging and Transportation SOP*, and *Logistics Vehicle Management System*. These provide institutional safeguards and operational guidelines for end-to-end sample transportation management. During the reporting period, we introduced new regulatory documents covering sample barcode usage, requisition forms, refrigerated vehicle maintenance, and cold chain temperature control requirements, significantly enhancing the standardization and operational efficiency of sample handling and logistics.

We have established a highly coordinated internal logistics team with rapid response capabilities. As of the reporting period end, the team operates 222 specialized transport vehicles staffed by 1,182 experienced logistics personnel. Our dedicated cold chain network spans 288 logistics hubs, serving over 30 provinces and 1,789 counties across China. This infrastructure ensures efficient sample transportation, achieving daily delivery of nearly 200,000 samples with same-day arrival and maintaining a 98.9% on-time rate within 12 hours.

In industry collaboration and standardization, we continue to set benchmarks for medical laboratory logistics. As a member of the China Pharmaceutical Commerce Association and Vice President of the Medical Devices Branch of the China Federation of Logistics & Purchasing, we actively participate in industry standard development. During the reporting period, 23 subsidiaries were selected as pilot units for the national Standard for *Cold Chain Logistics Operations of Medical Laboratory Biological Samples*, with 10 subsidiaries obtaining full certification, including our Hangzhou facility as Zhejiang Province's first compliant institution. This national standard represents the highest specifications for biological sample cold chain logistics, demonstrating our leadership in medical logistics systems.

Furthermore, we contributed to drafting the group standard *Management Specifications for Transport of Highly Pathogenic Microorganism Strains or Biological Samples*, advancing pharmaceutical logistics quality. As the 2024 designated training organization by the China Federation of Logistics & Purchasing, we conducted nationwide standardization trainings to develop industry talent, driving the medical laboratory logistics sector toward higher-quality development.

Ensuring Sample Transportation Safety

We safeguard sample transportation safety through two critical dimensions, transport conditions and personnel management. For transport conditions, we utilize customized sample collection boxes equipped with multi-temperature compartments, temperature control systems, and GPS tracking to ensure sample integrity and enable full-process traceability. Additionally, we have implemented intelligent management systems including the TMS (Transportation Management System) and Ai-Logistics Route System, enabling real-time monitoring and precise dispatch throughout the transportation process.

Insulated Container & Temperature Control Management

Freeze-Specialized Insulated Containers

Developed in collaboration with suppliers, these containers maintain frozen sample conditions (below 0°C) for over 19 hours at room temperature. We have deployed 500 new aerogel-material containers nationwide, significantly enhancing frozen sample transportation stability.

Multi-Temperature Layer Support

The Ai-Logistics system now features project-specific temperature labeling, maintaining corresponding transport temperature layers for each project. The mobile APP provides temperature layer prompts during data entry to ensure precise alignment between transport conditions and sample requirements.

Temperature Control Upgrade Plan

Based on industry expertise, we are implementing a temperature monitoring enhancement plan to increase data collection frequency to every 5 minutes.

Intelligent System Management

GPS Tracking System

All vehicles (including franchised and leased units) are equipped with GPS for real-time route and mileage monitoring, ensuring full transportation transparency.

TMS System

Accessible via mobile and desktop, the system monitors sample container status and insulated box temperatures in real-time to guarantee compliant transport conditions.

Ai-Logistics Routing System

The desktop platform pre-plans personnel routes with auto-generated routing information, while the mobile interface displays real-time client receiving nodes and sample volume data, effectively reducing missed collections or deliveries.

Adicon Transportation Condition Management

We have established a comprehensive quality training and emergency response system, with the *Logistics Emergency Handling Standard Operating Procedure* clearly defining processes for various contingencies, including system failures and vehicle breakdowns. Through regular specialized drills such as biosafety sample leakage simulations and driving safety exercises, we systematically enhance logistics personnel's emergency response capabilities and safety operation standards.

Sample Handling Training

- We conduct organization-wide training covering Ai-Logistics specialized requisition forms, vehicle approvals, and consumables management, with focused reinforcement on standardized information entry protocols, sample reception procedures, as well as enhanced vehicle access control and consumables distribution management.
- We also deliver specialized cold chain temperature control training for all logistics receiving staff, emphasizing sample preservation time awareness and transportation temperature management competencies to ensure end-to-end compliance with temperature requirements.

Quality Control Training

- We implement annual vehicle operation safety and maintenance training to strengthen road safety awareness and develop proper vehicle upkeep habits among logistics personnel.
- In response to recent project irregularities, we conduct comprehensive document processing training to improve form completion accuracy, minimize sample information errors, and guarantee data traceability and precision.
- New document standardization and vehicle usage protocol training have been introduced, featuring revised documentation standards, improved sample information traceability, and formalized vehicle operation processes.
- Based on customer satisfaction survey findings, we provide specialized customer service training to standardize hospital-site staff conduct and enhance client satisfaction metrics.

Logistics Safety Training Series

Logistics Emergency Response Drills

We conduct comprehensive training for logistics personnel on handling critical situations, including biosafety sample leaks, information upload anomalies, vehicle emergencies, and cold chain temperature deviations. The drills focus on equipping staff with proper protocols for on-site leak containment and reporting procedures, as well as activating backup equipment during temperature control failures, thereby enhancing their rapid response capabilities and standardized operational proficiency.

01	02	03	04	05	06
样本泄漏	防护穿戴	警示标识	消毒处理	清理现场	现场点评
样本现场泄漏，导致污染	人员穿上防护装备，避免人员感染	现场污染区警示标识标记清晰	现场按要求消杀处理	清理现场，所有污染物	人员现场完成演练复盘，负责人完成演练结果点评

Summer Driving Safety Training

To address high-temperature conditions during the summer months, we organize specialized training sessions and practical drills covering vehicle breakdown response, road safety measures, and electric vehicle battery safety. Through simulated emergency scenarios such as tire blowouts and abnormal tire pressure situations, we strengthen logistics personnel's ability to react swiftly while reinforcing standardized driving practices and safety awareness in extreme heat conditions.

1、轮胎胎压

轮胎气压可通过胎压表直接测出来；如果有**胎压监测器**的话，可以直接通过仪表盘显示出来。行车前要检查轮胎花纹磨损情况，以及轮胎使用寿命，**一般不超过3年或者行驶6万公里**，要及时更换轮胎，确保安全。

汽车的标准胎压是多少？ 可以从车辆用户手册或者驾驶室车门(B柱附近)、车辆驾驶座旁的抽屉，油箱盖小门附近的标签上，了解到车辆轮胎的标准胎压是多少

Enhancing Logistics Efficiency

We continuously optimize sample transportation efficiency through dynamic route adjustments and monthly route performance reviews to ensure rapid sample delivery and timely test results. During the reporting period, we strengthened partnerships with professional transport providers, expanded aviation and high-speed rail channels, developed flexible transport solutions, and established priority transfer pathways to meet urgent demands during critical periods and for key clients.

In 2024, we implemented advanced process management to comprehensively optimize logistics and information workflows, significantly improving data transfer efficiency. Our upgraded system enables real-time sample information synchronization across all laboratories, enhancing sorting efficiency and reducing sample arrival times. Concurrently, we refined sample arrival scheduling and transport dispatching to ensure maximum operational efficiency throughout the logistics chain.

Ensuring Sample Data Accuracy

Sample information entry represents a critical control point for test result reliability. We maintain strict accuracy standards through key performance indicators including entry timeliness, review promptness, data comparison rates, and quality control metrics, all of which achieved annual targets during the reporting period.

To guarantee entry precision, we employ a "dual-entry, one-review" model where test items and basic information are independently entered by front-end receivers and data center staff respectively, with discrepancy resolution through verification, creating multiple checkpoints for document accuracy. Complementing this, we conduct monthly error-prone item training requiring full participation from entry personnel to continually enhance operational competencies and further improve data collection quality.

◉ Warehouse Quality

We continuously optimize our warehouse management system by establishing standardized protocols including the *Warehouse Management Standard Operating Procedure, Warehouse Inventory Counting SOP*, and *Warehouse Safety Management System* to regulate warehouse operations. During the reporting period, we introduced the *Warehouse Management System Operation Manual SOP* to better accommodate refined warehouse management requirements. Additionally, we have advanced our warehouse informatization initiatives by establishing integrated data connectivity across material receiving, in-stock, and outbound processes. This enhancement has significantly improved material management efficiency while driving higher standardization levels throughout our operations.

Kingdee Galaxy System

Automated Bookkeeping & Inventory Management

Automatically imports and links document data to reduce manual entry steps and minimize operational errors.

Real-time Incoming Inspection Feedback

Enables immediate reporting of inspection results to ensure timely and accurate information transmission.

Material Expiration Alerts

Automatically triggers email reminders for materials with less than 3 months validity to prevent expiration risks and enhance inventory management precision.

Warehouse Management System (WMS)

Process Standardization Upgrade

Improves warehouse operation standardization and efficiency through unified receiving, shelving, and shipping procedures.

Digital Monitoring

Establishes digital dashboards for real-time tracking of account aging, expiration alerts, and fulfillment rates, providing visual operational support.

Streamlined Product Tracing

Incorporates nationally standardized UDI codes (Unique Device Identification) to enable automatic tracking of product names, batches, manufacturers, and expiration dates.

Enhanced Operational Efficiency & Accuracy

Implements full-process PDA (Portable Digital Assistant) operations to significantly improve both convenience and precision in warehouse operations.

To ensure standardized and efficient material management, we actively implement comprehensive warehouse management practices. Our WMS meticulously records detailed information for each material batch, including inbound/outbound timestamps, quantities, and lot numbers, enabling complete traceability of material flows and usage patterns. The system incorporates an intelligent first-expired-first-out mechanism that automatically flags materials approaching or past expiration dates, enforcing mandatory interception during inventory movements to prevent accidental use or distribution of expired items, thereby guaranteeing material quality and safety.

Additionally, we conduct monthly inventory audits across all subsidiaries to verify material specifications and quantities against operational requirements, with quarterly and annual audits supervised by finance and procurement personnel to further enhance inventory accuracy. To strengthen warehouse management capabilities, we provide biannual training sessions based on the newly established Warehouse Management System Operation Manual and Standard Operating Procedures. These sessions combine manual reviews, SOP instruction, written examinations, practical assessments, and comprehensive performance evaluations to holistically improve staff competency in standardized warehouse operations.

Warehouse Safety Management

We strictly comply with relevant regulations including the *Regulations on the Safety Management of Hazardous Chemicals* and standards such as the *Standard for Pollution Control on Hazardous Waste Storage (GB/T 18597-2023)*. We have developed management protocols including the *Chemical Storage Management Standard Operating Procedure* and *Warehouse Safety Management System* to implement comprehensive safety measures across two critical dimensions, optimizing physical environment safeguards and strengthening personnel safety awareness training, ensuring meticulous execution of warehouse safety management.

Safety Infrastructure Implementation

- We have constructed warehouses using fire-resistant materials with leak-proof flooring, equipped with comprehensive safety installations including fire-rated doors, explosion-proof switches, lighting fixtures, and HVAC systems.

- The facilities feature smoke detectors and combustible gas auto-detection alarms, with secondary containment vessels deployed for hazardous chemical storage.

- Emergency response provisions include fire extinguishers, sand buckets, safety showers, and eye-wash stations strategically positioned throughout the premises.

- A comprehensive chemical spill response protocol has been established, supplemented by annual organization-wide emergency drills to ensure all staff master contingency procedures.

- Regular standardized operation training sessions reinforce safety practices and risk prevention awareness.

- All workstations maintain updated Material Safety Data Sheets (MSDS) alongside prominent warning signage to ensure continuous hazard awareness.

Personnel Safety Awareness Enhancement

Testing and R&D

We have established innovation as our core driver, building an exceptional R&D team to continuously strengthen our technological capabilities. Leveraging extensive industry experience and profound professional expertise, we consistently make breakthroughs in the fields of laboratory medicine, clinical diagnostics, and health management, enhancing both our professional standards and industry influence to provide clients with more precise and efficient solutions.

◉ R&D System

R&D Strategic System

We place innovative R&D at the heart of our corporate strategy, dedicated to advancing the medical diagnostics industry through technological breakthroughs and in-depth exploration of disease areas. In collaboration with internationally renowned consulting firms, we have systematically developed a next-generation R&D strategic framework. Under this strategic structure, we have completed the establishment of six technology centers and are focusing on six core disease-related fields for intensive R&D. Through collaborative innovation across technology platforms, we continue to fulfill our corporate mission of "becoming everyone's trusted medical testing expert".

| Mass Spectrometry Analysis Center 1 | Clinical Laboratory Center 2 | Pathology Diagnostics Center 3 | Hematological Disease Diagnostics Center 4 | Genetics & Chromosome Testing Center 5 | Molecular Diagnostics Center 6 |

Adicon's Six Technology Centers

Infectious Diseases	Developing targeted metagenomic technologies for pathogen detection across infection syndromes, having successfully launched specialized tests for respiratory, central nervous system, and reproductive tract infections.
Hematologic Diseases	Advancing comprehensive blood diagnostics through new platforms like digital PCR, enhancing MRD monitoring products, and expanding NGS-based hematologic testing to strengthen diagnostic capabilities.
Solid Tumors	Expanding companion diagnostics for cancer treatment with multi-size detection panels, completing the oncology testing product matrix.
Maternal & Child Health	Focusing on women's health, obstetrics and gynecology, and neonatal/pediatric disciplines, including cervical cancer, ovarian cancer, infertility screening, NIPT/NIPT+, hereditary screening, newborn metabolic diseases, childhood nutrition, among others.
Neuroimmunological Disorders	Focusing on Alzheimer's Disease (AD) and neurological autoimmune diagnostics by deploying multi-platform AD testing solutions and developing antibody assays for autoimmune encephalitis, CNS demyelination, and neuromuscular disorders to advance neuroimmunology.
Chronic Disease Management	Prioritizing quantitative allergy testing, nutrition/metabolism, and precision medication through self-developed projects for drug concentration monitoring and pharmacogenomics, completing relevant test offerings.

Adicon's Six Major Disease Focus Areas and 2024 Key Directions

R&D Structure

We are dedicated to establishing an efficient and standardized R&D framework. Internal guidelines such as the *Standard Operating Procedure for New Test Project Development and Test Information Modification* have been formulated to define detailed R&D processes and technical requirements from project initiation to implementation, ensuring both rigor and operational feasibility in our research activities.

During the reporting period, to strengthen the synergy between medical research and technology translation, we established a dedicated Medical Project Management Department. This department works in concert with our medical laboratories and R&D platforms to achieve a closed-loop R&D chain encompassing "problem identification - solution development – implementation".

Medical Project Management Department

This department oversees comprehensive project management and medical support across all disease focus areas. It coordinates cross-platform collaborations to enhance report quality and service standards, participates in field performance evaluations, and facilitates market integration for respective projects.

Medical Laboratories

Primarily tasked with identifying challenges in medical testing and tracking field advancements, including limitations of existing methodologies and emerging technological needs.

Adicon R&D Framework

Drives market adoption of R&D achievements through academic promotion and clinical case collection, enabling healthcare providers and patients to understand and adopt new testing solutions.

Engagement

Conducts targeted technological innovation to address identified challenges by developing novel testing technologies, optimizing workflows, and improving detection accuracy.

R&D Platforms

Furthermore, to accelerate laboratory development and major R&D project implementation, we established a Group Laboratory Management Center with clearly defined hierarchical functions. Through the creation of the Laboratory Operations Management Committee, Technology & Innovation Management Department, and Laboratory Project Management Office, we have significantly enhanced laboratory operational efficiency, technological innovation capacity, and project execution capabilities, providing robust support for the Group's high-quality innovation initiatives.

Laboratory Operations Management Committee

- Comprises directors from the Pathology Diagnostics Center, Clinical Laboratory Center, Genetics/Chromosome Testing Center, Mass Spectrometry Center, Genomics Center, and Hematological Diagnostics Center.

- Responsible for overseeing operations of corresponding departments across subsidiaries, reporting to the Group Laboratory Management Center head.

Laboratory Administration Department

- Assists the management of all laboratory operational matters under the Committee's purview, including personnel and equipment efficiency, cost control, and accreditation/certification processes across subsidiary laboratories.

