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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Yunkang Group Limited (the “**Company**” or our “**Company**”, together with its subsidiaries and the consolidated affiliated entities, the “**Group**” or our “**Group**”) is pleased to announce the consolidated results of the Group for the year ended December 31, 2025 (the “**Reporting Period**”), together with the comparative figures for the year ended December 31, 2024.

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

FINANCIAL HIGHLIGHTS

	For the year ended December 31,		
	2025	2024	Change
	<i>RMB'000</i>	<i>RMB'000</i>	
Revenue	601,388	711,884	(15.5)%
<i>Recognized at a point in time:</i>			
– Diagnostic testing services for medical institution alliances	353,315	377,315	(6.4)%
– Diagnostic outsourcing services	216,921	301,809	(28.1)%
– Diagnostic testing services for non-medical institutions	31,152	32,760	(4.9)%
Cost of revenue	(418,571)	(500,815)	(16.4)%
Gross profit	182,817	211,069	(13.4)%
Profit (Loss) before income tax	6,975	(791,191)	(100.9)%
Profit (Loss) for the year	3,900	(793,151)	(100.5)%
Profit (Loss) attributable to owners of the Company	2,920	(791,682)	(100.4)%

	For the year ended December 31,		
	2025	2024	Change
	<i>RMB</i>	<i>RMB</i>	
Earnings (Loss) per share for profit (loss) attributable to owners of the Company			
Basic	0.005	(1.329)	(100.4)%
Diluted	0.005	(1.329)	(100.4)%

During the Reporting Period, the Group recorded a revenue of RMB601.4 million, representing a decrease of 15.5% from 2024. The Group recorded a net profit of RMB3.9 million, as compared to a net loss of RMB793.2 million for the year ended December 31, 2024. The turnaround in the Group's results was mainly attributable to the following:

1. During the Reporting Period, affected by various factors such as centralized procurement, health insurance cost control and intensified competition in the industry, the short-term results of the Group were under pressure. In the face of various adjustments brought about by the market, the Group focused on improving operational quality, optimizing customer structure and product mix, deepening the cooperation with medical institution alliances, and empowering customers with in-depth services. The Group's operational quality has steadily improved. Although the overall revenue decreased as compared to the same period of the previous year, the decline gradually narrowed. Among which, revenue from diagnostic testing services for medical institution alliances accounted for a further increase in the proportion of total revenue, which further demonstrated its advantages and promoted the high-quality development of the Group;
2. During the Reporting Period, the Group improved its operation efficiency and management quality of the whole system, and adopted a series of lean operation measures such as strengthening cost control and precise allocation of resources. As a result, selling expenses and administrative expenses decreased by 34.4% and 29.6% as compared to the same period of the previous year, resulting in significant cost reduction and efficiency improvement. At the same time, the Group actively optimized its debt structure and improved the efficiency of capital utilization, resulting in a decrease of 33.6% in finance costs, net as compared to the same period of the previous year; and
3. During the Reporting Period, the Group continued to strengthen its management of cash and accounts receivable and shorten the collection cycle, achieving certain results. The Group reversed the credit impairment loss accrued in previous years as part of the trade receivables from previous years was recovered. Going forward, the Group will continue to strengthen credit management and increase collection efforts, implementing a range of measures to facilitate the recovery of receivables.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended December 31,	
	Note	2025	2024
		RMB'000	RMB'000
Revenue	3	601,388	711,884
Cost of revenue		(418,571)	(500,815)
Gross profit		182,817	211,069
Selling expenses		(118,151)	(180,197)
Administrative expenses		(186,506)	(264,838)
Reversal of impairment loss (Impairment losses) on financial assets, net		214,270	(536,182)
Other income	4	2,123	1,285
Other (losses) gains – net	5	(55,431)	24,973
Fair value changes on investment properties		1,091	–
Fair value changes on financial assets at fair value through profit or loss	10(b)	(7,265)	(8,178)
Operating income (loss)		32,948	(752,068)
Finance costs – net		(25,973)	(39,123)
Profit (Loss) before income tax		6,975	(791,191)
Income tax expenses	6	(3,075)	(1,960)
Profit (Loss) for the year		3,900	(793,151)
Other comprehensive income (loss), net of tax			
Items that will not be reclassified to profit or loss			
– Gain on properties revaluation upon transfer to investment properties, net of tax		15,192	–
– Changes in fair value of financial assets at fair value through other comprehensive income, net of tax	10(a)	(8,745)	(15,748)
Total comprehensive income (loss) for the year		10,347	(808,899)

