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Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the prospectus dated 5 May 2022 (the “**Prospectus**”) issued by Yunkang Group Limited (云康集团有限公司) (the “**Company**”). This announcement is made pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong).

This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for any securities of the Company. This announcement is not a prospectus. Potential investors should read the Prospectus for detailed information about the Company and the Global Offering described below before deciding whether or not to invest in the Shares.

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YUNKANG GROUP LIMITED

云康集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2325)

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been partially exercised by the Joint Representatives on behalf of the International Underwriters on Friday, 10 June 2022 in respect of an aggregate of 8,062,500 Shares (the “**Over-allotment Shares**”), representing approximately 5.83% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, to facilitate the return to YK Development Limited of part of the 20,728,000 borrowed Shares under the Stock Borrowing Agreement which were used to cover the over-allocations under the International Offering.

The Over-allotment Shares will be allotted and issued by the Company at HK\$7.89 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.005% and FRC transaction levy of 0.00015%), being the Offer Price per Offer Share under the Global Offering.

STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

The Company further announces that the stabilization period in connection with the Global Offering ended on Friday, 10 June 2022, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. Further information in relation to the stabilization actions undertaken by CMB International Securities Limited, the Stabilizing Manager, or any person acting for it, during the stabilization period, is set out below.

PUBLIC FLOAT

The Company continues to comply with the public float requirement under Rule 8.08(1) of the Listing Rules.

PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been partially exercised by the Joint Representatives on behalf of the International Underwriters on Friday, 10 June 2022 in respect of an aggregate of 8,062,500 Shares, representing approximately 5.83% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, to facilitate the return to YK Development Limited of part of the 20,728,000 borrowed Shares under the Stock Borrowing Agreement which were used to cover the over-allocations under the International Offering.

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APPROVAL FOR LISTING

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on Wednesday, 15 June 2022 (Hong Kong time).

SHAREHOLDING STRUCTURE OF THE COMPANY UPON COMPLETION OF THE PARTIAL EXERCISE OF THE OVER-ALLOTMENT OPTION

The shareholding structure of the Company immediately before and immediately after completion of the partial exercise of the Over-allotment Option is as follows:

	Immediately before completion of the partial exercise of the Over-allotment Option		Immediately after completion of the partial exercise of the Over-allotment Option	
	Number of issued Shares	Approximate % of the Company's issued share capital	Number of issued Shares	Approximate % of the Company's issued share capital
YK Development Limited ⁽¹⁾⁽²⁾	250,108,000	40.79%	250,108,000	40.26%
Daan International Holdings Limited ⁽³⁾	209,783,000	34.21%	209,783,000	33.77%
Subtotal	459,891,000	75.00%	459,891,000	74.03%
<i>Public Shareholders</i>				
Cornerstone Investors ⁽⁴⁾	37,791,500	6.17%	37,791,500	6.08%
Other public Shareholders	115,505,500	18.83%	123,568,000	19.89%
Subtotal	153,297,000	25.00%	161,359,500	25.97%
Total	613,188,000	100.00%	621,250,500	100.00%

Notes:

- (1) As of the date of this announcement, YK Development Limited is held as to 64.04% and controlled by Huizekx Limited, which is wholly-owned by Mr. Zhang Yong. Therefore, Huizekx Limited and Mr. Zhang Yong are deemed to be interested in the Shares held by YK Development Limited under the SFO.
- (2) As of the date of this announcement, YK Development Limited is held as to approximately 23.47%, 6.95%, 3.04%, 0.50% and 2.00%, by Mouduans Limited, Tongfuzc Limited, WJJR Investment Limited, Jin Jun Ying Limited and Source Capital RW Limited, respectively. Pursuant to Guidance Letter HKEX GL89-16, Huizekx Limited, Mouduans Limited, Tongfuzc Limited, WJJR Investment Limited, Jin Jun Ying Limited and Source Capital RW Limited are a group of Controlling Shareholders of the Company.
- (3) Daan International Holdings Limited (“**Daan International**”) is wholly-owned by Guangzhou Daan Gene Technology Co., Ltd (廣州市達安基因科技有限公司) (“**Guangzhou Daan Gene**”), a company wholly-owned by Daan Gene Co., Ltd. (廣州達安基因股份有限公司) (“**Da An Gene**”). Therefore, Guangzhou Daan Gene and Da An Gene are deemed to be interested in the Shares held by Daan International under the SFO.
- (4) This refers to all the Cornerstone Investors as set out in the section headed “Cornerstone Placing” of the Prospectus. The shareholding of each of the Cornerstone Investors immediately before the allotment of the Over-allotment Shares have been set out in the Company’s announcement of the allotment results dated Tuesday, 17 May 2022. The Over-allotment Shares to be issued by the Company will not affect the number of Shares held by each of the Cornerstone Investors, but will have a dilutive effect on the shareholding of the Cornerstone Investors on a pro rata basis.

USE OF PROCEEDS

The Company will receive additional net proceeds of approximately HK\$60.7 million (after deducting the underwriting commissions and other estimated expenses payable by the Company in connection with the partial exercise of the Over-allotment Option) for the 8,062,500 Shares to be issued and allotted following the partial exercise of the Over-allotment Option. The additional net proceeds will be used by the Company for the purposes and in the proportions as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

Pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), the Company announces that the stabilization period in connection with the Global Offering ended on Friday, 10 June 2022, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. The stabilizing actions undertaken by CMB International Securities Limited, the Stabilizing Manager, or any person acting for it, during the stabilization period are set out below:

- (i) over-allocations of an aggregate of 20,728,000 Shares under the International Offering, representing approximately 15% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option;
- (ii) the borrowing of an aggregate of 20,728,000 Shares from YK Development Limited pursuant to the Stock Borrowing Agreement to cover over-allocation under the International Offering;
- (iii) successive purchases of an aggregate of 12,665,500 Shares in the price range of HK\$6.60 to HK\$7.89 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.005% and FRC transaction levy of 0.00015%) on the market during the stabilization period, representing approximately 9.17% of the total number of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option. The last purchase made by the Stabilizing Manager or any person acting for it, on the market during the course of the stabilization period was on Wednesday, 18 May 2022 at the price of HK\$7.88 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.005% and FRC transaction levy of 0.00015%);

- (iv) the partial exercise of the Over-allotment Option by the Joint Representatives on behalf of the International Underwriters on Friday, 10 June 2022 in respect of an aggregate of 8,062,500 Shares, representing approximately 5.83% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option, at HK\$7.89 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.005% and FRC transaction levy of 0.00015%), being the Offer Price per Offer Share under the Global Offering, to facilitate the return to YK Development Limited of the remaining part of the 20,728,000 borrowed Shares under the Stock Borrowing Agreement which were used to cover the over-allocations under the International Offering;
- (v) there had been no sale of any Shares on the market for the purpose of price stabilization by the Stabilization Manager during the stabilization period; and
- (vi) the portion of the Over-allotment Option which has not been exercised by the Joint Representatives on behalf of the International Underwriters lapsed on Friday, 10 June 2022.

PUBLIC FLOAT

The Directors confirm that, immediately after the end of the stabilization period and the completion of the partial exercise of the Over-allotment Option, the issued share capital of the Company which are held by the public continues to satisfy the minimum percentage requirement of 25.0% as prescribed in Rule 8.08(1) of the Listing Rules.

By order of the Board
Yunkang Group Limited
Zhang Yong

Chairman, executive Director and chief executive officer

Hong Kong, Friday, 10 June 2022

As at the date of this announcement, the board of directors of the Company comprises Mr. Zhang Yong as Chairman and executive Director; Mr. Zhou Xinyu, Dr. Guo Yunzhao, and Mr. Zhou Weiqun, as Non-executive Directors; and Mr. Yu Shiyong, Mr. Yang Hongwei, and Mr. Xie Shaohua, as Independent non-executive Directors.