Technology & Innovation Management Department

- Leads group-wide laboratory technology and innovation governance by developing technical standards, conducting technical evaluations, driving R&D and implementation of new technologies/projects, and providing subsidiary technical training and assessments.
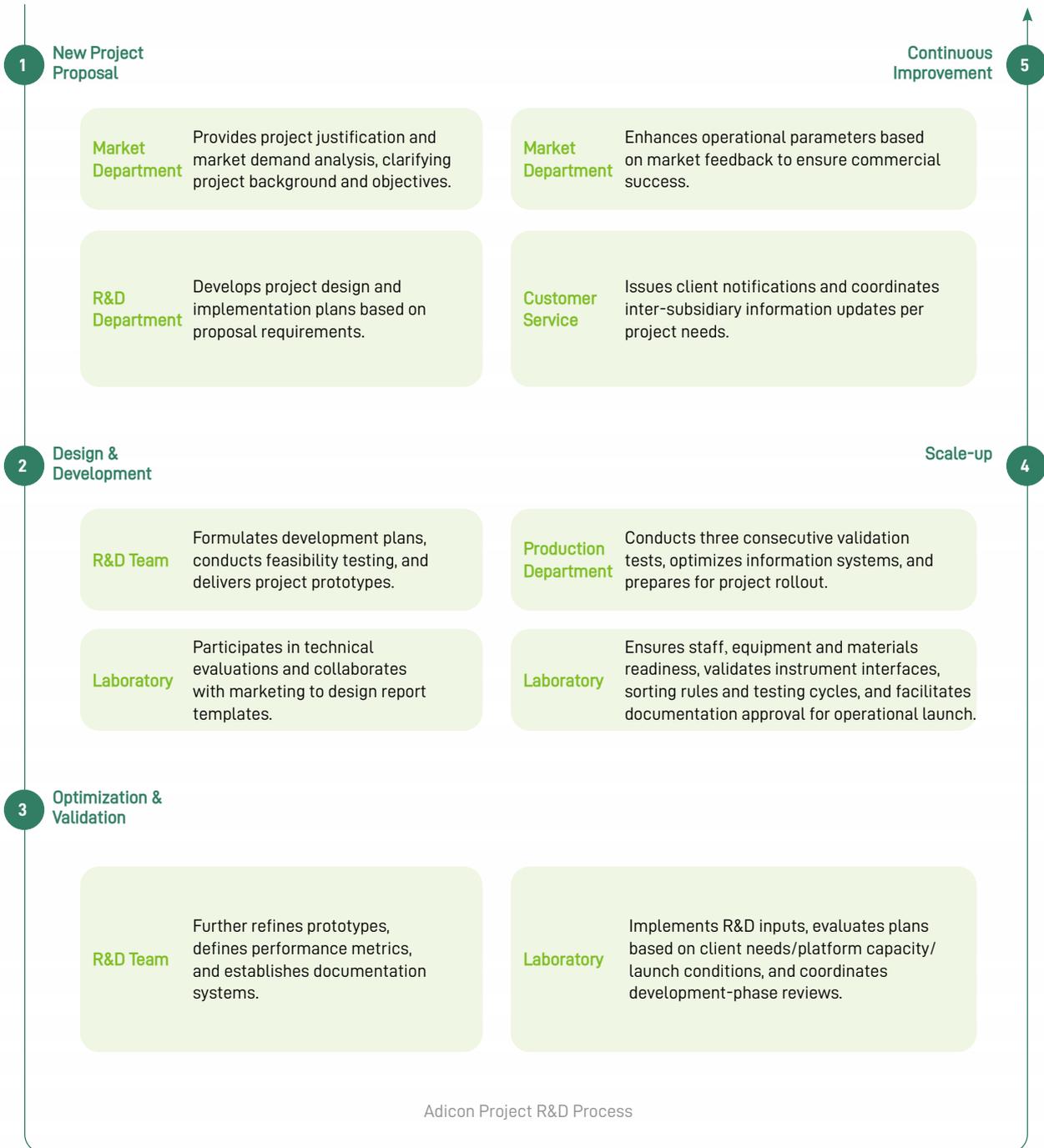
Group Laboratory Project Management Office

- Coordinates cross-platform collaborations for assigned projects to enhance report quality and service standards, participates in field performance evaluations, facilitates market integration, and reports to the Technology & Innovation Management Department head.

Laboratory Management Center Structure

R&D Process

We implement project development in accordance with the S*tandard Operating Procedure for Design and Development Control (R&D)* to ensure innovation, completeness, and practical significance in all development initiatives. Our R&D activities are dedicated to advancing and refining testing methodologies, processes, and operational efficiency, while optimizing our test portfolio and enhancing detection accuracy.

1 New Project Proposal

Market Department — Provides project justification and market demand analysis, clarifying project background and objectives.

R&D Department — Develops project design and implementation plans based on proposal requirements.

5 Continuous Improvement

Market Department — Enhances operational parameters based on market feedback to ensure commercial success.

Customer Service — Issues client notifications and coordinates inter-subsidiary information updates per project needs.

2 Design & Development

R&D Team — Formulates development plans, conducts feasibility testing, and delivers project prototypes.

Laboratory — Participates in technical evaluations and collaborates with marketing to design report templates.

4 Scale-up

Production Department — Conducts three consecutive validation tests, optimizes information systems, and prepares for project rollout.

Laboratory — Ensures staff, equipment and materials readiness, validates instrument interfaces, sorting rules and testing cycles, and facilitates documentation approval for operational launch.

3 Optimization & Validation

R&D Team — Further refines prototypes, defines performance metrics, and establishes documentation systems.

Laboratory — Implements R&D inputs, evaluates plans based on client needs/platform capacity/ launch conditions, and coordinates development-phase reviews.

Adicon Project R&D Process

R&D Platform

In platform development, we actively adopt cutting-edge technologies to continuously optimize and upgrade our research platforms. We have introduced the latest third-generation sequencing platform—the Nanopore P2 Solo. This compact, high-throughput sequencer integrates genetic variant, transcriptomic, and epigenetic analyses, and has already been deployed in thalassemia testing and whole-genome methylation detection projects, significantly enhancing our genomic research capabilities.

Furthermore, we have acquired China's first peptide mass spectrometry platform—the fully automated peptide profiling system. Specifically designed for liquid biopsy in oncology, this platform combines peptide purification/enrichment, detection, and analysis functionalities, featuring high throughput, exceptional stability, and superior sensitivity. It effectively addresses critical bottlenecks in the clinical application of peptidomics technology. Currently implemented in lung cancer, colorectal cancer, and gastrointestinal five-cancer detection projects, the platform provides an integrated peptidomics solution.

New Third-Generation Sequencing Platform Added

New Peptide Mass Spectrometry Platform Added	Bio-pSi® Serum Peptide Detection Kit	ClinMS-Plat I Time-of-Flight Mass Spectrometer	Serum Peptidome Detection and Analysis Software
Fully Automated Peptide Profiling System			
	High-Performance Capture, Enrichment and Preservation of Circulating Blood Peptides	High-Throughput Serum Peptide Fingerprint Acquisition	Intelligent Data Analysis and Result Interpretation

R&D Team Development and Incentives

We place high priority on building our research capabilities, continuously increasing resource allocation for team development and platform establishment to attract and cultivate top-tier talent. In 2024, our R&D investment accounted for 4.1% of total revenue, with ongoing recruitment of exceptional professionals in molecular biology, genetics, bioengineering, toxicology, pathology, and related fields. Taking the Molecular Diagnostics Center as an example, most team members hold master's degrees or higher.

To foster innovation, we implement the *Employee Performance Incentive Management System*, providing monetary rewards for research publications and patent applications. Simultaneously, we offer diversified training programs covering specialized knowledge and advanced technology sharing to broaden perspectives and stimulate creative thinking.

R&D Initiatives

In 2024, leveraging our proprietary high-throughput sequencing platform, Massarray nucleic acid mass spectrometry platform, and whole-genome optical mapping system, we advanced multiple new projects spanning genetic disorder testing, solid tumor genomic profiling, and personalized medication guidance. These initiatives deliver critical decision-support information for precision diagnostics and tailored treatments, enabling patients to receive accurate and efficient care faster.

NGS-based Genetic Disorder Testing   Case

Addressing unmet needs in genetic testing, we launched a comprehensive NGS project incorporating updated databases and multiple technologies. The WES (Whole Exome Sequencing) series, including individual, core family, and couple exome analyses, processes whole blood, tissue, and miscarriage villus samples through nucleic acid extraction, NGS-based DNA sequencing, and proprietary bioinformatics analysis. Genetic counselors then integrate probands' clinical presentations to deliver precise results and follow-up recommendations. This breakthrough solution expands testing coverage and flexibility while significantly enhancing our comprehensive service capabilities.

Same "WES", Different Dimensions of Width, Extension, and Sensitivity.

WES Basic	**Genome**	**Non-coding Regions**	**Other Regions**
	Nuclear Genome	**Whole Gene**	**CNV**
	Coding Sequences in Major Gene Databases	28 Genes: Full Coverage	Backbone, ~100 kb intervals
WES Patch	Gencode		Intronic Probe Densification for 36 Genes
	CCDS	**UTR**	P/LP CNV Coverage
	Refseq	5' UTR>2,000 Genes	
Backbone	Ensembl	3' UTR>200 Genes	
	MANE		
		Promoter	**Pharmacogenomics**
		TERT, APC, RB1, HNF1A etc.	PharmGKB, PharmVar, CPIC
Mitochondrial Genome	**Mitochondrial Genome**	**P/LP Variants in Non-coding Regions**	**Molecular Barcodes**
	16,569 bp, 37 genes	ClinVar, HGMD	110 SNP
		Special Regions	**Fusion Genes**
		Thalassemia, SMA, FLT3-ITD, etc.	Hotspot Fusion Gene Regions

Probe Size: **52.7M**

Wuhan Adicon National Key R&D Program Project - Consistency Study on Malignant Tumor Diagnostic Marker Detection   Case

Wuhan Adicon's application for the Ministry of Science and Technology's key R&D program sub-project on the consistency study of malignant tumor diagnostic biomarkers has been approved. The study focuses on the significant role of abnormal prothrombin (PIVKA-II) as an early diagnostic marker for liver cancer in patients with liver diseases and hepatic malignancies. Currently, clinical practice faces challenges due to the diversity of reagents, instruments, and detection methods, which leads to weak comparability of PIVKA-II measurements across different testing systems. Moreover, there are concerns as to whether the standards recommended in reagent kit instructions and the normal reference ranges, which vary by brand or methodology, are applicable to the local population.Through this study, the performance and consistency of PIVKA-II testing reagents will be systematically evaluated to provide scientific evidence for the mutual recognition of test results. Additionally, the clinical cut-off values and reference ranges for abnormal prothrombin (PIVKA-II) in the local population will be validated, thereby advancing the standardization of PIVKA-II testing in the region.
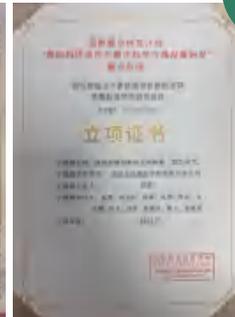
Structural Variant Detection Instrument Portfolio   Case

In the field of genomic structural variant detection, we have established a multi-level, comprehensive precision testing solution by leveraging cutting-edge international technology platforms and independent R&D systems. By integrating core technologies including chromosomal karyotyping (G-banding/R-banding), fluorescence in situ hybridization (FISH), chromosomal microarray analysis (CMA), optical genome mapping (OGM), and third-generation single-molecule real-time sequencing (PacBio SMRT/Nanopore), we have developed a "macro-meso-micro" tri-level detection system: karyotyping (5-10Mb resolution) for whole-genome large-fragment anomaly screening; FISH (50kb-2Mb) for rapid validation of specific gene loci; high-density CMA (≥50K probes) ensuring whole-genome CNV/LOH detection (10kb resolution); OGM (500bp resolution) enabling breakthrough visual detection of whole-genome structural variants; while third-generation sequencing (single-base resolution) precisely analyzes complex balanced rearrangements and repetitive sequence variations.

Massarray Nucleic Acid Mass Spectrometry Platform Development Project   Case

In 2024, we advanced the development of personalized cardiovascular drug testing projects based on the Massarray nucleic acid mass spectrometry platform, covering APOE (apolipoprotein E) genotyping, anti-thrombotic drug-related genes, hypertension medication genes, statin drug metabolism genes, and alcohol metabolism-related genes. The project addresses individual differences in drug metabolism and therapeutic efficacy, providing precise medication guidance for coronary heart disease patients using aspirin, clopidogrel, statins, as well as other antihypertensive, hypoglycemic, lipid-lowering, and antithrombotic drugs. From primer design to the establishment of detection methods, the entire project was independently completed by Adicon, fully demonstrating our technical expertise and innovation capabilities in this field.

Industry Collaboration

While continuously increasing our R&D investment, we actively engage in in-depth collaborations with industry-leading institutions to expand testing service categories, optimize detection technologies, and provide patients with more precise and efficient diagnostic services through technical exchanges and resource integration. We partner with top-tier domestic and international research institutions and enterprises to jointly explore cutting-edge technologies, promote the innovation and application of testing methodologies, and strive to deliver superior solutions for clinical diagnosis and treatment.

We are dedicated to advancing technical standardization and fostering industry-academia-research integration. During the reporting period, we contributed to the development of the *Expert Consensus on Quality Management of Lymphocyte Subset Flow Cytometry Testing in Clinical Practice*, facilitating standardized industry development. Additionally, in collaboration with the Second Affiliated Hospital of Zhejiang University School of Medicine, we initiated the provincial "Vanguard" and "Leading Goose" R&D Program, focusing on "Early Warning and Precision Diagnosis and Treatment Strategies for Severe Community-Acquired Pneumonia". Simultaneously, we partnered with the Children's Hospital of Zhejiang University School of Medicine to explore novel diagnostic technologies for pediatric autoimmune nephrotic syndrome, driving advancements in precision medicine for children.

Adicon's Collaboration with Zijinshan Institute of Molecular Medicine   Case

Currently, the diagnosis of Alzheimer's disease (AD) primarily relies on imaging modalities such as PET-CT (Positron Emission Tomography-Computed Tomography) and MRI, which are costly and have poor patient compliance, limiting their widespread application. To address this, we have partnered with the Zijinshan Institute of Molecular Medicine, a subsidiary of the Jiangbei New Area Innovation Research Institute of Southeast University, to co-develop a blood-based AD biomarker detection method utilizing immunoprecipitation-mass spectrometry (IP-MS) technology. This innovative approach enables detection through venous blood samples, offering advantages such as operational simplicity and low cost, making it suitable for large-scale screening and early diagnosis. The development of this project enhances the potential for early AD intervention, contributing significantly to improving quality of life for the elderly and reducing societal burdens.

Technology Transfer Collaboration with Global Precision Oncology Leader Guardant Health for Guardant OMNI | Case

During the reporting period, we advanced our strategic partnership with Guardant Health in oncology and successfully completed the technology transfer of Guardant OMNI. The transferred technology underwent rigorous performance validation, including analytical sensitivity, specificity, and reproducibility assessments, achieving >99% concordance with test results from Guardant's U.S. headquarters laboratory. The implementation of Guardant OMNI has significantly enhanced access to precision diagnostics and treatment for Chinese cancer patients, demonstrating our technical expertise in companion diagnostics and global collaboration capabilities.

Adicon's Participation in the 18th National Conference of Laboratory Medicine of the Chinese Medical Association | Case

In 2024, Dr. Zhuang Zhenchao from Adicon presented research at the conference, sharing with domestic and international hematology experts a machine learning-based predictive model for aplastic anemia and myelodysplastic neoplasms utilizing CPD (White blood cell Population Data). Through active participation in symposiums, we gained in-depth understanding of the latest advancements in flow cytometry and genetic technologies for leukemia and lymphoma diagnosis/treatment, while contributing to discussions on technical standardization and innovative applications. These engagements have further elevated our technical competencies and practical expertise in hematological disease diagnostics.

As of the end of the reporting period, Adicon has established a network of 34 laboratories across 23 provinces in China, offering over 4,000 medical testing services spanning genetics, hematologic diseases, oncology, and endocrine disorders. We continue to strengthen our testing capabilities, having introduced more than 300 advanced testing projects during the reporting period. These include the Aijian Micro-Targeted Pathogen Detection (tNGS) Series, High-Sensitivity MRD Detection for Hematologic Malignancies (ddPCR Method), Tissue-of-Origin Gene Testing for Tumors, OGM Testing for Facioscapulohumeral Muscular Dystrophy (FSHD), and Comprehensive Exome Sequencing for Genetic Disorders, among others. During the reporting period, Adicon laboratories processed over 85.7 million samples, maintaining our industry leadership in both the scale and quality of testing services.

Endocrine Disease Testing	Oncological Disease Testing
Cardiovascular Disease Testing Series	Infectious Disease Testing
Nutritional Metabolism & Toxic Element Analysis	Immune Function Testing
Obstetrics & Gynecology Testing	Biochemical Testing
Genetic Testing	Pathological Diagnosis & Routine Clinical Testing
Hematologic Disease Testing	......

Medical Testing Services Offered by Adicon

⊚ Intellectual Property Protection

We consistently recognize the pivotal role of intellectual property in driving innovation, establishing brand reputation, and maintaining market order. We strictly adhere to laws and regulations including the *Copyright Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Trademark Law of the People's Republic of China* to implement comprehensive IP protection measures.

We have established a robust intellectual property management system comprising documents such as the *Intellectual Property Management Manual, Trademark Management Regulations, Adicon Patent Management Regulations*, and *R&D Department Data Management Standards*, ensuring full implementation of IP protection protocols. Concurrently, we have adopted proactive measures including regular monitoring and employee awareness training to effectively prevent and mitigate potential infringement risks.

Intellectual Property Monitoring

- We implement a group-wide intellectual property management platform, with designated personnel regularly maintaining patents, trademarks, and other IP assets to ensure real-time status updates and tracking.

- During the reporting period, the platform added new features including expiration alerts and annuity payment agency management, significantly enhancing IP management efficiency.

- We conduct periodic audits of core trademark usage across online platforms and promptly file complaints against any identified infringements.

Personnel Management

- All third-party partners are required to sign binding agreements explicitly prohibiting any infringement of Adicon's legal rights.

- New employees must execute confidentiality agreements upon onboarding to prevent IP risks at the source.

- Regular certification and assessment training on software and data management are conducted to strengthen IP awareness among legal and compliance teams.

Intellectual Property Protection Measures

As of the end of the reporting period, we possess 265 registered patents and 135 registered trademarks, covering key areas including infectious diseases, hematologic disorders, personalized medication, and monogenic genetic disorders.

Registered Patents (as of 2024 year-end)		Newly Registered Patents (2024)		Registered Trademarks (as of 2024 year-end)	Newly Registered Trademarks (2024)
Invention Patents	Utility Model Patents	Invention Patents	Utility Model Patents		
82	**183**	**8**	**27**	**135**	**5**

Responsible Procurement

We are dedicated to establishing stable and reliable supplier relationships through a comprehensive supply chain lifecycle management mechanism, continuously enhancing supply chain quality and transparency. We integrate sustainable development principles into our supply chain strategy, collaborating with partners to build a responsible, resilient, efficient, and stable industrial ecosystem that drives sustainable progress in the industry.

◉ Supplier Management

We strictly adhere to the *Standard Operating Procedure for Supplier Management*, implementing full-cycle supplier management that encompasses key stages such as qualification review, tiered management, performance evaluation, and corrective actions/removal. During the reporting period, we introduced a potential supplier assessment form to further standardize supplier management practices. Additionally, we have incorporated suppliers' ESG performance into our qualification and evaluation systems, leveraging both disclosed ESG information and on-site audit results to holistically advance supply chain sustainability.