		Year ended December 31,	
	<i>Note</i>	2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Profit (Loss) attributable to:			
– Owners of the Company		2,920	(791,682)
– Non-controlling interests		980	(1,469)
		<u>3,900</u>	<u>(793,151)</u>
Total comprehensive income (loss) attributable to:			
– Owners of the Company		9,367	(807,430)
– Non-controlling interests		980	(1,469)
		<u>10,347</u>	<u>(808,899)</u>
Profit (Loss) per share for profit (loss)			
attributable to the owners of the Company			
– Basic (in RMB)	7	<u>0.005</u>	<u>(1.329)</u>
– Diluted (in RMB)	7	<u>0.005</u>	<u>(1.329)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	As at December 31,	
		2025	2024
		RMB'000	RMB'000
Non-current assets			
Investment properties		44,288	–
Property and equipment		258,332	314,340
Intangible assets		6,874	2,259
Interest in an associate		4,000	–
Prepayments and other receivables		45,921	90,613
Financial assets at fair value through other comprehensive income (“FVOCI”)	<i>10(a)</i>	50,352	59,066
Financial assets at fair value through profit or loss (“FVTPL”)	<i>10(b)</i>	70,195	62,411
Deferred income tax assets		37,794	40,196
		<u>517,756</u>	<u>568,885</u>
Current assets			
Inventories		13,930	16,075
Trade and bill receivables	<i>9</i>	348,524	628,456
Prepayments and other receivables		86,221	24,279
Financial assets at FVTPL	<i>10(b)</i>	181,860	412,989
Restricted cash	<i>11</i>	64,211	256,297
Cash and cash equivalents	<i>11</i>	1,522,169	1,321,355
		<u>2,216,915</u>	<u>2,659,451</u>
Total assets		<u>2,734,671</u>	<u>3,228,336</u>
Equity attributable to owners of the Company			
Share Capital and share premium	<i>12(a)</i>	610,358	610,358
Shares held for employee share scheme	<i>12(b)</i>	(362,241)	(362,241)
Other reserves		946,119	937,536
Accumulated losses		(39,092)	(42,012)
		<u>1,155,144</u>	<u>1,143,641</u>
Non-controlling interests		<u>7,216</u>	<u>6,236</u>
Total equity		<u>1,162,360</u>	<u>1,149,877</u>

	<i>Note</i>	As at December 31,	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities			
Borrowings		172,308	151,339
Lease liabilities		1,649	10,075
Deferred income tax liabilities		5,565	610
		<u>179,522</u>	<u>162,024</u>
Current liabilities			
Borrowings		511,336	902,575
Trade and other payables	13	839,676	970,158
Current income tax liabilities		34,762	34,747
Lease liabilities		7,015	8,955
		<u>1,392,789</u>	<u>1,916,435</u>
Total liabilities		<u>1,572,311</u>	<u>2,078,459</u>
Total equity and liabilities		<u><u>2,734,671</u></u>	<u><u>3,228,336</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company was established in the Cayman Islands on July 20, 2018 as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company is an investment holding company, and its subsidiaries (collectively referred as the "**Group**") are primarily engaged in the provision of diagnostic testing services in the People's Republic of China (the "**PRC**").

The shares of the Company (the "**Shares**") were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on May 18, 2022 (the "**Listing**").

These consolidated financial statements are presented in Renminbi ("**RMB**"). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance (Cap. 622) in Hong Kong.

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties, financial assets at FVOCI and financial assets at FVTPL which are measured at fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

The following new amendments to existing standards are effective for annual reporting periods beginning on or after January 1, 2025. The adoption of these new amendments to existing standards does not have any significant impact to the results and financial position of the Group:

Amendments to HKAS 21

Lack of Exchangeability

Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

At the date of authorization of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRS Accounting Standards that are not yet effective for the current year, which the Group has not early adopted.

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

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

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

³ The effective date to be determined

The directors do not anticipate that the adoption of the new/revised HKFRS Accounting Standards in future periods will have any material impact on the results of the Group.

3 REVENUE

(a) Description of principal activities

The Group has only one single operating segment – diagnostic services. The principal operating entities of the Group are domiciled in the PRC. Accordingly, all (2024: all) of the Group's revenue were derived from the PRC during the year ended December 31, 2025.

(b) Revenue by business line

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
<i>Recognized at a point in time:</i>		
Diagnostic services	601,388	711,884

(c) **Revenue by region**

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Southern China	448,821	565,055
Eastern China	87,287	72,166
Southwestern China	58,356	69,206
Other regions in Chinese Mainland	6,924	5,457
	<u>601,388</u>	<u>711,884</u>

The Company is domiciled in the Cayman Islands while the Group's non-current assets and revenues are substantially located in and derived from the PRC, respectively.

(d) **Information about major customers**

All (2024: All) the revenues derived from single external customers were less than 10% of the Group's total revenue for the year ended December 31, 2025.

(e) **Unsatisfied performance obligations**

For diagnostic testing services, they are rendered in short period of time, which is generally within hours or a couple of days. These unsatisfied performance obligations are immaterial and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

4 OTHER INCOME

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Government grants (<i>Note (a)</i>)	384	1,008
Rental income from investment properties	1,534	—
Others	205	277
	<u>2,123</u>	<u>1,285</u>

(a) The government grants mainly include those grants from the local governments in recognition of the entitlement of the research and development projects of the Group. There are no unfulfilled conditions or other contingencies attached to these grants.

5 OTHER (LOSSES) GAINS – NET

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
(Losses) Gains on redemption of financial assets at FVTPL	(49,950)	19,796
Exchange (losses) gains - net	(282)	2,233
Losses on disposal of equipment	(2,401)	(3,824)
Gains on lease modification	1,909	5,038
Donations	(4,963)	(51)
Others	256	1,781
	<u>(55,431)</u>	<u>24,973</u>

6 INCOME TAX EXPENSES

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Current income tax	122	47
Under (Over) provision for prior years	691	(5,939)
	<u>813</u>	<u>(5,892)</u>
Deferred income tax	2,262	7,852
	<u>3,075</u>	<u>1,960</u>

The Group's principal applicable taxes and tax rates are as follows:

Cayman Islands

Under the prevailing laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, no Cayman Islands withholding tax is payable on dividend payments by the Company to its Shareholders.