Qualification Review

- Conduct comprehensive background checks on potential suppliers, with qualifications and supply quality as core evaluation criteria.
- The newly implemented Potential Supplier Assessment Form has established documented management protocols, further standardizing the supplier onboarding process.

Supplier Categorization

- Suppliers are classified into Material and Service categories, with tiered management based on their impact on testing results.
- A four-tier classification system (A, B, D, F) is applied according to the degree of influence on test outcomes.

Annual Supplier Assessment

- The Procurement Department organizes annual supplier evaluations in collaboration with multiple departments including Quality, Laboratory, and Warehouse Management to conduct comprehensive assessments.
- The evaluation covers key performance aspects such as quality performance, pricing competitiveness, delivery reliability, and service standards, with suppliers being rated into four tiers: Excellent, Good, Pass, and Pending Review.
- For key suppliers with significant procurement volumes, frequent quality issues, or poor assessment results from the previous year, on-site audits are conducted to ensure all target suppliers are audited at least once every five years.
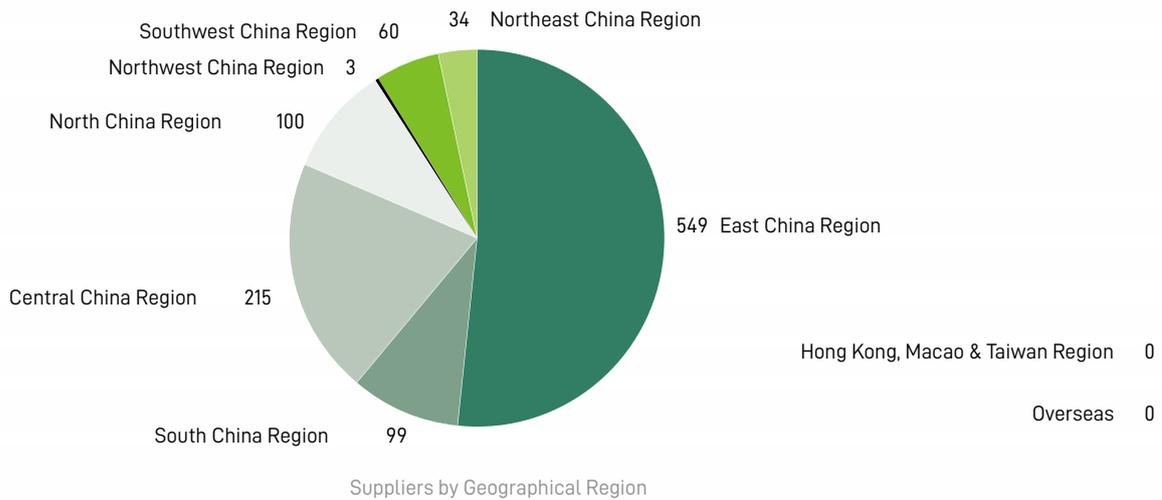
Corrective Actions & Removal

- We conduct quarterly statistical analysis of supplier non-conformities, promptly investigating root causes and implementing corrective measures.
- Special emphasis is placed on monitoring suppliers' remediation of non-compliances identified during on-site audits.
- Suppliers demonstrating consistently poor performance or failing to meet rectification requirements face suspension or permanent removal from our approved vendor list.

Supplier Lifecycle Management Process

We require suppliers to sign quality assurance agreements during contract execution and incorporate product quality as a core evaluation metric in annual assessments. Through multiple engagement channels including regular conference calls, on-site visits, trade exhibitions, and industry conferences, we maintain close collaboration with suppliers while actively guiding and supporting their product and service improvements. During the reporting period, we conducted comprehensive quality evaluations achieving 100% coverage across all supplier categories (A, B, D, and F classes).

Adicon's Participation in Chongqing CACLP Medical Device Exhibition	Case

We actively engage in key industry exhibitions and academic conferences such as the Chongqing CACLP Medical Device Expo. These platforms facilitate in-depth exchanges with core suppliers regarding academic advancements and industry trends, enabling us to further explore collaborative opportunities.

Southwest China Region 60
Northeast China Region 34
Northwest China Region 3
North China Region 100
East China Region 549
Central China Region 215
Hong Kong, Macao & Taiwan Region 0
Overseas 0
South China Region 99

Suppliers by Geographical Region

We maintain partnerships with 1,060 suppliers, of which the following quantities hold various management system certifications:

ISO 9001 (International Quality Management System)	15
ISO 14001 (International Environmental Management System)	9
ISO 45001 (Occupational Health and Safety Management System)	7
ISO 13485 (Medical Device Quality Management System)	30
ISO 27001 (Information Security Management System)	1
ISO 17025 (General Requirements for the Competence of Testing and Calibration Laboratories)	1
GMP	1
CMA	1
NQA	1

◉ Sustainable Supply Chain

We have deeply integrated sustainable procurement principles into our supplier management processes. During supplier selection and evaluation, we conduct comprehensive assessments of suppliers' ESG performance. We systematically evaluate suppliers' ESG practices across multiple dimensions - including management policies, concrete initiatives, and performance outcomes - to ensure alignment with sustainable development requirements.

We are dedicated to green procurement by prioritizing environmentally friendly products from suppliers who meet our quality standards, collaborating with partners to build a sustainable future.

Regarding supplier integrity management, we conduct thorough background checks focusing on commercial bribery, abnormal business practices, and negative publicity to prevent compliance risks at the source. Adhering to transparent procurement principles, we require all suppliers to sign the *Anti-Commercial Bribery and Anti-Fraud Commitment Letter* during contract execution. As of the reporting period's end, we have achieved 100% supplier compliance with integrity agreements.

Furthermore, we regularly communicate compliance requirements to suppliers via email and routine interactions to ensure strict adherence to regulations throughout our partnership. We publicly disclose reporting channels in both contractual documents and company premises, enabling suppliers to report misconduct through hotlines, emails, mail, or in-person visits, thereby safeguarding mutual interests.

To ensure supply chain stability, we perform risk assessments based on supplier evaluation results, examining information completeness, product/service quality, and supply continuity. We actively develop local suppliers and optimize procurement networks to mitigate risks. For critical products like HPV genotyping reagents, cytokines, and glycated hemoglobin test kits, we implement diversified sourcing strategies to enhance supply chain resilience and stability.

03

Customer-Centric

Ensuring High-Quality Service

We prioritize customer needs, continuously optimize service quality, promptly address feedback, and deliver exceptional service. Dedicated to compliant operations, we ensure information security and protect customer privacy while leveraging digital platforms to enhance service efficiency, striving to build long-term trust through convenient and effective solutions.

Customer Management

We maintain a customer-centric approach, consistently focusing on meeting and exceeding expectations. Through genuine and transparent interactions, we resolve issues via efficient communication to establish solid cooperative relationships.

◉ Customer Management System

We strictly comply with the *Consumer Rights Protection Law of the People's Republic of China* and internal protocols including the *Customer Service Department Workflow SOP* and *Complaint Handling SOP*, ensuring standardized service processes through a robust management system.

Our customer service team collects feedback and complaints, collaborating with sales, quality control, and laboratory departments to investigate and resolve issues. The integration of our Aiyijian Platform enables end-to-end information sharing, facilitating seamless coordination between external physicians, patients, and internal teams to reduce communication barriers and improve efficiency.

To enhance service quality, we established a Customer Service Center during the reporting period, coordinating resources across 30+ nationwide laboratories to deliver personalized, localized one-stop services. The *Employee Performance Incentive Management System* incorporates service-related rewards and penalties to motivate staff in maintaining positive customer engagement.

Additionally, we cultivate a service-oriented culture through monthly training sessions covering quality analysis and specialized knowledge, supplemented by assessments to improve both expertise and communication skills, ensuring timely and effective issue resolution.

◉ Customer Satisfaction Survey

We consistently regard customer satisfaction as a core indicator of service quality. In strict compliance with the *Standard Operating Procedure for Customer Satisfaction Surveys*, we conduct annual surveys ensuring comprehensive coverage and achieving target response rates. Through statistical analysis of response rates, overall satisfaction scores, and individual item ratings across customer segments, we systematically categorize and analyze feedback to produce the *Customer Satisfaction Survey Analysis Report*. Multiple feedback channels including our official website, brochures, social media platforms, and hotlines maintain open communication. During the reporting period, our hotline response rate reached 93.6%, with overall customer satisfaction at 97.7%.

◉ Customer Complaint Management

We adhere to efficient and standardized principles in complaint handling, as outlined in the *Customer Complaint Management Procedure*, which clearly defines departmental responsibilities and resolution mechanisms to ensure timely and effective solutions through standardized processes.

Upon receiving external complaints, all Adicon staff must immediately notify the Customer Service Department for centralized processing via the CAPA platform. The assigned complaint handler serves as primary contact, responsible for providing regular updates and final resolutions to complainants. For complaints involving non-conformities, the *Nonconformity Management Standard Operating Procedure* is activated to ensure systematic resolution.

The reporting period recorded 1,080 service-related complaints, with a 96.5% response rate, effectively implementing closed-loop complaint management while further enhancing satisfaction levels and service quality.

Responsible Marketing

We consistently uphold the principles of integrity and compliance in marketing, strictly adhering to relevant laws and regulations including the *Advertising Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Medical Advertising Management Measures*. Internal policies such as the *Standard Operating Procedure for Brand Promotion Request Processing* and *Adicon Pricing Management System* provide clear guidelines for conducting transparent and compliant marketing activities.

In our promotional practices, we prohibit all forms of misleading claims and false advertising, ensuring customers receive comprehensive and accurate product and service information to make informed decisions. All external marketing materials undergo rigorous compliance reviews, with 181 pieces of promotional content audited during the reporting period.

Medical Content Review

Our Medical Affairs professionals conduct pre-release reviews of all promotional materials, strictly adhering to reagent specifications and expert guidelines. This ensures accurate, scientific descriptions of test indications while preventing exaggerated claims, thereby guaranteeing both regulatory compliance and professional integrity in all communications.

Commercial Activity Governance

We implement comprehensive training on the *Anti-Fraud Management Policy* and *Anti-Corruption Policy & Procedures*. All client partnerships are established through signed *Anti-Commercial Bribery Agreements*, which explicitly define integrity requirements to foster fair and transparent business environments.

Advertising Compliance

All external promotional data undergoes rigorous internal verification for authenticity and accuracy. We complete mandatory advertising filings in accordance with regulations, ensuring full legal compliance to maintain brand credibility and market reputation.

Measures to Ensure Compliant Marketing Practices

Furthermore, we place paramount importance on building our marketing team's professional capabilities. Through regular compliance training and skill development programs, we continuously strengthen team members' regulatory awareness and expertise, ensuring precise and effective execution of corporate marketing strategies.

Headquarters Product Training   Case

To elevate the marketing team's product knowledge and service capabilities, we conduct bi-monthly online seminars covering cutting-edge technologies including oncology testing, genetic testing, and environmental hormone detection. These sessions provide in-depth analysis of testing principles, clinical significance, and market value, enabling comprehensive understanding of product features, advantages, and solutions. This training ensures marketing personnel deliver technically accurate product explanations during promotions, fostering deeper client understanding and establishing lasting trust in our company.

Utilizing third-party monitoring tools, we track online mentions related to Adicon in real-time. Upon identifying false reports or content infringing upon our legal rights, our specialized team takes immediate action, issuing cease-and-desist notices or attorney letters, to demand prompt removal of such content, thereby safeguarding corporate reputation and legitimate interests.

Guided by the *Adicon Pricing Management Standard Operating Procedure*, we establish pricing benchmarks and approval processes that carefully consider market demand, regional economic levels, and production costs. During the reporting period, we implemented tiered pricing across 139 regions, with 1-5 pricing levels per region (totaling 485 tiers), significantly enhancing accessibility to medical testing services.

Information Security & Privacy Protection

We place paramount importance on information security and privacy protection, fully ensuring the confidentiality and security of personal data. Leveraging cutting-edge technologies such as artificial intelligence and big data, we are accelerating our digital transformation and actively exploring innovative models and services in smart medical testing to meet customers' expectations for diversified, flexible, and high-quality services.
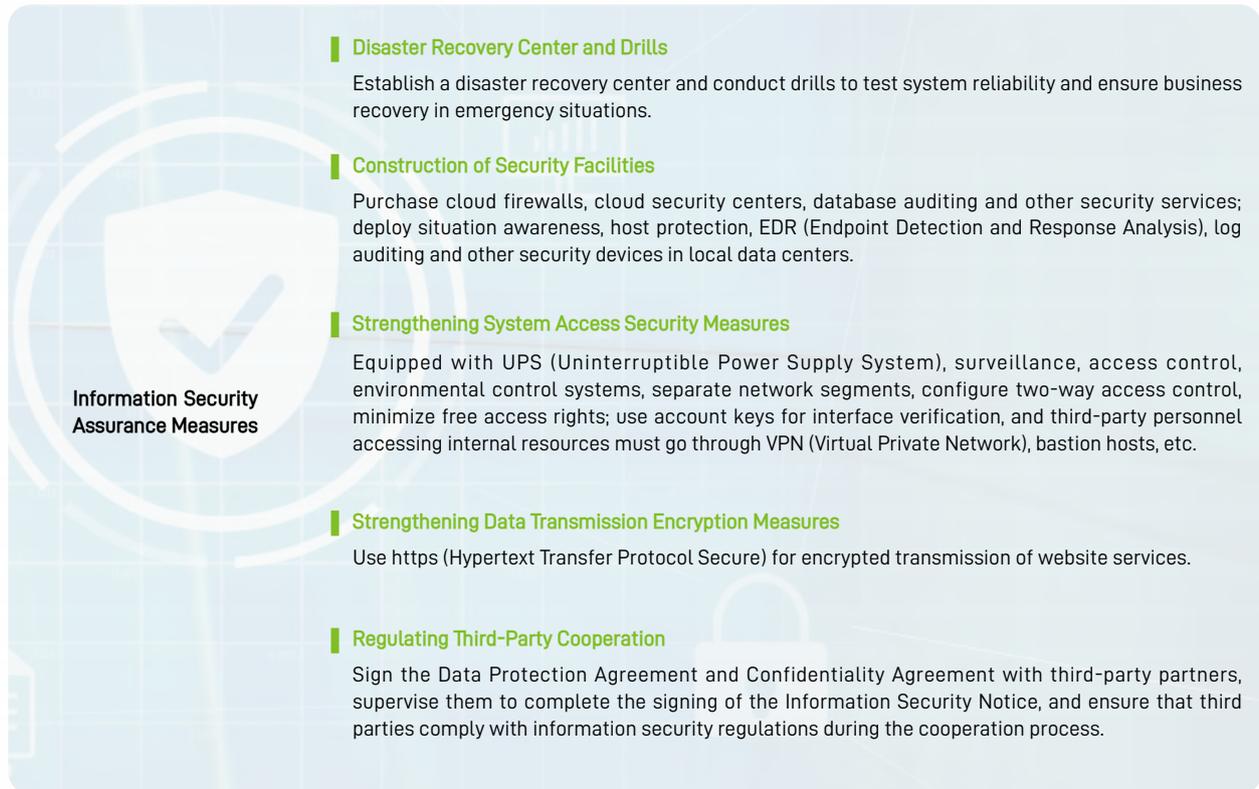
◉ Information Security

We strictly comply with laws and regulations including the *Personal Information Protection Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Cybersecurity Management Measures for Healthcare Institutions*. Internal policies such as the *Information Security Organization and Management System* and the *Adicon Data Classification and Grading System* have been established to comprehensively strengthen information security management. During the reporting period, we focused on revising regulations related to access control, network communications, and data backup/recovery, further clarifying the principle of least privilege and standardization requirements to ensure a more rigorous and scientific information security management system.

Additionally, we have established a three-tier information security management structure, the Information Technology Committee, the Headquarters Information Security Management Team, and Subsidiary Information Security Management Teams.

Information Technology Committee

Responsible for formulating the Company's information security management strategy, overarching policies, and fundamental principles.

Headquarters Information Security Management Team

Implements decisions made by the Committee, executes specific tasks, and assists in information security-related decision-making processes.

Subsidiary Information Security Management Teams

Drives the implementation of resolutions from the Information Technology Committee and tasks assigned by the Headquarters Team, while coordinating internal resources to ensure the successful execution of concrete information security measures.

Adicon Information Security Management Structure

Furthermore, we have established quantifiable annual information security objectives based on key metrics including business continuity and availability, information security incident frequency, and privacy breach occurrences. Building upon this framework, we have implemented comprehensive data security enhancements with focused improvements to critical areas such as system infrastructure and personnel management. All information security targets were successfully achieved during the reporting period.

Information Security Assurance Measures

Disaster Recovery Center and Drills

Establish a disaster recovery center and conduct drills to test system reliability and ensure business recovery in emergency situations.

Construction of Security Facilities

Purchase cloud firewalls, cloud security centers, database auditing and other security services; deploy situation awareness, host protection, EDR (Endpoint Detection and Response Analysis), log auditing and other security devices in local data centers.

Strengthening System Access Security Measures

Equipped with UPS (Uninterruptible Power Supply System), surveillance, access control, environmental control systems, separate network segments, configure two-way access control, minimize free access rights; use account keys for interface verification, and third-party personnel accessing internal resources must go through VPN (Virtual Private Network), bastion hosts, etc.

Strengthening Data Transmission Encryption Measures

Use https (Hypertext Transfer Protocol Secure) for encrypted transmission of website services.

Regulating Third-Party Cooperation

Sign the Data Protection Agreement and Confidentiality Agreement with third-party partners, supervise them to complete the signing of the Information Security Notice, and ensure that third parties comply with information security regulations during the cooperation process.

Disaster Recovery & Cybersecurity Defense Drills   **Case**

In 2024, we enhanced risk resilience through disaster recovery and cybersecurity exercises. The disaster recovery drill simulated catastrophic system failures, validating the ability to rapidly switch core systems like Ai-Logistics to backup environments while addressing configuration synchronization issues. This achieved business recovery within 2 hours (RTO) with 99.99% data consistency. Concurrent cybersecurity drills simulated tens of thousands of attacks, with our security team operating 24/7 to intercept threats and patch vulnerabilities, achieving 100% attack detection and 60% faster vulnerability remediation. These dual exercises strengthened organizational resilience from both business continuity and security defense perspectives, ensuring stable digital service operations.

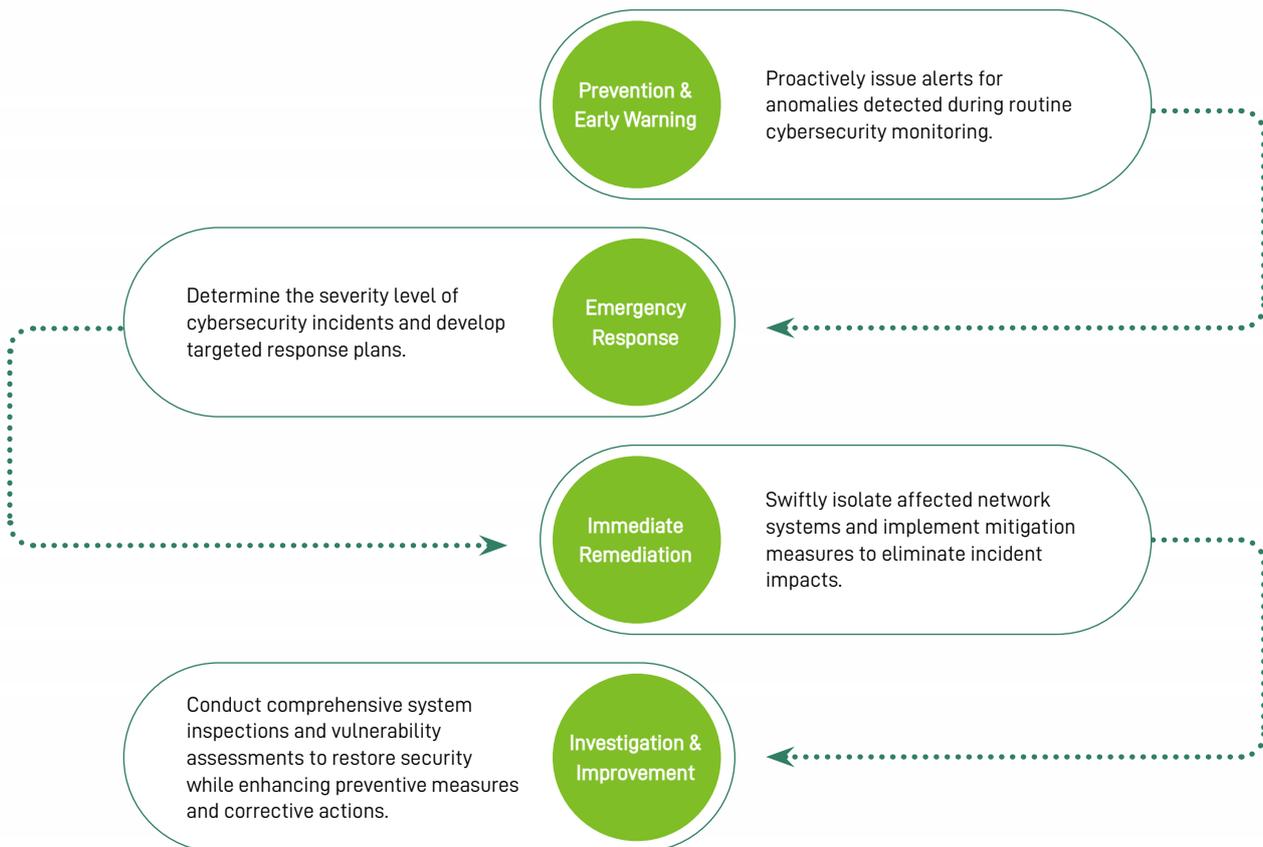**Information Security Training**   **Case**

We conducted organization-wide security training, with 3,000 employees completing awareness programs via our Ailin Academy online platform during the reporting period. New hires now receive mandatory security training as part of onboarding to familiarize them with corporate policies and accelerate integration into our security framework. Complementing this, our annual Information Security Awareness Week promotes data protection principles, while regular emergency drills enhance staff incident response capabilities.

We conduct annual internal and external audits to comprehensively screen for vulnerabilities in information system management, effectively mitigating security risks. During the reporting period, we engaged external professional teams to perform thorough due diligence on the Group's cybersecurity and data processing practices. This assessment employed questionnaires, on-site interviews, and document reviews, extensively covering core and peripheral systems including Kingdee Galaxy, DingTalk, settlement systems, LIMS, and Ai-Logistics, culminating in a comprehensive risk assessment report.

Furthermore, we focused internal audits and self-inspections on IT environment controls, program and data access, providing targeted rectification recommendations and implementing corrective actions for identified issues. Based on audit findings, we developed specialized remediation plans and established a Data Compliance Task Force to oversee implementation, continuously improving our data compliance framework. By the end of the reporting period, 100% of identified high-risk information security issues had been resolved.

We formulated the *Cybersecurity Emergency Response Protocol* and established a robust emergency mechanism to effectively prevent, promptly contain, and minimize various cybersecurity risks. During the reporting period, we collaborated with the Zhejiang Provincial Public Security Department and Hangzhou Municipal Public Security Bureau to conduct two cybersecurity drills. Phishing email simulation exercises significantly enhanced staff security awareness, while identified website vulnerabilities and system flaws were promptly addressed through comprehensive external service reviews and closure of non-essential ports, continually strengthening our information security defenses. Notably, no data breaches occurred at Adicon during the reporting period.

Prevention & Early Warning
Proactively issue alerts for anomalies detected during routine cybersecurity monitoring.

Emergency Response
Determine the severity level of cybersecurity incidents and develop targeted response plans.

Immediate Remediation
Swiftly isolate affected network systems and implement mitigation measures to eliminate incident impacts.

Investigation & Improvement
Conduct comprehensive system inspections and vulnerability assessments to restore security while enhancing preventive measures and corrective actions.
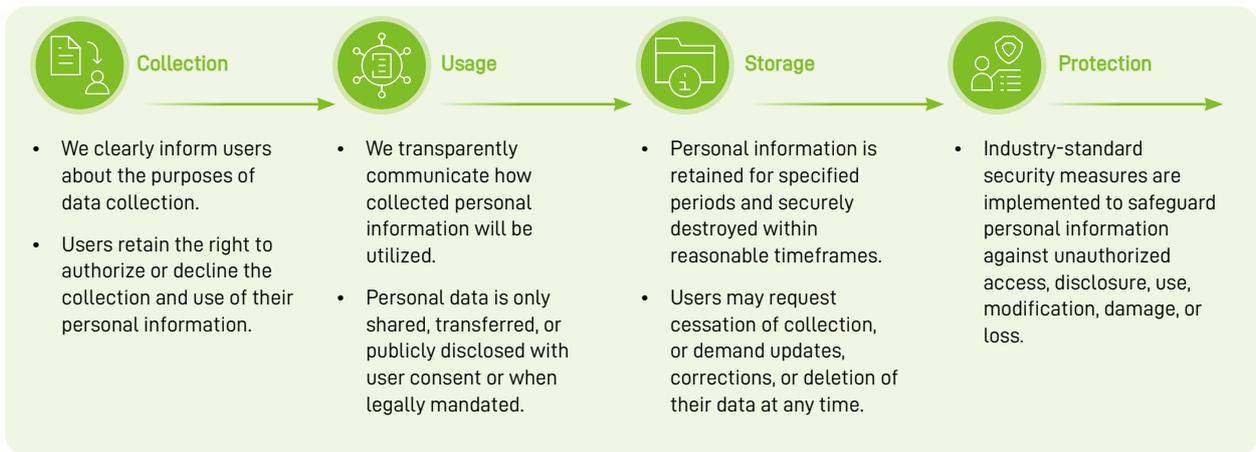
Cybersecurity Incident Response Process

As of the end of the reporting period, three entities within the Group have obtained ISO 27001 Information Security Management System certification. The laboratory information management platforms of 29 subsidiaries, along with the Group's centrally deployed remote pathology diagnosis system and LIMS system, have received Class III certification under China's Multi-Level Protection Scheme (MLPS). Additionally, one subsidiary's laboratory information management platform has obtained MLPS Class II certification.

◉ Privacy Protection

We place utmost importance on protecting user personal information and privacy. We have established comprehensive policies including the *Adicon Product and Service Personal Information Protection Policy, Personal Information Protection System*, and *System Account and Access Management Regulations*, publicly committing to end-to-end protection of personal information.

We clearly display privacy protection terms on client platforms, outlining our commitments and measures for safeguarding personal information and privacy. Strict controls are implemented throughout the entire lifecycle of personal information collection, usage, storage, and protection, fully guaranteeing users' rights to access, correct, delete, and withdraw consent. Furthermore, we provide convenient contact channels such as customer service hotlines and dedicated email for the Personal Information Protection Team to ensure prompt resolution of any privacy-related concerns or inquiries.

Collection	Usage	Storage	Protection
• We clearly inform users about the purposes of data collection. • Users retain the right to authorize or decline the collection and use of their personal information.	• We transparently communicate how collected personal information will be utilized. • Personal data is only shared, transferred, or publicly disclosed with user consent or when legally mandated.	• Personal information is retained for specified periods and securely destroyed within reasonable timeframes. • Users may request cessation of collection, or demand updates, corrections, or deletion of their data at any time.	• Industry-standard security measures are implemented to safeguard personal information against unauthorized access, disclosure, use, modification, damage, or loss.

Adicon Privacy Protection Policy

We continuously optimize information transmission methods during specimen registration, logistics transfer, and customer service interactions by implementing encryption technologies and rationally configuring data access permissions. These measures have effectively reduced information leakage risks while ensuring customer data security. Notably, no incidents involving customer information or privacy breaches occurred during the reporting period.

Specimen Registration Phase	• All new employees must sign confidentiality agreements during onboarding. • For the specimen registration system, only view permissions are granted, with strict restrictions on data downloading or saving capabilities.
Logistics Transportation Phase	• We have digitized information collection to reduce potential leakage risks from paper documents. • During sample collection and packaging, operations are conducted through an external barcode system. • All reports are delivered in sealed packaging during sample distribution.
Customer Service Phase	• The client report inquiry system features encrypted login interfaces. • Dedicated staff provide one-on-one consultation services to designated clients, effectively preventing unnecessary dissemination or leakage of customer information.

Privacy Protection Measures in Operational Processes

◎ Digital Transformation Initiatives

Driven by digital transformation, we continuously optimize our information systems to enhance operational efficiency and service quality. During the reporting period, three core systems underwent strategic upgrades: the next-generation LIMS (Laboratory Information Management System) was successfully implemented across 20 subsidiaries nationwide, achieving standardized and intelligent management of testing processes; the PIMS (Pathology Information Management System) was upgraded to a comprehensive new-generation platform integrating technical operations, quality control, and report generation; and the OMS system's digital engine was completed, laying a solid foundation for our digital transformation.

We are deepening the integration of artificial intelligence technologies with our operations, actively advancing the development and application of AI-assisted pathology diagnostic systems. Concurrently, we continue to promote intelligent upgrades for the Ai-Logistics and Aiyijian platforms, further strengthening end-to-end service capabilities and driving healthcare services toward greater intelligence and precision.

AI-Assisted Slide Interpretation　　　　　　　　　　　　　　　　　　　Case

We have implemented cervical AI-assisted slide reading technology, combining AI-powered pathological analysis with manual review to deliver more efficient and precise clinical diagnostics. During the reporting period, the system processed 8 million slides with a 0.33% improvement in accuracy, demonstrating significant enhancements in both interpretation speed and diagnostic precision.

15 Laboratories with 30 Devices Deployed Nationwide

Automated Slide Loading

Auto-Focusing Functionality

High-Throughput Automated Scanning

Structured Report Auto-Generation

AI-Powered Diagnostic Assistance

Clinical Trial Information System　　　　　　　　　　　　　　　　　　　Case

The reporting period marked the near completion of our Pharmaceutical Clinical Trial Information System, which has achieved seamless integration with core platforms including LIMS and remote pathology systems. This advancement substantially elevates the digital capabilities of our pathology services while addressing previous gaps in information management. The system enables end-to-end digital management of clinical trials, encompassing protocol design, subject management, data collection, and analysis, providing pharmaceutical R&D with highly efficient and accurate support.

04 Cultivating Talent

Building an Exceptional Workplace

Employees are our asset and the driving force behind sustainable corporate development. We are dedicated to fostering a respectful and inclusive work environment that upholds compliant employment as the baseline, safeguards employee well-being, supports professional growth, empowers personal value realization, and continuously enhances job satisfaction, enabling shared success between our people and the company.

Employee Recruitment

We strictly adhere to compliant employment principles, fully complying with the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. We have established comprehensive internal policies including the *Recruitment Management System*, *University Collaboration Guidelines*, and *Adicon Consultant Management Policy* to systematically build a full-cycle employment management framework. Through diversified recruitment networks, deep university partnerships, and digital channel optimization, we continuously strengthen talent acquisition capabilities to provide high-quality human resources for business growth.

◉ Recruitment Network

We have developed a multidimensional recruitment ecosystem integrating campus hiring, employee referrals, and digital channels. Given the highly specialized nature of medical laboratory talent, we particularly enhanced our employee referral program during the reporting period through systematic process upgrades to improve efficiency in identifying highly qualified candidates.

Furthermore, we maintain extensive university partnerships across China. The reporting period saw over 25 collaborative engagements with 13 institutions including Zhejiang Chinese Medical University, Hangzhou Medical College, and Guizhou Medical University, providing students with practical internship opportunities that bridge academic learning with professional training.

Joint Talent Development Bases	Academic Research Platforms	Professional Skills Competitions
• With Zunyi Medical University: Established internship base through signed agreement to cultivate laboratory talents • With Hangzhou Dianzi University - School of Information Engineering: Formed internship base via cooperation agreement to develop financial and functional talents	• Guiyang Lab & Guizhou University of Traditional Chinese Medicine: Provided doctoral research platforms to facilitate academic projects • Wuhan Lab & Hubei University of Chinese Medicine: Advanced postgraduate workstation cooperation agreement	• Guiyang Lab & Zunyi Medical University: Co-hosted the 1st Adicon Cup Morphology Competition • Henan Lab & Shangqiu Medical College: Organized Medical Laboratory Technology Competition

Adicon University-Enterprise Collaboration Initiatives (2024)

While expanding recruitment channels, we prioritize optimizing hiring processes. During the reporting period, we upgraded our EHR (Electronic Human Resources) system to enable end-to-end visual management of the entire recruitment cycle - from hiring requirements and position management to resume screening, interview scheduling, background checks, and offer issuance.

◉ Talent Acquisition

We align recruitment strategies with business objectives, focusing on social recruitment, project-based hiring, university partnerships, and channel expansion to strengthen talent pipelines. We place particular emphasis on attracting mission-critical professionals, having successfully recruited key experts in core areas including IT development, flow cytometry, molecular pathology, and innovation platforms during the reporting period, providing robust support for technological advancement and business transformation.

Adicon-Zhejiang Chinese Medical University Professional Master's Program | Case

Through active participation in the "Industry-Education Integration" initiative, we leverage our resources and expertise to co-develop academic curricula with universities, incorporating cutting-edge industry knowledge and practical experience. In 2024, we partnered with Zhejiang Chinese Medical University to establish a "Biomedical Technology and Translational Medicine" master's program, cultivating specialized talent that bridges medical education with industry needs. The program has successfully graduated 14 medical professionals, injecting new vitality into the healthcare sector.

Furthermore, we continue to refine our talent acquisition mechanisms through a nationwide collaborative strategy. We have strengthened our employee referral incentive program to boost staff participation while actively engaging with industry professionals at trade exhibitions and academic conferences. These initiatives enable us to gain deep market insights and develop precise talent mapping strategies.

Adicon's Participation in the In Vitro Diagnostics Innovation Summit   Case

In August 2024, we attended the In Vitro Diagnostics Innovation Summit, a premier gathering of IVD and ICL companies alongside industry talents. Through active participation, our HR team not only enhanced comprehensive industry understanding but also established valuable talent connections.

Adicon at the 18th National Conference of Laboratory Medicine of the Chinese Medical Association   Case

During the August 2024 conference, we conducted formal recruitment promotions, significantly raising awareness of our employer brand among professionals. On-site interactions with potential candidates further enriched our talent pipeline reserves.

As of the end of the reporting period, the employment status of Adicon's staff is as follows:

Category	Unit	2024
Full-time Employees by Gender		
Female	Persons	2,277
Male	Persons	3,168
Full-time Employees by Age		
Under 30	Persons	2,080
30-50	Persons	3,268
Over 50	Persons	97
Full-time Employees by Region		
East China Region	Persons	1,245
Sichuan-Chongqing & Northeast Region	Persons	711
South China Region	Persons	672
North China Region	Persons	527
Central China Region	Persons	811
Jiangsu-Shandong-Shanghai Region	Persons	1,053
Other Regions	Persons	426

Employee Rights & Benefits

We uphold the principle of mutual growth between employees and the enterprise, strengthening rights protection through both institutional development and humanistic care. We establish career development foundations by improving flexible work systems, safety protocols, and special group support. Concurrently, we build a motivational ecosystem through competitive compensation, tailored benefits, and cultural co-creation activities.

◉ Rights Protection

We prioritize employee rights safeguards. We revised the *Intern Management Regulations*, the *Employee Disciplinary Measures*, and the *Employee Handbook* to clarify entitlements and corporate responsibilities regarding rights/obligations, workplace processes, conduct standards, reward/penalty systems, and corporate values.