Hong Kong

Hong Kong profits tax rate is 16.5%. Since April 1, 2018, the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits on the first HK\$2 million and 16.5% for any assessable profits in excess of HK\$2 million. No Hong Kong profits tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the year ended December 31, 2025 (2024: same).

PRC Corporate Income Tax (“CIT”)

CIT was made on the estimated assessable profits of the entities within the Group incorporated in the PRC and was calculated in accordance with the relevant tax rules and regulations of the PRC after considering the available tax refunds and allowances. The general CIT rate is 25% (2024: 25%) for the the year ended December 31, 2025.

Certain of the Group’s entities in the PRC which generated most of the Group’s profits, have been approved as high technology enterprises under the relevant tax rules and regulations, and accordingly, are subject to a reduced preferential CIT rate of 15% (2024: 15%) as at December 31, 2025.

Certain of the Group’s entities in the PRC meet the standards for small enterprises under the relevant tax rules and regulations, and accordingly, the part of their taxable profit not exceeding RMB3 million are subject to a reduced CIT rate of 20%.

7 EARNINGS (LOSS) PER SHARE

(a) Basic earnings (loss) per share

The basic earnings (loss) per share is calculated by dividing the profit (loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year ended December 31, 2025, less the shares held under the restricted share unit scheme adopted by the Company on November 23, 2022 (the “2022 RSU Scheme”) during the year of approximately 35,905,846 shares (2024: 35,905,846 shares).

	Year ended December 31,	
	2025	2024
Profit (Loss) attributable to the owners of the Company (RMB’000)	<u>2,920</u>	<u>(791,682)</u>
Weighted average number of ordinary shares in issue	<u>585,344,654</u>	<u>595,862,981</u>
Basic earnings (loss) per share attributable to the owners of the Company (expressed in RMB per share)	<u>0.005</u>	<u>(1.329)</u>

(b) Diluted earnings (loss) per share

The calculation of diluted earnings (loss) per share is based on the profit (loss) attributable to owners of the Company, and the weighted average number of ordinary shares in issue during the year, as used in the basic earnings (loss) per share calculation, adjusting the effect of unvested share awards, calculated as follows:

	Year ended December 31,	
	2025	2024
Weighted average number of ordinary shares in issue for calculating basic earnings (loss) for the year	585,344,654	595,862,981
Effect of unvested share awards (<i>Note</i>)	—	—
	<hr/>	<hr/>
Weighted average number of ordinary shares in issue used in calculating basic earnings (loss) for the year	<u>585,344,654</u>	<u>595,862,981</u>

Note:

The computation of diluted earnings (2024: loss) per share for the year ended December 31, 2025 did not assume the vesting of the Company's outstanding share awards as that would increase (2024: decrease) the earnings (2024: loss) per share for the year presented.

8 DIVIDENDS

	2025	2024
	RMB'000	RMB'000
Dividends approved and paid during the year		
Final dividend	—	11,372
	<hr/>	<hr/>

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

A final dividend of HK\$0.02 per share for the year ended December 31, 2023 was approved by the Board of the Company at the annual general meeting held on June 28, 2024. The final dividends totaling HK\$12,425,000 (equivalent to RMB11,372,000) were paid on August 28, 2024, among which the amount of HK\$456,000 (equivalent to RMB416,000) is attributable to the shares held by the trustee for the 2022 RSU Scheme. These dividends were distributed out of the Company's share premium.

9 TRADE AND BILL RECEIVABLES

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables		
— Third parties	939,432	1,490,350
— Related parties	414	403
	<u>939,846</u>	<u>1,490,753</u>
Less: allowance for impairment of trade receivables	<u>(593,345)</u>	<u>(866,283)</u>
	346,501	624,470
Bill receivables	<u>2,023</u>	<u>3,986</u>
	<u><u>348,524</u></u>	<u><u>628,456</u></u>

- (a) As at December 31, 2025 and 2024, the aging analysis of the trade receivables (before allowance for impairment) based on recognition date were follows:

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Up to 180 days	188,594	260,617
181 days to 1 year	96,747	126,500
1 to 2 years	90,026	156,512
2 to 3 years	43,893	839,225
More than 3 years	520,586	107,899
	<u>939,846</u>	<u>1,490,753</u>

- (b) The Group's trade receivables were all denominated in RMB and their carrying amounts approximated their fair values.
- (c) As at December 31, 2025, trade receivables with carrying amount of RMB200,420,000 (2024: RMB200,420,000) were pledged to secure the bank borrowing of the Group.

10 FINANCIAL ASSETS AT FAIR VALUE

(a) Financial assets at FVOCI

The Group's financial assets at FVOCI included equity investments which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognize in this category. These are strategic investments and the Group considers this classification to be more relevant.

Financial assets measured at FVOCI included the following:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Unlisted		
– Private company A (i)	46,830	55,668
– Private company B (ii)	3,522	3,398
	<u>50,352</u>	<u>59,066</u>

- (i) Private company A is engaged in investment activities and portfolio management, with concentration in healthcare industry. Private company A is also an associate of Daan Gene Co., Ltd. (“**Da An Gene**”).
- (ii) Private company B invested in an equity instrument which is principally engaged in sales of medical imaging diagnostic equipment.

The table below shows the amounts recognized in other comprehensive (loss) income:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Losses recognized in other comprehensive (loss) income	(8,714)	(15,442)
Income tax impact	(31)	(306)
	<u>(8,745)</u>	<u>(15,748)</u>

(b) Financial assets at FVTPL

The Group's financial assets at FVTPL comprised debt investments and equity investments that do not qualify for measurement at either amortized cost or FVOCI.

Financial assets measured at FVTPL include the following:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Included in current assets		
Investment in private funds		
– Managed by investment manager A (<i>Note (i)</i>)	–	160,481
– Managed by investment manager B (<i>Note (i)</i>)	181,860	181,676
– Managed by investment manager C (<i>Note (ii)</i>)	–	70,832
	<hr/>	<hr/>
	181,860	412,989
Included in non-current assets		
Unlisted companies (<i>Note (iii)</i>)	70,195	62,411
	<hr/>	<hr/>
	252,055	475,400
	<hr/> <hr/>	<hr/> <hr/>

- (i) The investments at December 31, 2024 represented two portfolios managed by two different investment managers. Investment objectives were to invest in cash or cash equivalents, national debt and other money market instruments. In December 2025, the Group disposed of one investment in private funds at the fair value on the date of disposal. The gain on redemption of financial assets at FVTPL was recognized as other (losses) gains – net in Note 5 to the consolidated financial statements.

- (ii) A wholly-owned subsidiary of the Company subscribed to a private fund. The investment objectives were mainly to invest in products with fixed revenue type and cash or cash equivalents and bonds and equity securities. In September 2025, the Group redeemed the investment in private funds. The loss on redemption of financial assets at FVTPL was recognized as other (losses) gains – net in Note 5 to the consolidated financial statements.
- (iii) Investments in unlisted companies included investments in four (2024: three) private companies, which are principally engaged in research and sales of medical instruments, provision of consultancy services and investment management.

Amounts recognized in the profit or loss

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Fair value losses recognized in profit or loss	(7,265)	(8,178)

11 CASH AND CASH EQUIVALENTS

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Cash at bank and financial institution	1,586,380	1,577,652
Less: Restricted cash in relation to:		
– Pledged time deposits for bank loans	(30,000)	(225,809)
– Deposits for letter of guarantee	(25,564)	(20,563)
– Others	(8,647)	(9,925)
	(64,211)	(256,297)
Cash and cash equivalents	1,522,169	1,321,355

All cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods from one month to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates.

At the end of the reporting period, included in the balance of the Group are bank balances and cash deposited in Chinese Mainland of RMB1,197,012,000 (2024: RMB879,003,000). RMB is not freely convertible into other currencies. However, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

12 SHARE CAPITAL AND SHARE PREMIUM AND SHARES HELD FOR EMPLOYEE SHARE SCHEME

(a) Share capital and share premium

	Number of ordinary shares	Par value of each share <i>USD</i>	Share capital <i>USD</i>	Equivalent share capital <i>RMB'000</i>	Share premium <i>RMB'000</i>	Total <i>RMB'000</i>
Authorized						
As at December 31, 2024 and 2025	<u>25,000,000,000</u>	<u>0.000002</u>	<u>50,000</u>	<u>338</u>		
Issued and paid						
Balance at January 1, 2024	<u>621,250,500</u>	<u>0.000002</u>	<u>1,242</u>	<u>9</u>	<u>621,305</u>	<u>621,314</u>
Dividends	<u>-</u>	<u>N/A</u>	<u>-</u>	<u>-</u>	<u>(10,956)</u>	<u>(10,956)</u>
Balance at December 31, 2024, January 1, 2025 and December 31, 2025 (Note (i))	<u><u>621,250,500</u></u>	<u><u>0.000002</u></u>	<u><u>1,242</u></u>	<u><u>9</u></u>	<u><u>610,349</u></u>	<u><u>610,358</u></u>

- (i) As at December 31, 2025, the total number of issued ordinary shares of the Company included 35,905,846 shares (2024: 35,905,846 shares) held under the 2022 RSU Scheme.

(b) Shares held for employee share scheme

- (i) On November 23, 2022, the Board approved the adoption of the 2022 RSU Scheme which was amended on July 28, 2023. Due to the implementation of the 2022 RSU Scheme of the Group, the Company has set up a structured entity ("**Share Scheme Trust**"), and its particulars are as follows:

Structured entity	Principal activities
Share Scheme Trust	Administering and holding the Company's shares acquired for the 2022 RSU Scheme which are set up for the benefits of selected participant(s) of the Scheme

As the Company has the power to govern the financial and operating policies of the Share Scheme Trust and can derive benefits from the contributions of the selected participant(s) who are awarded with the shares by the 2022 RSU Scheme, the directors of the Company consider that it is appropriate to consolidate the Share Scheme Trust. The allocation of share awards was linked to the fulfilment of Company's performance targets established by the directors. The vesting condition of the 2022 RSU Scheme is that the employee remains employed up to the grant date. The following table presents the changes in shares held for the employee share scheme.