We strictly comply with local legal working age requirements and enforce the *Prohibition of Child Labor Policy* through age verification during recruitment. During the reporting period, we updated the *Intern Recruitment Standards* to mandate a minimum age of 16 in mainland China. Any violations trigger immediate investigation and corrective action. Notably, no incidents of forced or child labor occurred.

Furthermore, we adhere to lawful employment principles, prohibiting forced labor while promoting work-life balance. Our *Attendance & Overtime Management System* offers flexible arrangements, including irregular, comprehensive, and standard working hours, with remote options for special periods or roles.

Regarding anti-discrimination and anti-harassment, we maintain robust policies with multiple reporting channels (hotline, email, mail). Reports are automatically routed to investigation supervisors for prompt resolution. We uphold diversity and equity in hiring, prohibiting all discrimination based on ethnicity, gender, religion, age, etc. No related complaints were received during the reporting period.

Accessibility for Employees with Disabilities

We provide accessible parking services for employees with disabilities, allowing them to park near building entrances and access elevators conveniently. This ensures smooth mobility and workplace accessibility for all staff members.

Support for Working Mothers

We prioritize the workplace experience of working mothers by providing dedicated nursing rooms in our offices. These facilities offer comfortable and convenient spaces for breastfeeding employees, demonstrating our respect and care for employees' family needs.

Summer Benefits for Logistics Staff

To protect logistics employees during high-temperature seasons, we distribute heat prevention supplies in summer. These measures help staff cope with extreme weather conditions and maintain comfortable working environments.

Adicon Employee Rights Protection Initiatives (Partial)

Compensation & Benefits

We have established a comprehensive compensation and benefits system designed to continuously motivate employees and enhance job satisfaction. We have developed a flexible and diversified salary structure with robust evaluation mechanisms to ensure industry-competitive pay while maintaining internal equity. Beyond statutory benefits, we offer an extensive array of additional welfare programs to further strengthen employees' sense of well-being and belonging.

Compensation

- Fixed components: Base salary, position allowance, medical qualification subsidy, registration subsidy, relocation/deployment allowance, trusteeship subsidy.

- Variable components: Performance bonuses, sales commissions, overtime pay, night shift differential, annual performance bonus, standard year-end bonus.

Benefits

- Social insurance & housing fund, employer liability insurance, legal annual leave, childcare benefits.

- Life care: Marriage gift, newborn gift, hospitalization support, bereavement allowance.

- Paid sick leave, meal subsidies for overtime/night shifts, festival gifts, birthday benefits, annual health check, spring outing, department quarterly activity fund.

- Paid sick leave: post-probation 1 day/month, max 5 days/year.

We actively promote employees' physical and mental wellbeing by establishing diverse staff clubs and organizing regular activities, creating multifaceted social and recreational platforms for our workforce.

Qianfo Mountain Hiking Event — Case

During the reporting period, we hosted the "Coming of Age at Twenty, Igniting New Chapters" hiking event at Qianfo Mountain. The activity attracted numerous participants who reached the summit amidst fresh air, strengthening team cohesion while enjoying nature.

Fohui Mountain New Year Run — Case

The reporting period also saw our Fohui Mountain New Year Run, designed to encourage employees to maintain fitness while embracing the new year. This initiative not only enhanced health awareness but also provided an opportunity to relax and recharge amidst busy work schedules..

To improve employee satisfaction and effectively reduce turnover rates, we have implemented practical initiatives such as Long Service Awards for tenured staff. We conduct regular anonymous satisfaction surveys to better understand employee needs and gather feedback for timely management improvements, thereby further enhancing engagement and loyalty.

Adicon Anonymous Satisfaction Survey   Case

In 2024, we proactively conducted anonymous satisfaction surveys to strengthen employee morale and organizational cohesion. Utilizing the IGO Holistic Perception Model, we analyzed employee feedback and implemented targeted improvements, including enhanced incentive mechanisms, expanded training opportunities, and cross-departmental collaboration, to continuously optimize the work experience and career development prospects. These measures have synergistically advanced both employee wellbeing and business growth.

Adicon full-time employee turnover during reporting period:

Category	Unit	2024
Employee Turnover Rate	%	19
Turnover Rate by Gender		
Male	%	21
Female	%	18
Turnover Rate by Age		
Under 30	%	25
30-50	%	15
Over 50	%	15
Turnover Rate by Region		
East China Region	%	21
Sichuan-Chongqing & Northeast Region	%	19
South China Region	%	23
North China Region	%	20
Central China Region	%	19
Jiangsu-Shandong-Shanghai Region	%	15
Other Regions	%	14

Development & Training

We provide comprehensive development opportunities and systematic training programs for employees. Our training system is closely integrated with career progression paths, where talent assessments identify key personnel and match them with personalized training solutions based on competency levels, ensuring every employee receives optimal development at each career stage.

◉ Career Development

Our job grade system offers clear career progression paths, meticulously designed according to business needs and market demands. The system encompasses four functional sectors ("Functional", "Sales", "Laboratory", and "Logistics") and three development tracks ("Management", "Professional", and "Operational"), providing diverse career choices and substantial advancement opportunities.

M Pathway

Management Track

Designed for future managerial roles, this track develops leadership capabilities for organizational oversight.

P Pathway

Professional Track

Focused on deep technical expertise, this track cultivates subject matter experts who serve as high-impact individual contributors.
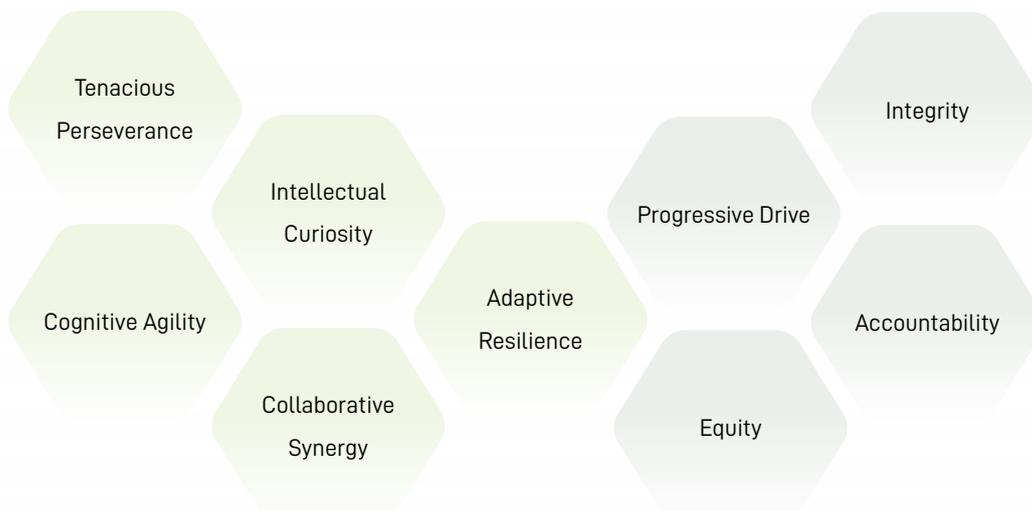
O Pathway

Operational Track

Structured for frontline operations including transportation, customer service, and sample reception roles, emphasizing process excellence.

Adicon Career Advancement Pathways

We have refined our job grade management system to provide continuous motivation and guidance for employee development. Our structured framework comprises 19 distinct job grades designed to stimulate professional growth through milestone-based advancement. To effectively support this grading system and ensure appropriate talent placement and promotion, we have established a comprehensive competency assessment mechanism that serves as the foundation for position grading and career progression decisions.

Tenacious Perseverance

Intellectual Curiosity

Integrity

Progressive Drive

Cognitive Agility

Adaptive Resilience

Accountability

Collaborative Synergy

Equity

Adicon Talent Assessment Framework - Five Dimensions & Four Values

To facilitate seamless onboarding and accelerated professional growth for new hires, Adicon has developed a comprehensive New Employee Roadmap tailored to different transitional phases post-employment. This structured approach ensures every newcomer receives adequate support for successful progression from orientation to competency development.

Candidate accepts offer

Background Check

Offer Maintenance
Periodic Follow-up

3 Days Before Joining
Confirm Onboarding
Onboarding Tips

Onboarding Day
Onboarding Procedures
Accommodation Arrangements
Onboarding Training

Assumption of Duties
Mentorship

4-6 Months After Onboarding
Independent Work & Goal Setting (Independent tasks, goal setting, performance evaluation, career development)

2-3 Months After Onboarding
Skill Enhancement & Task Practice (Skill training, project participation, regular feedback)

1 Month After Onboarding
Integration & Foundations (Onboarding training, role-specific training, mentor guidance, team integration)

Second Week After Onboarding

7-9 Months After Onboarding
Challenges & Growth (Challenging tasks, job rotation opportunities, external training)

10-12 Months After Onboarding
Review & Planning (Performance evaluation, career planning)

Flexible Adjustments

Communi-cation & Feedback

Continuous Improvement

Adicon New Employee Roadmap

We have also established a comprehensive job rotation system for university interns and graduates to help them gain a holistic understanding of and adapt to various functions and departments within the company. The rotation covers all positions across the 11 departments[1] of the clinical laboratory and the functional support system[2]. Each department rotation includes dedicated training and assessment plans, and employees proceed to the next department for further learning and practice upon passing the evaluation.

While building a long-term career development mechanism, we emphasize enhancing employees' sense of value through dynamic incentive approaches. In addition to systematic job level management and evaluation standards, we also explore non-periodic, scenario-based instant recognition models, establishing specialized honor incentives tailored to frontline roles. This ensures rapid feedback for breakthrough contributions at key stages and long-term dedication.

"The Power of the Ordinary" Frontline Employee Recognition Program   **Case**

In 2024, we recognized 409 employees who demonstrated extraordinary perseverance and dedication in ordinary roles through this program, awarding them certificates of honor and prizes. The initiative not only acknowledged their efforts but also inspired all employees to continue making meaningful contributions in their respective positions.

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[1] The 11 clinical laboratory departments include Pre-Analytical Processing, Clinical Laboratory, Instrument-Based Immunology, Autoimmunology, ELISA (Enzyme-Linked Immunosorbent Assay), Biochemistry, Microbiology, Mass Spectrometry, Molecular Biology, Bone Marrow and Comprehensive Immunology

[2] Functional support systems cover Human Resources, Administration, Marketing and Sales

◉ Employee Training

We have established a multi-tiered, multidimensional training system designed to provide comprehensive professional skill enhancement and personal growth opportunities for employees. This ensures tailored training solutions for diverse talent at various career stages, enabling staff to maximize their potential while building a robust talent pipeline for sustainable corporate development. During the reporting period, our training framework encompassed the following key initiatives:

Compliance Essentials Training

Implemented a three-phase program to enhance employees' compliance and risk management awareness, with learning outcomes linked to probation confirmation, promotions, and performance evaluations.

New Employee Onboarding

Delivered comprehensive training covering company overview, corporate culture, and job skills for 1,081 new hires (including interns) across six sessions.

Young Talent Program

Accelerated development for employees under 30 with master's degrees through executive mentoring, with inaugural courses launched in 2024.
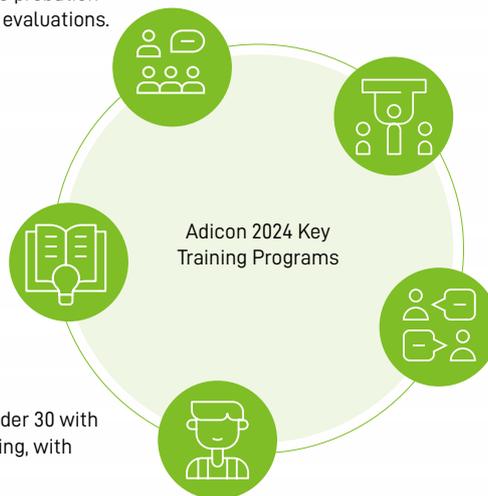
Leadership Excellence Initiative

Conducted six internal workshops on team and objective management for 228 mission-critical staff, fostering mutual growth between trainers and trainees.

Subsidiary CEO Academy

Developed customized executive education with 1:1 coaching for subsidiary general managers, with full curriculum planning completed in 2024.

Adicon 2024 Key Training Programs

Adicon 24th Leadership Excellence Program · Case

In 2024, based on talent assessment results, we launched the Leadership Excellence Program for high-potential personnel in critical positions, designed to address talent gaps, accelerate succession pipelines, and strengthen organizational echelon construction. Through diverse methodologies, the program actively engages participants to enhance management capabilities, foster knowledge sharing, and improve team collaboration. Throughout 2024, six sessions were conducted with 228 participants, achieving a 97% satisfaction rate.

We implement comprehensive training for interns, staff, and management through blended online-offline formats to ensure full coverage. To optimize training management, laboratories developed the TMS (Training Management System), which offers role-specific, phase-based, and group-tailored courses including onboarding, continuing education, and competency assessments. By the reporting period's end, TMS modules had been fully deployed across Adicon's nationwide clinical laboratories.

We prioritize process management and introduced the "721 Development Plan" in 2024, which facilitates personal and professional growth for high-potential and high-performing employees through a structured approach combining 70% on-the-job practice, 20% feedback from others, and 10% formal training.

By the end of the reporting period, we achieved 100% employee training coverage, with an average of 4.46 training hours per employee. Detailed employee training data is presented below:

Metric	Unit	2024
Total Trained Employees		
Total Trained Employees	Persons	5,445
Training Coverage Rate		
Training Coverage Rate	%	100
Trained Employees by Gender		
Male	Persons	2,277
Female	Persons	3,168
Percentage of Trained Employees by Gender		
Male	%	41.82
Female	%	58.18
Trained Employees by Level		
Senior Management	Persons	83
Middle Management	Persons	1,094
General Employees	Persons	4,268
Percentage of Trained Employees by Employee Category		
Senior Management	%	1.53
Middle Management	%	20.09
General Employees	%	78.38
Average Training Hours per Employee		
Average Training Hours per Employee	Hours/Person	4.46
Average Training Hours by Gender		
Male	Hours/Person	5.01
Female	Hours/Person	4.06
Average Training Hours by Employee Category		
Senior Management	Hours/Person	3.00
Middle Management	Hours/Person	7.46
General Employees	Hours/Person	3.72

Health & Safety

We prioritize employee safety and well-being, continuously enhancing our safety management system to ensure comprehensive protection. We actively promote safety culture through various initiatives, fostering a secure environment that safeguards both physical and mental health.

◎ Safety Management System

In strict compliance with *Work Safety Law of the People's Republic of China* and *Occupational Disease Prevention and Control Law of the People's Republic of China*, we have established robust protocols including the *Occupational Health Management System*, *Occupational Health & Safety Operational Control Procedures*, and *Worker Representative Management SOP*. These frameworks systematically ensure health and safety standards.

During the reporting period, 14 subsidiaries obtained ISO 45001 Occupational Health and Safety Management System Certificate.

◎ Health & Safety Practices

Employee welfare remains paramount at Adicon. Through comprehensive medical coverage, rigorous occupational health screenings, advanced facilities, and emergency preparedness, we maintain optimal workplace conditions. Our ongoing system refinements demonstrate an unwavering commitment to providing every employee with a secure and healthy work environment.

ISO 45001 Certificate

Comprehensive Health Screenings	• Annual physical examinations provided for employees with 1+ years of service.
Occupational Disease Prevention	• Mandatory specialized health evaluations for laboratory/ logistics staff and personnel handling hazardous materials, ensuring strict compliance with occupational risk monitoring protocols.
Safety Infrastructure	• Laboratory safety systems: Air purification systems, emergency showers, eye-wash stations • Health stations with fully stocked medical kits across facilities • Office AED (Automated External Defibrillator) deployments for emergency cardiac care
Chemical Management	• Stringent chemical control protocols: • Storage: *Chemical Preservation SOP* • Inventory: *Chemical Procurement/Usage/Return Ledger* • Usage: *Warehouse Management SOP*, *Hazardous Materials SOP*

Emergency Preparedness

• Safety Emergencies: Maintain specialized contingency plans for fire incidents, chemical spills, elevator accidents and other workplace hazards.

• Environmental Emergencies: Comprehensive response protocols have been developed for sudden environmental incidents and on-site remediation procedures.

• Biosafety Emergencies: Detailed emergency standard operating procedures (e.g., Laboratory Public Health Incident Response SOP) ensure protection for both laboratory personnel and surrounding environments.

Adicon Health & Safety Initiatives

⦿ Health & Safety Culture

We maintain an unwavering dedication to employee physical/mental well-being and workplace safety through comprehensive training and awareness initiatives. Our programs address multiple dimensions including mental health support, emergency first-aid competency, laboratory safety protocols, and fire prevention measures. Regular safety drills and educational sessions continuously enhance staff safety awareness and emergency response capabilities, ensuring all employees operate within rigorously protected environments.

AED in Office Area

Mental Health Workshops & EAP

External experts are invited to conduct mental health workshops, helping employees address psychological and behavioral challenges while enhancing overall mental well-being.

First Aid Training for Employees

External instructors provide foundational first aid training, covering CPR for adults and infants, AED operation and emergency response to common traumas and strokes. The program aims to strengthen employees' emergency response capabilities.

Laboratory Safety Training, Competitions & Awareness Campaigns

In 2024, multiple safety training sessions were held at locations including the Hangzhou Clinical Laboratory. 217 employees and interns at the Hangzhou lab participated, achieving 100% completion and pass rates.

Safety Training for Construction Personnel

A total of 12 safety training sessions were conducted in 2024. All construction workers received comprehensive three-tier safety education, ensuring full coverage.