	Number of ordinary shares	Cost of acquired shares RMB'000
Balance at January 1, 2024	15,101,643	188,524
Acquisition of shares by the Share Scheme Trust	<u>20,804,203</u>	<u>173,717</u>
Balance at December 31, 2024 and at January 1, 2025 and December 31, 2025	<u>35,905,846</u>	<u>362,241</u>

- (ii) During the year ended December 31, 2025, no shares (2024: 20,804,203 shares) were purchased from open market by the Share Scheme Trust at a total consideration of approximately HK\$Nil (2024: HK\$190,134,000 (equivalent to approximately RMB173,717,000)).
- (iii) The consideration paid by the Share Scheme Trust for purchasing the Company's shares from the market, including any directly attributable incremental cost, is presented as "Shares held for employee share scheme" and the amount is deducted from total equity.
- (iv) When the Share Scheme Trust transfers the Company's shares to the awardees upon vesting, the related costs of the awarded shares vested are credited to "Shares held for employee share scheme", with a corresponding adjustment made to "Share premium".
- (v) On January 23, 2024, 15,101,500 shares were granted to employees of the Group with a vesting period of 6 years from the grant date. The vesting conditions include the results of annual appraisal of employees and remaining of employment to the vesting date. The fair value of the Company's share on the grant date was HK\$11.22 (equivalent to RMB10.20) per share. The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date.

13 TRADE AND OTHER PAYABLES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Trade payables (note (a))		
– Third parties	148,374	147,785
– Related parties	545,886	631,579
	<u>694,260</u>	<u>779,364</u>
Other payables		
– Related parties	28,339	32,154
– Marketing and promotion expenses payables	3,124	14,513
– Decoration expenses payables	15,040	19,981
– Accrued expenses	33,005	53,791
– Deferred revenue	10,220	380
– Others	9,604	10,124
	<u>99,332</u>	<u>130,943</u>
Accrued staff costs	41,522	48,551
Other taxes payable	4,562	11,300
	<u>839,676</u>	<u>970,158</u>

- (a) The aging analysis of trade payables based on goods and services received was follows:

	As at December 31	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Up to 180 days	136,174	110,020
181 days to 1 year	14,094	55,625
1 to 2 years	44,569	39,346
2 to 3 years	12,578	487,808
More than 3 years	486,845	86,565
	694,260	779,364

- (b) As at December 31, 2025, the carrying amounts of trade and other payables approximated their fair values (December 31, 2024: same).
- (c) Accrued expenses refer to the various administrative operating costs, sales service fees, consulting service fees, and provisions for disputes arising from the professional services not yet completed as expected that the Group is obligated to pay but has not yet settled.

14 SUBSEQUENT EVENTS

Save as disclosed in this announcement, no material subsequent events took place after December 31, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY OVERVIEW

The year 2025 marks the final lap for implementing the 14th Five-Year Plan (FYP), during which healthcare services have attained high-quality growth in China. China has established the world's largest disease prevention and control system as well as healthcare service system, with sustained improvement and enhancement in the capacity, accessibility, and equity of health services.

On the policy front, the government has taken “strengthening primary care and promoting balanced development” as the central theme, actively advancing the construction of close-knit medical institution alliances and medical communities, implementing the project of strengthening the foundation of medical and health care, deepening the application of “artificial intelligence (AI) + healthcare”, promoting the mutual recognition of test and inspection results, decentralizing premium resources, and facilitating digital-intelligence transformation – laying a solid foundation for the long-term, high-quality development of the industry.

As a vital component of the national strategic development, the healthcare service industry is not only the foundation of people's livelihood protection but it also serves as a key area for fostering new-quality productive forces. With the continuous release of policy benefits and the in-depth advancement of digital-intelligence transformation, the industry is accelerating its transition from “scale expansion” to a new stage of “value creation.” By continuously unlocking domestic demand potential, optimizing supply structures, and deepening technological innovation and industrial collaboration, the healthcare service industry will become a significant engine driving high-quality economic development.

1.1 With in-depth development of medical institution alliances, sharing of regional testing resources creates new opportunities for integrated development

During the 14th Five-Year Plan period, China has taken the development of medical institution alliances as a key lever for the hierarchical diagnosis and treatment, actively promoting the expansion and decentralization of premium healthcare resources and their balanced regional distribution. According to data released by the National Health Commission, over 3,000 close-knit county-level medical communities have been established and operated nationwide, basically covering all counties and county-level cities, as well as one-third of urban districts, covering a total population of more than 900 million. Relevant national authorities consistently enhance the development of medical institution alliances by coordinating the establishment of, through close-knit county-level medical communities, five resource-sharing centers including medical testing, and vigorously promoting the innovative service model of “distributed testing and centralized diagnosis.” In terms of digital empowerment, more than 80% of counties (cities and districts) across the country have preliminarily established county-level shared centers for imaging, testing and other resources, laying a solid foundation for improving the quality of primary healthcare services.

For the third-party medical diagnostics industry, the development of medical institution alliances is transitioning from “framework building” to a new stage of “high-quality operation,” creating vast market opportunities for the industry. First, the full coverage of close-knit county-level medical communities has directly driven increased demand for diagnostic testing at the primary level, providing a large-scale and network-based service access points for third-party medical diagnostic institutions to participate in the development and operation of medical institution alliances. Second, the comprehensive implementation of policies on the mutual recognition of test and inspection results has raised higher requirements for standardization and quality consistency in testing; third-party institutions with standardized service capabilities and quality control systems will assume more responsibilities at the regional level. Third, the improvement of information interconnection and resource-sharing mechanisms within medical institution alliances has created favorable conditions for the mutual recognition of diagnostic data and results, further facilitating the integration of third-party diagnostic services into the hierarchical diagnosis and treatment system. In summary, third-party medical diagnostic institutions capable of providing comprehensive solutions for medical institution alliances and integrating and managing the industry chain will play a key role in the high-quality development of hierarchical diagnosis and treatment through technological innovation, service model upgrades, and deep collaboration with medical institutions, and will continue to benefit from the release of policy benefits.