Adicon Health & Safety Culture Initiatives

Adicon Occupational Health & Safety data during the reporting period is presented below:

Indicator	Unit	2022	2023	2024
Work-related Fatalities (Past 3 Years, Including Reporting Period)	Persons	0	0	0
Work-related Fatality Rate (Past 3 Years, Including Reporting Period)	%	0	0	0

Indicator	Unit	2024
Work-related Lost Days	Days	364
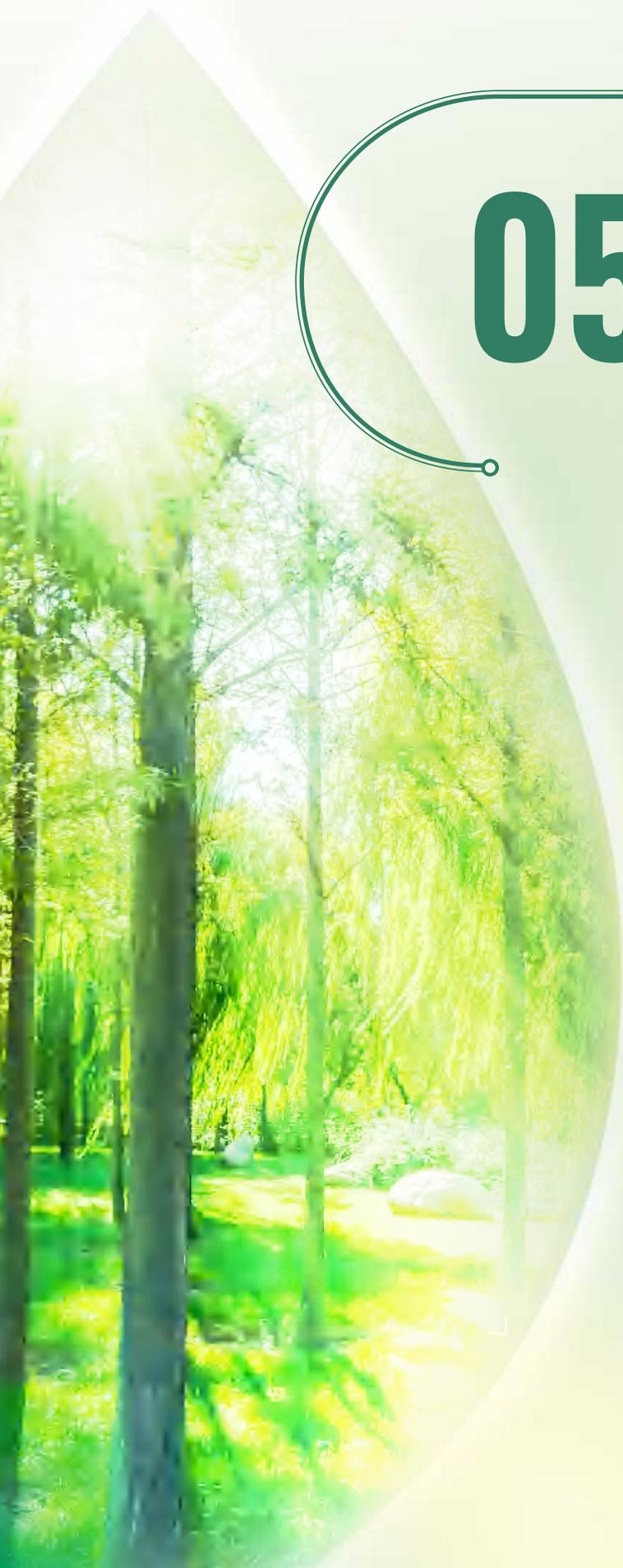
05 Eco-Dreaming
Illuminating a Green Future

We remain dedicated to our green development mission and ecological conservation. By optimizing operations and enhancing management, we actively implement low-carbon initiatives to minimize environmental impact. We focus on improving energy efficiency in laboratories and offices, consistently adopting energy-saving and emission-reduction measures to maximize resource and energy utilization. Through these multifaceted efforts in environmental protection and resource conservation, we strive to become a green pioneer in our industry.

Environmental Management

Environmental Management System

We strictly comply with China's environmental regulations including the *Environmental Protection Law of the People's Republic of China*, *Water Pollution Prevention and Control Law of the People's Republic of China*, *Air Pollution Prevention and Control Law of the People's Republic of China*, *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, *Pollutant Discharge Permitting Regulation*, and *Emergency Response Plan Management Measures*. We have established comprehensive policies such as the *Environmental Factor Identification & Evaluation Control Procedure*, *Environmental Operation Control Procedure*, and *Emergency Preparedness and Response Control Procedure*, and implemented our *Corporate Environmental Management System* during the reporting period.

Guided by our management principle of "territorial responsibility, dual accountability, tiered implementation, and full participation", we have built a complete Environment, Health and Safety (EHS) management system and framework. This ensures EHS responsibilities are fulfilled, enables proactive identification and improvement of EHS risks, and continuously enhances our overall EHS performance.

For our management structure, our headquarter implements a unified tri-integrated EHS management model across all subsidiaries. Each subsidiary has established a Work Safety Committee composed of legal representatives, general managers, relevant department heads and administrators to comprehensively coordinate and manage all EHS matters.

Chairperson of the Safety Committee Legal Person

Safety Officer Subsidiary General Manager

Safety Administrator

Laboratory	Administration and Business Department	Procurement Department	Warehouse Department	Finance Department	Logistics Department	Human Resources Department	Quality Department	IT Department	Marketing Department	Customer Service Department	Sales Department
Safety Officer	Safety Officer	Safety Officer	Safety Officer	Safety Officer	Safety Officer	Safety Officer	Safety Officer	Safety Officer	Safety Officer	Safety Officer	Safety Officer
Safety Administrator	Safety Administrator	Safety Administrator	Safety Administrator	Safety Administrator	Safety Administrator	Safety Administrator	Safety Administrator	Safety Administrator	Safety Administrator	Safety Administrator	Safety Administrator

Adicon Subsidiary's Safety Committee Structure

We have vigorously advanced our environmental management system certification efforts. By the end of the reporting period, 14 Adicon subsidiaries had obtained environmental management system certification.
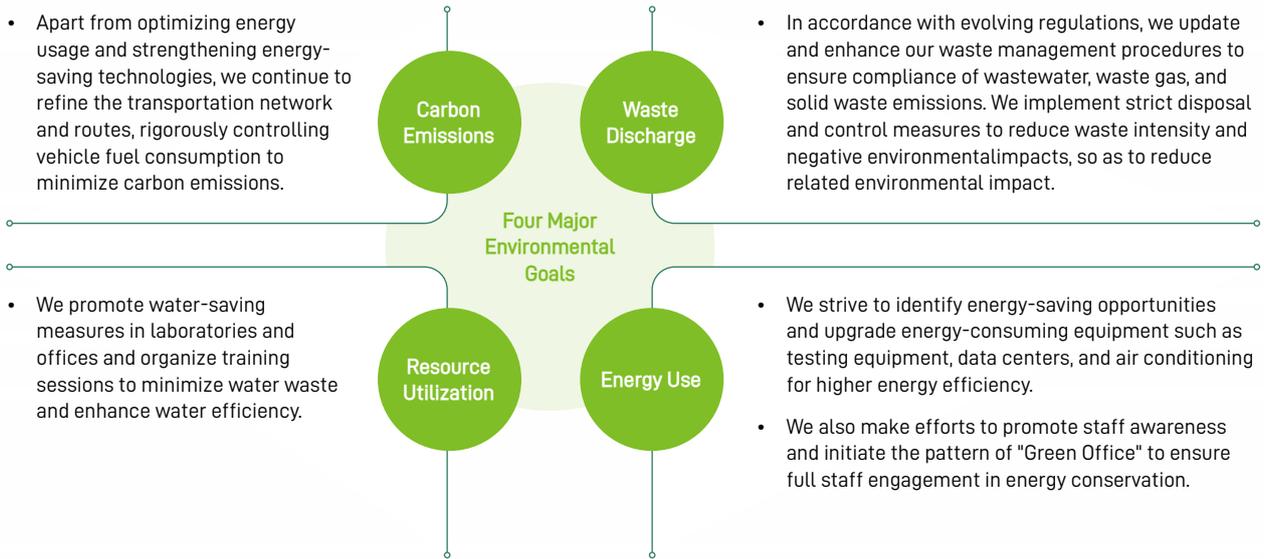
Regarding environmental compliance reviews, we have established a robust inspection mechanism and conduct regular unannounced audits. During the reporting period, we completed three rounds of unannounced inspections covering all subsidiaries, ensuring the implementation of various environmental management measures and effectively driving continuous improvement in our environmental compliance.

ISO 14001 Certificate

◉ Environmental Management Objectives

Drawing on our business characteristics and benchmarking against industry best practices, we have established four key environmental objectives focusing on emission control, energy consumption, resource utilization, and carbon emissions. These objectives provide clear direction for future work, drive our green transformation, and ensure the achievement of sustainable development goals.

- Apart from optimizing energy usage and strengthening energy-saving technologies, we continue to refine the transportation network and routes, rigorously controlling vehicle fuel consumption to minimize carbon emissions.

- In accordance with evolving regulations, we update and enhance our waste management procedures to ensure compliance of wastewater, waste gas, and solid waste emissions. We implement strict disposal and control measures to reduce waste intensity and negative environmentalimpacts, so as to reduce related environmental impact.

Carbon Emissions

Waste Discharge

Four Major Environmental Goals

Resource Utilization

Energy Use

- We promote water-saving measures in laboratories and offices and organize training sessions to minimize water waste and enhance water efficiency.

- We strive to identify energy-saving opportunities and upgrade energy-consuming equipment such as testing equipment, data centers, and air conditioning for higher energy efficiency.

- We also make efforts to promote staff awareness and initiate the pattern of "Green Office" to ensure full staff engagement in energy conservation.

Adicon's Long-term Environmental Management Goals

Emission Management

We consistently regard environmental protection as a crucial component of our corporate social responsibility. We strictly comply with all local emission regulations and have established comprehensive internal operating procedures for solid waste, hazardous waste, exhaust gases, and wastewater. These procedures clearly define standard disposal processes for emissions and waste materials. We continuously optimize our disposal methods and facilities, conduct regular emission monitoring, and consistently enhance our treatment capabilities to fully standardize our emission management practices

◎ Exhaust Gas Management

Our operational exhaust emissions primarily originate from aerosols generated during laboratory testing and volatile organic compounds released from chemical solvents. We have implemented the *Exhaust Gas Treatment System Operating Procedures*, installing dedicated exhaust collection ducts for emission sources including biological safety cabinets and fume hoods. The collected exhaust is channeled to rooftop treatment systems where it undergoes activated carbon adsorption (with regular carbon replacement) and other processes to ensure compliant emissions. We rigorously adhere to our exhaust gas procedures by conducting weekly inspections and maintenance of the treatment systems. All activities are properly documented, and we maintain complete exhaust emission system archives.

While continuously improving our exhaust treatment capabilities, we regularly engage certified third-party agencies for emission testing. During the reporting period, our subsidiaries conducted 50 third-party exhaust gas tests, with all results meeting national and local emission standards.

◎ Wastewater Management

We place paramount importance on wastewater management, strictly complying with national and local standards for wastewater control, treatment, monitoring, and discharge to ensure safe and compliant wastewater disposal. Our operational wastewater primarily consists of laboratory testing wastewater (including equipment cleaning wastewater and floor cleaning wastewater) and domestic sewage.

Our laboratories strictly segregate laboratory wastewater from domestic sewage. In accordance with the Standard Operating Procedures for Wastewater Treatment Systems, we implement differentiated control measures based on wastewater type. All wastewater undergoes compliant treatment before discharge. We also conduct regular awareness campaigns and training programs to enhance employees' compliance consciousness.

Laboratory Wastewater Treatment	Domestic Sewage Treatment
Laboratory wastewater undergoes pretreatment either through our self-built treatment facilities or centralized industrial park treatment systems to meet municipal pipe network standards before entering urban sewage pipelines for final treatment at local wastewater plants. Our self-built treatment stations employ "Pretreatment + A/O" technology, where pretreatment includes micro-electrolysis, MBR membrane filtration, physicochemical treatment, anaerobic treatment, etc. This multi-stage process significantly reduces pollutant discharge.	Domestic sewage receives preliminary treatment through industrial park pipelines and septic tanks to meet Level III standards of the *Integrated Wastewater Discharge Standard* (GB 8978-1996) before entering municipal pipelines for final treatment at urban wastewater plants.

Adicon Wastewater Treatment Process

In 2024, our total COD emissions to water bodies during operations reached 7.167 tons, with ammonia nitrogen emissions totaling 0.308 tons. To ensure wastewater treatment efficiency and reliability, we have established a specialized team that conducts regular inspections and maintenance of our sewage treatment systems, guaranteeing safe and stable operation throughout the entire process.

Additionally, we have implemented a rigorous wastewater discharge monitoring mechanism. Daily self-testing is conducted for indicators such as residual chlorine and PH levels. In accordance with environmental impact assessment requirements, we regularly engage certified third-party agencies to test wastewater for parameters including fecal coliforms, Salmonella, and Shigella. This ensures treated wastewater complies with both the *Water Pollutant Discharge Standards for Medical Institutions* and the requirements set forth in our environmental assessment approvals.

During the reporting period, our subsidiaries conducted a total of 145 wastewater tests, with all relevant indicators meeting national and local discharge standards and regulations.

◉ Waste Management

We consistently adhere to the management principles of "reduction, harmlessness, and resource recovery" for solid waste. We have established the *Standard Operating Procedures for Solid Waste Management*, *Standard Operating Procedures for Hazardous Waste Treatment*, and *Standard Operating Procedures for Waste Item Disposal* to ensure compliance with national and industry standards. We are dedicated to exploring and developing scientific, environmentally sound waste disposal solutions.

General Solid Waste Disposal

- All non-laboratory waste, including uncontaminated paper, cardboard boxes, and saline bottles, is collected in designated areas. Cleaners dispose of these materials using non-biohazard bags in accordance with local municipal waste requirements.

- Packaging materials are centrally collected and transferred to recycling units for resource recovery.

- Domestic waste is sorted and then entrusted to local sanitation departments for centralized transportation and disposal.

Laboratory Waste Management

- While maintaining strict biosafety standards, laboratories precisely segregate and handle medical waste to minimize unnecessary waste generation.

- We optimize testing efficiency to reduce blood sample volumes, thereby decreasing medical waste production.

Hazardous Waste Management

- Hazardous waste is categorized into five types per the Medical Waste Classification Catalog and *National Hazardous Waste Inventory*: infectious, injurious, pathological, chemical, and other hazardous waste.

- Waste undergoes strict classification, labeling, and documentation. Cleaners seal, weigh, and record waste before transferring it to medical waste temporary storage rooms for secure categorized storage.

- All hazardous waste is processed by licensed professional disposal units to ensure full regulatory compliance.

Adicon Waste Disposal Methods

As of the reporting period end, we achieved a 100% effective waste disposal rate. The quantities of various waste types generated during the reporting period are shown in the table below.

Waste Category	Unit	Quantity
Non-hazardous Waste	Tonne	597.81
Non-hazardous Waste Intensity	Tonne/Million RMB revenue	0.21
Hazardous Waste	Tonne	2,007.89
Hazardous Waste Intensity	Tonne/Million RMB revenue	0.69

Resource Conservation

We fully recognize the importance of environmental protection and resource conservation. Through innovative measures in energy management, resource utilization, and green office practices, we have infused sustainable momentum into our development.

◉ Energy Management

We strictly implement energy management in compliance with the *Energy Conservation Law of the People's Republic of China* and other relevant regulations. Guided by documents including *Industrial Restructuring Guidance Catalog (2024 Edition)*, *National Recommended Catalog of Industrial Energy-Saving Technologies and Equipment (2019)*, and *Catalog of Obsolete High-Energy-Consumption Electromechanical Equipment (Products)*. We optimize energy equipment configuration in laboratories and offices to reduce energy consumption at source and enhance efficiency.

Internally, we have established the *Energy and Resource Management Operating Procedures* to strengthen standardized management of energy-consuming equipment and processes. A routine energy performance monitoring mechanism requires all departments to track consumption through *Energy and Resource Statistical Reports*, with quarterly audits by administrative teams. Abnormal energy usage triggers corrective actions under the *Corrective Management Measures Procedure*, enabling both proactive and retrospective energy consumption control.

For construction projects, we rigorously apply green building standards including *Evaluation Guidelines for Water-Saving Enterprises (GB/T 7119-2018)* and *Standard for Lighting Design of Buildings (GB 50034-2013)* to enhance laboratory energy efficiency.

During the reporting period, we implemented systematic innovations to optimize energy efficiency and reduce environmental impact through these key initiatives.

Proactive Energy Management

- During the initial stages of laboratory construction projects, we prioritize assessing potential energy consumption levels in daily operations.
- We invest in frequency-conversion equipment, energy-efficient lighting, and HVAC systems to establish a foundation for energy conservation.

Zoned Lighting Control Systems

- Implemented partitioned lighting controls in laboratories and office areas to minimize energy waste.

Hardware Upgrades

Beijing, Wuhan, and Hefei Subsidiaries
- Conducted energy-saving renovations including redesigned spatial layouts, upgraded to LED lighting, replaced single-split residential AC systems with VRF multi-split systems, installed gas detection sensors and other safety features.

Shanghai Subsidiary
- Replaced centralized water-cooled AC with split systems in lab areas, and implemented energy-saving lighting and optimized AC usage.

Employee Energy Awareness Programs

- Regularly host energy conservation workshops and issue electricity-saving guidelines.
- Conduct bi-annual utility conservation training for all staff, supplemented by awareness signage.
- Provide environmental training covering biodiversity, low-carbon practices, and water conservation.

Green Logistics

- Achieved 39% electrification of fleet (287 new energy vehicles).
- Optimized delivery routes to reduce transportation energy consumption.
- Hangzhou Clinical Lab reduced logistics energy use by bringing previously outsourced tests in-house (e.g., Norovirus nucleic acid detection, Myositis Antibody Profile 17).

Adicon Energy Management Initiatives

Adicon Pathology Laboratory Implements Remote Slide Review   Case

Traditional glass slides incur energy waste during storage, transportation and usage. To improve diagnostic efficiency and address this issue, we have introduced a digital slide remote consultation system.

This system generates high-resolution images that enable pathologists to conduct remote diagnoses and examine diagnostic details, while eliminating the energy consumption associated with slide logistics. Furthermore, digital slides can be utilized for teaching purposes, reducing reliance on microscopes and achieving additional energy savings.

The following tables present our energy consumption data and greenhouse gas emissions for the reporting period.

Energy Consumption

Energy Type	Unit	Consumption Amount
Diesel	Tonne	29.09
Gasoline	Tonne	2,085.02
Direct Energy Consumption[3]	Tonne of standard coal	3,110.29
Direct Energy Intensity	Tonne of standard coal/Million RMB revenue	1.07
Purchased Electricity	10,000 kWh	2,441.30
Indirect Energy Consumption	Tonne of standard coal	3,000.36
Indirect Energy Intensity	Tonne of standard coal /Million RMB revenue	1.03
Total Energy Consumption	Tonne of standard coal	6,100.666
Total Energy Intensity	Tonne of standard coal /Million RMB revenue	2.10

Greenhouse Gas Emissions

Emission Type	Unit	Emission Amount
Scope 1 Emissions[4]	Tonne CO_2e	6,435.28
Scope 2 Emissions[5]	Tonne CO_2e	13,922.75
Scope 1+2 Emissions	Tonne CO_2e	20,358.03
Emission Intensity	Tonne CO_2e/Million RMB revenue	6.99

[3] Energy consumption data was calculated in accordance with the *General Principles for Comprehensive Energy Consumption Calculation (GB 2589-2020)*.

[4] Scope 1 emissions were determined using the net calorific values of 44.8 GJ/t for gasoline and 43.33 GJ/t for diesel from the *2005 China Greenhouse Gas Inventory Study*, combined with the carbon content factors of 0.0189 tC/GJ for gasoline and 0.0202 tC/GJ for diesel from both the *2006 IPCC Guidelines for National Greenhouse Gas Inventories and the Provincial Greenhouse Gas Inventory Guidelines (Trial)*, along with a 98% carbon oxidation rate for both gasoline and diesel as specified in the *Provincial Greenhouse Gas Inventory Guidelines (Trial)*.

[5] Scope 2 emissions were calculated using the 2022 national grid average emission factor of 0.5703 tCO_2/MWh published in the *Notice on Greenhouse Gas Emission Reporting Management for the Power Generation Sector (2023-2025)* issued by the Ministry of Ecology and Environment.

◉ Resource Utilization

We strictly comply with the *Water Law of the People's Republic of China* and other relevant regulations in water resource management. We implement comprehensive water usage controls while continuously strengthening employees' water conservation awareness through training programs. In our efforts to advance energy conservation and emission reduction, we consistently improve the efficiency of water resource utilization. All water consumed in our operations is sourced from municipal supplies, with no challenges in securing reliable water sources. Our water usage is primarily allocated to laboratory testing, office operations, and domestic purposes.

During the reporting period, our water resource consumption data is shown in the table below.

Indicator	Unit	Amount
Total Water Consumption	m³	124,846.94
Water Consumption Intensity	m³/million RMB revenue	42.84

◉ Green Office

We remain dedicated to promoting eco-friendly office practices and advocating low-carbon, sustainable work methods. By implementing measures such as virtual meetings, paperless operations, and double-sided printing, we have not only enhanced office efficiency but also significantly reduced resource consumption and energy waste.

Virtual Meetings & Green Office Advocacy

- Actively promote virtual conferences to minimize business travel and associated energy use.
- Enforce double-sided printing protocols to reduce paper consumption.
- Encourage employees to use reusable cups, fostering sustainable lifestyle habits.

Paperless Office

- Enhanced our EHR system with digital signatures, electronic onboarding/offboarding workflows, and digital pay stubs.
- Transitioned all personnel documents (contract renewals, certifications, exit materials, payroll records) to paperless processing.

Centralized Printing Management

- Deployed centralized printing systems and consumable dispensers across 16 subsidiaries.
- Implemented consumable quota controls to reduce procurement and disposal of printing supplies.

Natural Lighting Optimization

- Maximize daylight utilization in workspaces to decrease dependence on artificial lighting and lower energy consumption.

Adicon Key Green Office Measures

Paperless Mileage Verification for Logistics Staff   Case

We have achieved remarkable results in implementing paperless processes for logistics staff mileage verification. By introducing a digital audit system, mileage data verification and archiving no longer rely on traditional paper documents, significantly reducing paper usage. This system is estimated to save approximately 25,200 sheets of paper annually, equivalent to 50 reams of A4 paper (500 sheets per ream), reducing paper consumption by about 110kg (calculated at 2.2kg per ream). This initiative not only effectively lowers paper procurement and storage costs but also minimizes paper waste, contributing to our environmental protection goals.
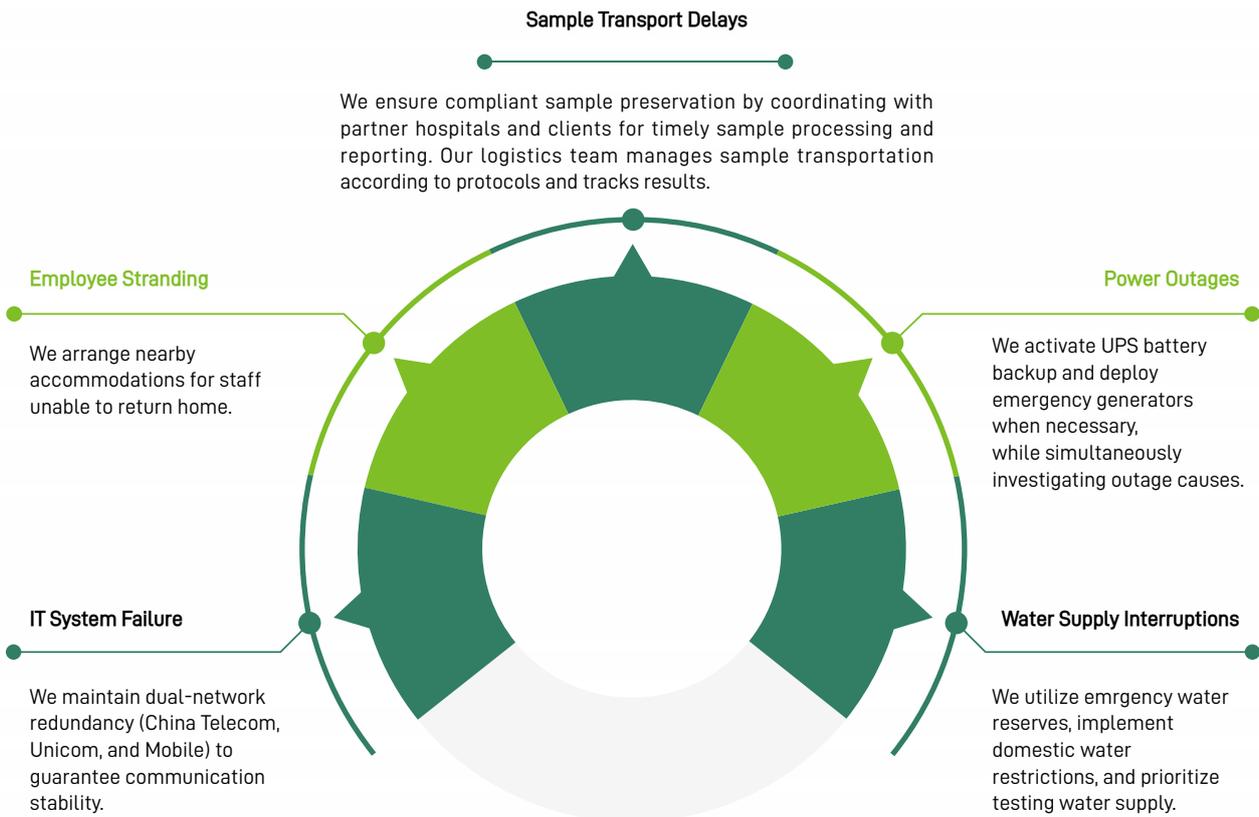
Climate Change Response

Against the backdrop of global climate change, we fully recognize the potential risks climate change poses to business operations and development. We actively identify climate-related risks, continuously optimize mechanisms and solutions to address different climate challenges, and are dedicated to collaborating with all stakeholders to tackle this global issue.

Risk Category		Risk Name	Risk Description	Mitigation Measures
Physical Risks	Acute Risks	Extreme Weather Events (Typhoons/Storms/Floods)	• Extreme weather events may damage lab equipment, disrupt cold chain logistics, affect sample transport efficiency/quality, and increase testing costs/delays.	• Develop tiered emergency response plans and conduct regular extreme weather drills. • Optimize national logistics network with alternative routes and emergency storage facilities. • Establish real-time weather alert systems with meteorological agencies to adjust transport plans proactively.
	Chronic Risks	Rising Average Temperatures	• Rising average temperatures increase energy consumption for cold chain logistics and reagent storage costs.	• Upgrade energy-efficient lab/storage equipment with smart temperature control systems. • Deploy new energy vehicles (NEVs) for logistics to reduce energy dependence.
Transition Risks	Policy Risks	Stringent Environmental Regulations	• Stringent environmental regulations (e.g., medical waste management, carbon emission limits) may increase compliance costs, with potential fines/litigation for non-compliance.	• Establish regulatory tracking team for periodic compliance reviews. • Enhance lab waste sorting and adopt eco-friendly reagents. • Publish regular ESG reports to transparently disclose decarbonization progress.
		Carbon Pricing Mechanism	• Potential operational cost impacts from China's national carbon market expansion, though diagnostic sector currently exempt from cap-and-trade.	• Accelerate logistics fleet electrification (prioritize electric refrigerated vehicles). • Implement carbon reduction policies and explore GHG mitigation measures.
	Market Risks	Consumer Preference Change	• Client preference for low-carbon testing services may erode market share without green solutions (e.g., e-reports, energy-efficient devices).	• Promote paperless reporting systems to reduce resources consumption. • Develop green labs to strengthen eco-branding. • Collaborate with suppliers on low-carbon reagents/supplies.
		Energy Price Volatility	• Fluctuating fuel prices may increase cold chain logistics costs.	• Expand NEV fleet to reduce fuel dependence. • Optimize route algorithms to lower per-shipment energy use.
	Reputation Risks	Partners and Stakeholders' Concern	• Growing investor/client demands for carbon transparency; inadequate disclosure or incidents may harm reputation/funding access.	• Regular stakeholder engagement on climate actions. • Enforce carbon management requirements for supply chain partners.
	Technology Risks	Products Replacement by Low-carbon Technologies	• Industry-wide tech shifts (e.g., digital detection/energy-saving devices) may compromise competitiveness without timely adoption.	• Increase R&D for automated testing technologies. • Partner with academia on green diagnostic solutions. • Conduct periodic tech trend assessments to inform strategy.

We have developed comprehensive contingency plans at our headquarters and subsidiaries to address extreme weather events and major incidents. Through early warning systems, dedicated emergency transport routes, and proactive planning management, we enhance climate resilience to safeguard operations and employee safety. For example:

Hangzhou Subsidiary

Issued timely alerts and safety notices during Typhoon "Pulasan" in 2024.

Zhengzhou Subsidiary

Established a blizzard emergency response protocol.

Hefei Subsidiary

Implemented earthquake disaster preparedness, issuing blizzard and freeze warnings while advising logistics teams nationwide to monitor weather conditions and take preventive measures.

Laboratory resilience to extreme weather is critical. When facing natural disasters such as typhoons, blizzards, or earthquakes, our laboratories must act promptly and effectively to ensure uninterrupted operations and the safety of both personnel and samples. Our laboratory-specific measures for different extreme weather scenarios include:

Sample Transport Delays

We ensure compliant sample preservation by coordinating with partner hospitals and clients for timely sample processing and reporting. Our logistics team manages sample transportation according to protocols and tracks results.

Employee Stranding

We arrange nearby accommodations for staff unable to return home.

Power Outages

We activate UPS battery backup and deploy emergency generators when necessary, while simultaneously investigating outage causes.

IT System Failure

We maintain dual-network redundancy (China Telecom, Unicom, and Mobile) to guarantee communication stability.

Water Supply Interruptions

We utilize emrgency water reserves, implement domestic water restrictions, and prioritize testing water supply.

Laboratory Extreme Weather Contingency Plan

06 Collaborative Development

Fulfilling Corporate Responsibility

We uphold our mission as a corporate citizen by leveraging our professional expertise and resource integration capabilities to actively drive collaborative projects with various stakeholders. We are deeply dedicated to public welfare initiatives, fostering a mutually beneficial ecosystem where all parties can thrive together, and striving to become a compassionate modern enterprise that courageously shoulders social responsibilities.

Value Delivery

We remain steadfast in our core philosophy of corporate social responsibility. Not only do we actively participate in public health initiatives and medical philanthropy, but we also dedicate continuous efforts to technological innovation and educational development, contributing to society through diversified practical actions.

◉ Health Category

We continue to deepen our engagement in health-related philanthropy, leveraging our professional strengths to safeguard public health. Through specialized medical programs such as genetic testing and pre-pregnancy screening, we help improve primary healthcare standards. Innovatively, we launched the "Healthy Steps Donation" initiative, encouraging public participation in philanthropy by providing HPV testing services for underprivileged women. Additionally, we completed cervical cancer screenings for over 10,000 women across 12 provinces while simultaneously promoting public health education, fully utilizing our advantages to give back to society.

Adicon's "Small Steps, Big Love" Initiative   **Case**

In 2024, we partnered with the Zhejiang Women's and Children's Foundation and Tencent's philanthropic platform to launch the "Small Steps, Big Love" campaign. This innovative program transformed daily steps taken by the public into tangible health support, collectively donating HPV testing services worth RMB 2 million for underprivileged women. Every step contributed to safeguarding women's health, uniting societal forces for a meaningful cause.

Cervical Cancer Screening for Female Sanitation Workers   **Case**

On International Women's Day 2024, Adicon Medical Laboratory Center collaborated with the Hangzhou Comprehensive Administrative Law Enforcement Bureau and the Zhejiang Women's and Children's Foundation to launch the "Urban Beauticians' Health Protection Initiative". Targeting the health needs of frontline female sanitation workers, the program provided cervical cancer screenings for 200 "urban beauticians", prioritizing the well-being of these essential workers.

Cervical Cancer Screening Event for Sanitation Workers

"A Carnation for You" – Maternal and Child Health Initiative   **Case**

In March 2024, Adicon Medical Laboratory Center in Hangzhou actively supported the Zhejiang Women's and Children's Foundation's "Warmth for Mothers and Babies, Love in Maternal and Child Health" charity program. We donated specialized health service packages to Lishui region, including HPV nucleic acid testing, women's health insurance, and painless delivery subsidies. During the campaign, we provided free health check-ups and HPV screening for female workers in emerging industries, alongside hosting health education seminars to help eliminate cervical cancer risks. These efforts demonstrate our commitment to advancing maternal and child health through professional expertise.

◉ Education Category

We deepen industry-education integration to innovate medical training through customized master's programs to cultivate interdisciplinary talents, joint practice bases creating study-training-employment pipelines, and skills competitions to enhance clinical capabilities. These programs aim to develop talent for pathology and laboratory medicine while advancing the field.

We also collaborate to popularize medical knowledge and nurture professional interest. Our partnership with Wenzhou Medical University established a practice-employment base to strengthen students' clinical skills and support healthcare development.

Adicon-Wenzhou Medical University Practice Base	Case

In April 2024, Adicon Medical Laboratory Center actively responded to the Ministry of Education's "Spring 2024 Graduate Employment Promotion Campaign" by establishing a joint employment practice base with Wenzhou Medical University's School of Laboratory Medicine (School of Life Sciences) at Ouhai Laboratory. As the core partner in this collaboration, we worked with the university to optimize talent development programs. Through a signed long-term cooperation agreement, we opened Ouhai Laboratory for student internships and launched a university-enterprise joint training initiative that includes medical laboratory training, cutting-edge curriculum development, and targeted graduate recruitment. By integrating industry and education resources, we enhance students' professional competencies and continuously cultivate high-quality talent for the healthcare industry.

Adicon-Wenzhou Medical University Practice Base Establishment

While deepening the integration of industry and education, we actively support campus activities and competitions to enhance their scale and professionalism, aiming to attract more student participation and stimulate their thinking and innovation capabilities.

Adicon Co-organizes Medical Laboratory Skills Competition with Zunyi Medical University	Case

On June 12, 2024, we partnered with the School of Medicine and Technology at Zunyi Medical University to host the inaugural "Adicon Cup" Medical Laboratory Skills Competition. The event included theoretical assessments in the preliminary round and practical skill evaluations in the finals. Our technical experts participated throughout the process, from designing the exam questions to judging the competition, and presented certification awards to outstanding participants. This competition aimed to advance the educational philosophy of "integrating competitions with teaching and using competitions to promote learning", providing a platform for talented students to showcase their abilities. Through competitive practice, it strengthened students' professional skills and teamwork capabilities while serving as an effective bridge for talent selection and cultivation between the university and enterprises.
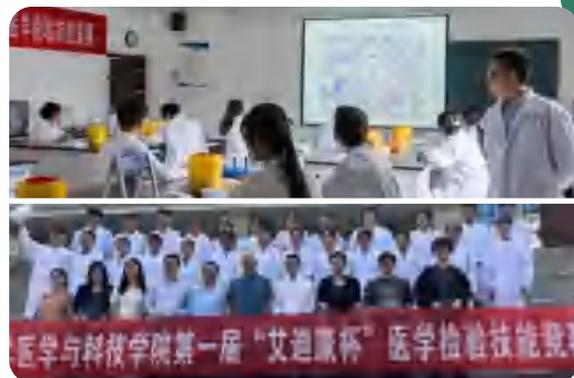
Adicon Co-organizes Medical Laboratory Competition with Zunyi Medical University

Adicon Collaborates with the Ministry of Education on Industry-Education Projects　　**Case**

In response to the State Council's policy on deepening industry-education integration and promoting the alignment of education chains, talent chains, industry chains, and innovation chains, we partnered with the Ministry of Education in September 2024 to officially join the "Industry-Education Collaboration and Cooperative Education" program. This initiative aims to support the cultivation of new medical talents and industrial technological advancement through university-enterprise collaboration.