1.2 With full launch of the project of strengthening the foundation of medical and health care, the expansion of the primary-level market creates a new blue ocean for diagnostic services

The 2024 Central Economic Work Conference explicitly proposed the implementation of the project of strengthening the foundation of medical and health care. In 2025, the State Council approved the Implementation Plan for the Project of Strengthening the Foundation of Medical and Health Care (《醫療衛生強基工程實施方案》) in principle, marking a new phase of systematic quality improvement and efficiency enhancement in primary healthcare services. The plan stipulates that by 2027, the distribution of primary healthcare institutions will be more rational, with the nearest medical service point can be accessed by residents within 15 minutes; by 2030, the equalization of basic public health services and the homogenization of basic medical services will be significantly improved, with the proportion of services provided by healthcare institutions at or below the county-level continuing to rise. This top-level design signifies that China has elevated the strengthening of grassroots healthcare service capacity to a strategic level, promoting the precise decentralization of healthcare resources through measures such as strengthening the substantive development of close-knit medical institution alliances, upgrading medical facilities and equipment, strengthening the grassroots healthcare workforce, and enhancing digital-intelligent service levels.

According to data from the National Health Commission, between 2020 and 2024, the number of primary healthcare institutions increased from 970,000 to 1.04 million, while the number of outpatient visits rose from 4.1 billion to 5.3 billion. Public utilization of primary healthcare services has been steadily growing, and in recent years, the proportion of primary medical services in the national total outpatient visits has also shown an upward trend. During the 15th Five-Year Plan period, China will continue to strengthen the development of the primary healthcare service system and enhance medical service capabilities through the “Primary Healthcare Capacity-Building Initiative”, as well as improve end-to-end health service and management capabilities, which will unleash significant potential in primary healthcare market. The value scope of primary services will expand beyond disease diagnosis into health management. As the medical-home integration is implemented and demand for chronic disease screening and early diagnosis continues to grow, the industry will gain access to even broader market growth opportunities.

1.3 Intensive rollout of “AI + healthcare” policies unlocking a hundred-billion-yuan track for intelligent diagnostics

Artificial intelligence technology is profoundly reshaping the healthcare services model. In November 2025, five national authorities including the National Health Commission, jointly issued the Implementation Opinions on Promoting and Regulating the Development of “AI + healthcare” Applications (《關於促進和規範“人工智慧+醫療衛生”應用發展的實施意見》), which clarified 24 key applications across eight areas, including primary-level applications, clinical diagnosis and treatments, and patient services. It stipulates that by 2027, a number of high-quality datasets and trusted data spaces for the healthcare industry will be established, and a batch of vertical large models and AI agent applications for specialized clinical diseases and disciplines will be developed. By 2030, intelligent assisted applications for primary-level diagnosis and treatment will basically achieve full coverage, while AI technologies such as intelligent assisted diagnosis by medical imaging and intelligent assisted decision-making for clinical diagnosis and treatment will be widely adopted in secondary and higher-level hospitals. The Opinions emphasize “focusing on primary healthcare,” developing intelligent assisted diagnostic and treatment applications for primary-level medical practitioners, and providing intelligent services such as assisted diagnosis and treatment, prescription review, and follow-up management for common and prevalent diseases at the primary level.

In terms of specific applications, the Opinions also stipulate: strengthening intelligent applications within close-knit county-level medical communities, with a focus on primary-level healthcare, enhancing the role of resource-sharing centers such as those for medical testing and pathological diagnosis, and improving the intelligence level of convenient and beneficial public services including diagnosis and treatment, basic public health, and collaborative chronic disease management; developing AI-assisted diagnostic and treatment applications for primary-level medical practitioners. For common and prevalent diseases at the primary level, primary AI-assisted diagnostic and treatment applications should be developed to provide primary-level medical practitioners with intelligent applications such as assisted diagnosis and treatment, prescription review, and follow-up management, thereby enhancing their capabilities in primary-level general practice assisted diagnosis, disease differential diagnosis, medical imaging assisted diagnosis and other services.

For the third-party medical diagnostics industry, the comprehensive implementation of the “AI + healthcare” strategy has brought multi-layered industrial opportunities. First, continuous exploration and practice of artificial intelligence technologies in the field of medical testing by third-party medical diagnostics companies will promote the adoption and promotion of related technologies within medical institution alliances, effectively enhancing diagnostic efficiency and service quality. Second, the application of medical AI technologies across the entire clinical diagnosis and treatment workflow can improve medical practitioners’ diagnosis and treatment efficiency and accuracy from pre-diagnosis to diagnosis and post-diagnosis, providing data-driven decision support for precision treatment. Therefore, diagnostic service providers equipped with technological capabilities in “AI + big data” and the ability to deploy solutions in real-world clinical settings will gain a first-mover advantage in the process of achieving full coverage of intelligent support for primary-level diagnosis and treatment, leading the transformation of the industrial ecosystem toward an intelligent future.

2. BUSINESS REVIEW

The year 2025 marked a year of further consolidation for the Group's business. In the face of profound transformation and fierce competition within the industry, the Group adhered to its business philosophy of “in-depth services and lean operations”, forging ahead under pressure and striving forward amidst challenges. By building a more flexible and resilient operational platform, we have consolidated our “one horizontal, one vertical (一橫一縱)” business foundation and established three key systems supporting our development, thereby withstanding external uncertainties with tenacity and diligence.

The Group continued to strengthen clinical-empowered value. Horizontally, we have extended a lean management system to advance multi-model collaboration among medical institution alliances; vertically, we have focused on specialty-specific innovation in hospital-enterprise collaboration to fast-track the translation and implementation of new technologies. Meanwhile, we have leveraged AI to enhance the comprehensive solutions, driving the digital transformation in healthcare scenarios. During the Reporting Period, the Group’s efforts yielded initial results in various initiatives, laying a solid foundation for long-term development:

2.1 Steady Improvement in Operational Quality with Strengthened Development Resilience

In 2025, affected by multiple factors such as the centralized drug-procurement program, cost controls of medical insurance, and intensified competition in the industry, the Group's performance was under pressure in the short term. In the face of multiple changes arising from market conditions, the Group implemented a series of internal reforms and achieved hard-won progress. During the Reporting Period, the Group recorded an overall revenue of RMB601.4 million, representing a decrease of 15.5% as compared to the same period of the previous year. However, the decline in revenue further narrowed and showed signs of bottoming out, profitability showed significant improvement, and operating profit successfully turned around losses. The Group recorded a net profit of RMB3.9 million, representing a turnaround from the previous year's losses. During the Reporting Period, the Group further optimized its cost-efficiency management and workforce efficiency management, resulting in a year-on-year decrease in selling expenses and administrative expenses of 34.4% and 29.6%, respectively, demonstrating notable achievement in cost reduction and efficiency enhancement. In addition, the Group has effectively mitigated operational risks by optimizing mechanisms for managing non-performing customers, implementing targeted collection of challenging receivables, and overseeing major loss-making customers. At a time when the overall industry is under pressure, the Group's development resilience has been continuously strengthened, building momentum for future development.

2.2 Steadily Implementing “One Horizontal, One Vertical” Strategy with Continuous Optimization of Business Structure

Extending the lean management system horizontally and promoting diverse forms of collaboration with customers

During the Reporting Period, in line with the national policies promoting high-quality medical resources towards lower-level hospitals and the coordinating development of regional healthcare, the Group, as a pioneer specializing in medical operation service, capitalized on policy opportunities and steadily implemented the “one horizontal” strategy. Adhering to our service philosophy of “professionalism as the foundation, standardization as the core, digital intelligence as the means, and synergization as the goal”, we provided alliance clients with diverse solutions tailored to different clinical needs and continuously extending the lean management system for alliance development. As of the end of the Reporting Period, the Group further explored client needs and has provided nearly 450 medical institution alliance clients with multi-model collaboration services, including AI+ digital intelligence solutions for medical institution alliances, comprehensive collaborations with medical laboratories, solutions for regional/pathology centers and precision medicine center, and specialty-based solutions for alliance development. We have effectively assisted healthcare institutions at all levels in enhancing their service capabilities, expanding service coverage, and establishing a hierarchical and coordinated healthcare service system.

During the Reporting Period, the “Regional Medical Testing Center”, jointly established by the Group and Guangzhou Baiyunshan Hospital, was officially launched. The successful inauguration of the center marked a significant milestone in deepening strategic collaboration between both parties. It aims to establish a high-efficiency and centralized medical testing platform serving Guangzhou and surrounding areas, while also actively implementing national policies encouraging collaboration between public hospitals and social entities to optimize medical resources allocation.

During the Reporting Period, we maintained solid growth in the diagnostic testing services segment provided by the Group for medical institution alliances through horizontal deepening of multi-model collaboration, generating revenue of RMB353.3 million, representing a slight decrease of 6.4% as compared to the previous year. The joint construction business with medical institution alliances remained the largest business segment of the Group, which accounted for 58.7% of the total revenue, representing an increase of 5.7 percentage points as compared to the same period of the previous year, underscoring our distinct competitive advantage.

Vertical collaboration with precise focus to build a new ecosystem for joint innovation

With the advent of the precision medicine era, precise treatment hinges on precise diagnosis. Adopting new technologies and methods to provide accurate clinical information will become a development trend. As a healthcare service group always adhered to the “clinical demands” oriented concept, the Group, in recent years, has deepened its “joint innovation platform for diagnostic testing” model, establishing in-depth collaborations with a number of renowned universities such as Fudan University, The Hong Kong Polytechnic University, and Jinan University, as well as renowned domestic medical institutions including Guangdong Provincial People’s Hospital, Guangxi Hospital Division of The First Affiliated Hospital, Sun Yat-sen University, Xiangya Hospital of Central South University, and The First Affiliated Hospital of Jinan University. The Group has made systematic progress across multiple dimensions including R&D commercialization, product development, data application, and specialty ecosystem construction, continuously enhancing precision clinical diagnosis and treatment capabilities. The dual engines of R&D commercialization and product innovation have also played a significant role in the Group’s business expansion and strengthening product competitiveness. During the Reporting Period, the revenue from the Group’s specialized testing projects increased significantly year-on-year, with a higher proportion of the Group’s overall revenue.