We provide eligible university applicants with no less than RMB 50,000 in research funding per project, focusing on innovative research in medical laboratory science, clinical diagnostics, and related fields. In 2024, we approved five industry-education collaboration projects, covering areas such as new medical education development and medical testing technology optimization. These projects include partnerships with Zhejiang University and Zhejiang Chinese Medical University to advance the deep integration of medical education and practice.

◉ Labor Demand Category

We address labor needs through various approaches, including medical mutual aid programs and humanitarian relief efforts, fully demonstrating our humanistic care and sense of responsibility toward employees.

Program Objectives	Coverage Items	Eligibility
• Alleviate workers' medical expenditure burdens. • Enhance workers' healthcare protection capacity. • Establish a supplementary safeguard mechanism beyond basic medical insurance and commercial insurance.	• Reimbursement for out-of-pocket expenses on hospitalization and designated outpatient treatments. • Critical illness and living subsidies during hospitalization. • Special disease subsidies for female employees.	• Currently employed workers who have completed real-name registration in Hangzhou's Smart Trade Union Membership System.

Hangzhou Employed Workers' Medical Mutual Aid Program

◉ Charitable Donation Category

We remain dedicated to creating social value by directing corporate resources into targeted philanthropic initiatives through funding public welfare projects and driving social innovation, thereby contributing to sustainable social development.

Invitation to the Renwei Lecture Hall Unveiling Ceremony　　**Case**

National Chengchi University has long been dedicated to cultivating specialized talent. The late alumnus Mr. Wu Renwei, former Economics Department graduate and the first Chinese global chairman of Johnson & Johnson, continued sharing his expertise as a Carlyle Group advisor post-retirement. To honor his legacy of nurturing future generations, in May 2024, Adicon Holdings Limited partnered with his family to establish the Renwei Lecture Hall, equipping it with modern facilities to support student development. At the inauguration ceremony, President Li Caiyan expressed special gratitude to Adicon, describing the donation as "nourishing the campus like timely rain" and infusing educational endeavors with warmth.

Collaborative Partnerships

While continuously enhancing our capabilities, we innovatively employ cooperative partnership models to provide specialized technical support and solutions for medical institutions, working closely with industry stakeholders to jointly advance the high-quality development of the healthcare sector.

◉ Hospital Partnership

Against the backdrop of China's ongoing healthcare reform to promote high-quality medical services, we focus on supporting the transformation and upgrading of major hospitals. Through comprehensive empowerment with standardized testing systems and intelligent detection technologies, we assist both public and private hospitals in process reengineering and service optimization. This model not only enhances overall hospital operational efficiency but also establishes exemplary benchmarks for regional healthcare quality and medical modernization.

Adicon's Collaborative Partnership Project with Fujian Tingzhou Hospital	Case

Fujian Tingzhou Hospital is a comprehensive medical institution with a century-old legacy rooted in revolutionary medical culture, integrating modern diagnostic technologies with healthcare, education, research, and rehabilitation services. In 2024, responding to the policy direction of "Looking to Fujian for national healthcare reform, and to Sanming for Fujian's healthcare reform", the hospital initiated a complete relocation and modernization upgrade as part of deeper medical reform efforts.

Throughout the hospital's relocation process, we fully leveraged our professional expertise in medical laboratory construction, operational management, and resource integration. Prior to relocation, we assisted Tingzhou Hospital with equipment assessment and planning, developing customized phased relocation plans. During relocation, our Fuzhou and Xiamen subsidiary laboratories provided comprehensive testing support to ensure uninterrupted diagnostic services. Post-relocation, we implemented intelligent detection technologies to optimize laboratory systems and enhance operational efficiency. This collaboration not only ensured zero disruption to medical services during the transition but also propelled the hospital's digital transformation through our smart laboratory systems.

Fujian Tingzhou Hospital After Relocation

Adicon-Perennial Hospital Collaborative Project

Case

In 2024, we established a partnership with Singapore's Perennial Medical Group, playing an integral role in co-developing and operating Tianjin Perennial Hospital – China's first wholly foreign-owned tertiary general hospital. Leveraging our medical testing expertise and domestic and global healthcare resources, we supported the hospital in building its laboratory department from scratch. Through comprehensive laboratory planning, process optimization, and standardized management, we ensured alignment with the hospital's strategic development goals. Our multidimensional support enhanced full-process quality control, accelerated the establishment of standardized service systems, and significantly improved the hospital's professional service capabilities and testing efficiency.

Perennial Rehabilitation Hospital

Adicon-Bayzed Health Group Partnership

Case

In 2024, we collaborated with Bayzed Health Group to enhance service capabilities across its seven oncology specialty hospitals. Addressing Bayzed's needs in cancer screening, treatment, and rehabilitation, we customized laboratory solutions including testing equipment and technical support, with particular focus on precision cancer detection and treatment guidance. We implemented intelligent information management systems and unified quality standards to ensure consistent test results across locations. Additionally, our targeted training programs helped develop professional teams and improve operational autonomy. This in-depth collaboration aims to provide comprehensive, high-quality cancer care from prevention to rehabilitation, combining our expertise to safeguard public health.

Adicon-Bayzed Health Signing Ceremony

Adicon-Tianrun Medical Equipment Collaboration

Case

Through a women's health-focused strategic partnership in 2024, we empowered 12 general clinics across Shenzhen, Chengdu and other major cities via single-equipment collaboration. We provided standardized vaginal microecology testing configurations and professional training to improve testing accuracy and screening efficiency. Tianrun leveraged its clinic network to extend testing services across the full prevention-rehabilitation continuum, making quality women's healthcare more accessible. This integration of technical expertise and resources has reinvigorated women's health management while enhancing clinics' gynecological diagnostic capabilities.

Adicon-Yuxianghu Hospital & Wenzhou Tongle Hospital Collaboration

Case

In 2024, we deepened laboratory partnerships with Yuxianghu Hospital and Wenzhou Tongle Hospital (including Yueqing Development Zone branch) through professional operational management services. At Yuxianghu Hospital, we optimized equipment allocation, established cross-campus sharing mechanisms, transferred select devices to Yueqing branch, and expanded test services by adding Abbott equipment for specialized check-ups. For Wenzhou Tongle Hospital, we implemented dynamic equipment allocation, upgraded outdated devices, adjusted test portfolios, established a Kunlun quality control system, and created a referral network for low-frequency tests. Our cross-campus equipment rotation system, including efficient reuse of URIT analyzers, significantly improved resource utilization. Guided by our "co-development and shared growth" philosophy, we continue to enhance partner hospitals' testing capabilities through technical support, resource integration, and management optimization, strengthening regional healthcare quality.

◉ Grassroots Healthcare Collaboration

In response to China's "Strengthening Primary Care" strategy, we actively participate in building primary healthcare service systems by establishing an intelligent, end-to-end testing service platform that enables resource sharing and standardized management, effectively addressing the practical challenges of "difficulty accessing care" at the grassroots level. This model allows residents to receive hospital-grade testing services locally, not only improving primary care efficiency but also promoting more equitable healthcare distribution, demonstrating our commitment to social responsibility under policy guidance.

Adicon's Partnership with Community Health Centers

Case

In 2024, we entered into an in-depth collaboration with grassroots medical institutions, including the Qiaokou District Hanzheng Street Community Health Service Center in Wuhan and the Xihu District Lingyin Street Community Health Service Center in Hangzhou. Building on the past experience, we leveraged our core strengths in centralized test-management, laboratory standardization, supply-chain integration, and digital system development to actively respond to the "strengthen the primary healthcare institutions" strategy for enhancing healthcare service capacity.

We established a resource-sharing platform for diagnostics, centralizing the procurement and unified allocation of testing equipment and consumables. This significantly reduced procurement costs for primary medical institutions. Relying on our digital laboratory-management system, we provided each health service center with full-process quality-control solutions, optimized testing workflows, and improved the accuracy of test results. We also offered expert on-site guidance and remote technical support, helping community health service centers to improve laboratory standardization and cultivate professional technical teams. Beyond community centers, we built a logistics network and information-service system covering county-level primary medical institutions, enabling rapid specimen transport and real-time interconnection of test data, thereby effectively improving testing-service efficiency at the grassroots level.

Through resource integration and technological empowerment with community health service centers, this collaboration comprehensively enhanced their diagnostic capabilities and service levels, providing a strong capacity-building model for the construction of a tiered healthcare delivery system.

◉ Regional Testing Center Collaboration

With the strategic goal of establishing a national model for regional testing centers, we integrate testing capabilities across healthcare institutions within regions through technology empowerment and resource sharing, building a high-standard, unified testing service platform. This collaborative model aligns with national requirements for regional medical center development, not only optimizing the allocation of testing resources within regions but also fostering a new paradigm of coordinated regional healthcare development, thereby providing robust support for creating an efficient and accessible medical service network.

Adicon-Capital Medical University Clinical Testing Center Collaboration	Case

In January 2025, we partnered with Capital Medical University Clinical Testing Center to advance precision medicine testing technology translation, service upgrades, and discipline development. The center, leveraging university research resources, focuses on pathological diagnostics for neurological diseases and oncology. We contribute our 4,000+ testing capabilities, smart logistics network, and internationally accredited laboratories to establish joint R&D platforms, precision testing centers, and biobanks. By integrating smart testing technologies, we enhance operational efficiency and enable standardized, digitalized services, providing high-quality testing support to regional institutions and setting new benchmarks for capital-area medical testing.

Adicon-Capital Medical University Clinical Testing Center
Agreement Signing

Adicon-Lin'an Regional Medical Testing Center Collaboration	Case

In 2024, we formed a strategic partnership with Lin'an Regional Medical Testing Center, taking charge of laboratory construction and operations to provide full-process technical support for public hospitals in the region, including lab planning, equipment deployment, supply chain management, smart operations, and outsourced testing. As Zhejiang Province's second provincial-level collaboration after Ouhai Regional Testing Center, this project innovatively combines "lab co-development, technology empowerment, and resource sharing". Through dedicated technical teams and real-time response mechanisms, we optimize regional testing resource allocation, propelling Zhejiang's testing centers into a new phase of scaled development.

Appendix I: Appendix C2 to the Listing Rules of the HKEX

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter in the Report
A. Environment			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Management Emission Management
	A1.1	The types of emissions and respective emissions data.	Emission Management
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Resource Conservation
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Emission Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emission Management
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Management
	A1.6	Description of how hazardous and non- hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Management
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resource Conservation
	A2.1	Direct and/ or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Resource Conservation
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resource Conservation
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Management
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Management Resource Conservation
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	No packaging material is used in our business.
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Management Waste Management Resource Conservation
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management Waste Management Resource Conservation

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter in the Report
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change Response
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change Response
B. Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee Recruitment
	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employee Recruitment
	B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Rights & Benefits
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health & Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year.	Health & Safety
	B2.2	Lost days due to work injury.	Health & Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health & Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development & Training
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development & Training
	B3.2	The average training hours completed per employee by gender and employee category.	Development & Training
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employee Recruitment
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Recruitment
	B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Recruitment

Environmental, Social and Governance Subject Areas, General Disclosures and KPIs			Chapter in the Report
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Procurement
	B5.1	Number of suppliers by geographical region.	Responsible Procurement
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Responsible Procurement
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Procurement
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Procurement
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality Management
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	No recalls involved in our products
	B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Management
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Testing and R&D
	B6.4	Description of quality assurance process and recall procedures.	Quality Management
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security & Privacy Protection
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Compliant Operations
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Compliant Operations
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Compliant Operations
	B7.3	Description of anti-corruption training provided to directors and staff.	Compliant Operations
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Value Delivery
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Value Delivery
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Value Delivery

Appendix II: ESG Performance Indicators of Adicon in 2024

Environmental Performance

Indicator of HKEX Guideline	Item	Unit	2024	2024
Aspect A1: Emissions	Air Emissions	NO_x	Tonne	3.43
		SO_x	Tonne	0.04
		PM	Tonne	0.25
	Waste	Non-hazardous Waste	Tonne	597.81
		Non-hazardous Waste Discharge Intensity	Tonne/Million RMB Revenue	0.21
		Hazardous Waste	Tonne	2,007.89
		Hazardous Waste Discharge Intensity	Tonne/Million RMB Revenue	0.69
Aspect A2: Use of Resources	Energy Consumption	Diesel	Tonne	29.09
		Gasoline	Tonne	2,085.02
		Direct Energy Consumption[6]	Tonne of Standard Coal	3,110.29
		Direct Energy Consumption Intensity	Tonne of Standard Coal / Million RMB Revenue	1.07
		Purchased Electricity	MWh	2,441.30
		Indirect Energy Consumption	Tonne of Standard Coal	3,000.36
		Indirect Energy Consumption Intensity	Tonne of Standard Coal / Million RMB Revenue	1.03
		Total Comprehensive Energy Consumption	Tonne of Standard Coal	6,100.66
		Comprehensive Energy Consumption Intensity	Tonne of Standard Coal / Million RMB Revenue	2.10
	Greenhouse Gas Emissions	Scope 1 Emissions[7]	Tonne of CO_2e	6,435.28
		Scope 2 Emissions [8]	Tonne of CO_2e	13,922.75
		Greenhouse Gas Emissions Intensity	Tonne of CO_2e	20,358.03
		Greenhouse Gas Emissions Intensity	Tonne of CO_2e / Million RMB Revenue	6.99
	Water Consumption	Total Water Consumption	Cubic Meter	124,846.94
		Total Water Consumption Intensity	Cubic Meter/ Million RMB Revenue	42.84

[6]   Energy consumption is calculated according to the *General principles for Calculation of Total Production Energy Consumption (GB/T 2589—2020)*.

[7]   The calculation of Scope 1 emissions adopts the low calorific values of gasoline and diesel as specified in the *2005 China Greenhouse Gas Inventory Study*, which are 44.8 GJ/t and 43.33 GJ/t, respectively. Additionally, the carbon content per unit of energy for gasoline and diesel, derived from the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* and the *Provincial Greenhouse Gas Inventory Guidelines (Trial)*, is 0.0189 tC/GJ and 0.0202 tC/GJ, respectively. Furthermore, a carbon oxidation efficiency of 98% for both gasoline and diesel is applied, as outlined in the *Provincial Greenhouse Gas Inventory Guidelines (Trial)*.

[8]   Scope 2 emissions are calculated using the average emission factor for China's national power grid in 2022, which is 0.5703 t CO_2/MWh. The data was published by the Ministry of Ecology and Environment in the Notice on the *Management of Greenhouse Gas Emission Reporting for Enterprises in the Power Generation Industry in 2023-2025*.

Social Performance

Indicator of HKEX Guideline	Item		Unit	2024
Aspect B1: Employment[9]	Employees by Gender	Female	Person	2,277
		Male	Person	3,168
	Employees by Age	Under 30	Person	2,080
		30-50	Person	3,268
		Over 50	Person	97
	Employees by Geographical	East China Region	Person	1,245
		Sichuan-Chongqing & Northeast Region	Person	711
		South China Region	Person	672
		North China Region	Person	527
		Central China Region	Person	811
		Jiangsu-Shandong-Shanghai Region	Person	1,053
		Other Regions	Person	426
	Employee Turnover Rate		%	19
	Turnover Rate by Gender	Male	%	21
		Female	%	18
	Turnover Rate by Age	Under 30	%	25
		30-50	%	15
		Over 50	%	15
	Turnover Rate by Geographical	East China Region	%	21
		Sichuan-Chongqing & Northeast Region	%	19
		South China Region	%	23
		North China Region	%	20
		Central China Region	%	19
		Jiangsu-Shandong-Shanghai Region	%	15
		Other Regions	%	14
Aspect B2: Health and Safety	Number of work-related fatalities occurred in the past three years (including the reporting period)		Person	0
	Work-related fatality rate in the past three years (including the reporting period)		%	0
	Lost days due to work injury		Day	364

[9] Unless otherwise specified, employee-related data cover full-time employees of the Group

Indicator of HKEX Guideline	Item		Unit	2024
Aspect B3: Development and Training	Total Trained Employees		Person	5,445
	Percentage of Trained Employees		%	100
	Trained Employees by Gender	Male	Person	2,277
		Female	Person	3,168
	Percentage of Trained Employees by Gender	Male	%	41.82
		Female	%	58.18
	Trained Employees by Employee Category	Senior Management	Person	83
		Middle Management	Person	1,094
		General Employees	Person	4,268
	Percentage of Trained Employees by Employee Category	Senior Management	%	1.53
		Middle Management	%	20.09
		General Employees	%	78.38
	Average Training Hours		Hour/Person	4.46
	Average Training Hours by Gender	Male	Hour/Person	5.01
		Female	Hour/Person	4.06
	Average Training Hours by Employee Category	Senior Management	Hour/Person	3.00
		Middle Management	Hour/Person	7.46
		General Employees	Hour/Person	3.72
Aspect B5: Supply Chain Management	Number of Suppliers by Geographical Region	East China	Quantity	549
		South China	Quantity	99
		Central China	Quantity	215
		North China	Quantity	100
		Northwest China	Quantity	3
		Southwest China	Quantity	60
		Northeast China	Quantity	34
		Hong Kong, Macao and Taiwan, China	Quantity	0
Aspect B6: Product Responsibility	Number of products and service related complaints received and how they are dealt with		Quantity	1,086
Aspect B7: Anti-Corruption	Number of concluded legal cases regarding corrupt practices brought against the Group or its employees		Quantity	0
	Anti-corruption training for employees	Number of Anti-corruption training for directors	Quantity	4
		Number of Anti-corruption training for other employees	Quantity	9
	The covering rate of Anti-corruption training for employees		%	100
Aspect B8: Community Investment	Donation Amount		RMB	3,216,312.00

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