In terms of R&D commercialization and product innovation, as of the Reporting Period, the Group has collaborated with dozens of top medical institutions across the country in joint innovation for diagnostic testing and has successfully developed dozens of innovative medical testing projects, including innovative infectious disease detection projects for different infection syndromes in various fields such as respiratory tract infections, central nervous system infections, urinary tract infections, reproductive tract infections, and tuberculosis, as well as genetic testing projects for personalized antidepressants and anti-anxiety medication, thereby providing new momentum for the Group's long-term, high-quality development.

In terms of academic collaboration and enhancement of industry influence, during the Reporting Period, the Group jointly compiled the Expert Consensus on the Standardized Application of Targeted Next-Generation Sequencing in the Diagnosis and Treatment of Infectious Diseases (2025) (《靶向二代测序在感染性疾病診療中的規範化應用專家共識(2025)》) with Guangdong Provincial People's Hospital and other authoritative institutions, which has been officially published in the Chinese Journal of Laboratory Medicine (《中華檢驗醫學雜誌》), a top-tier domestic journal. Its publication will advance the standardized and normalized application of targeted next-generation sequencing (tNGS) technology in infectious disease diagnosis and treatment, providing robust technical support for precise clinical diagnosis and therapy, marking a significant milestone achievement. Additionally, the Group's research result on tNGS diagnosis of urinary tract infections, conducted in cooperation with The First Affiliated Hospital of Guangzhou Medical University, was published in a top international journal (with an impact factor of 14.3) of infectious diseases, underscoring the Group's academic influence. Furthermore, the Group has partnered with multiple leading hospitals to pursue a series of academic research and project proposals in the fields of ocular infections, skin infections, and parasite prevention and control, actively promoting the commercialization of scientific research and the clinical application of innovative results, which made frequent appearances at national and provincial academic conferences in various disease areas to actively promote the clinical application and promotion of emerging testing technologies.

In terms of deepening specialty collaboration and fostering an innovative ecosystem, during the Reporting Period, the Group partnered with the First Affiliated Hospital of Sun Yat-sen University and Guangxi Hospital Division of The First Affiliated Hospital, Sun Yat-sen University to conduct research and development on innovative biomarkers and disease progression monitoring for allergic rhinitis. Going forward, through technological innovation cooperation with ASEAN countries, the Group aims to promote high-quality medical technologies, testing solutions and service models overseas, enabling specialty innovations to benefit patients across broader regions. The Group also partnered with the First Affiliated Hospital of Jinan University to develop an innovative medical testing project of psychiatric drug genetic testing, and promoted the standardized clinic application of this project, which not only contributes cutting-edge "precision power" to partners and patients, but also set a benchmark for hospital-enterprise synergy innovation in the journey of solving the problem of personalized medication and optimizing the psychiatric diagnosis and treatment model.

Looking ahead, the Group will continue to be guided by its "one horizontal, one vertical" strategy, persistently optimize the lean management system for the development of medical institution alliances, deepen multi-model collaboration and hospital-enterprise synergy, empower more medical institutions with professional services, so as to facilitate the efficient allocation of medical resources and enhance the quality of medical services for all population.

2.3 Steady Development of a Large-Scale Delivery Operation System and Continuous Deepening of Lean Efficiency Improvement

In 2025, the Group formally established an operational system anchored by three major delivery centers in Guangzhou, Chengdu, and Hefei, significantly expanding its regional service coverage. Through optimization and adjustment of certain laboratories and cross-regional delivery integration, our delivery efficiency was substantially improved. To further enhance overall operational efficiency and service quality, the Group established a lean operation office, continuously refining mechanism design and talent development, achieving notable cost reduction and efficiency enhancement. During the Reporting Period, the Group's overall gross profit margin increased by 0.8 percentage points, while selling expenses decreased by 34.4% and administrative expenses decreased by 29.6%, as compared to the same period of the previous year.

In terms of quality development, as the only execution partner of Clinical & Laboratory Standards Institute (CLSI) in China, Yunkang has long been empowering medical institutions at all levels in establishing standardized laboratory quality systems. During the Reporting Period, the Group successfully completed the ISO 15189 medical laboratory accreditation consulting project for Guangxi Hospital Division of The First Affiliated Hospital, Sun Yat-sen University, marking a “breakthrough from zero” in the delivery of the new quality system. In terms of logistics innovation, Yunkang remains committed to advancing the intelligent upgrade of medical logistics through technological innovation. During the Reporting Period, the Group introduced two new intelligent benchmark routes in Chengdu and Kunming, further constructed and deployed intelligent benchmark routes across the country, and launched the first ultra-long drone route in the Greater Bay Area for transporting medical samples for testing, establishing an integrated “air-ground” intelligent logistics system. By leveraging the low-altitude economy to enhance logistics efficiency, we have accumulated valuable experience for digital and intelligent medical logistics services.

2.4 Digital and Intelligent Innovation Empowering Enterprise Development and Leading Industry Trends

In 2025, digital healthcare became the core growth engine of the industry, with policies encouraging the deep integration of “artificial intelligence + healthcare”, making digital capabilities a key competitive advantage for enterprises. During the Reporting Period, the Group recognised digital intelligence as a long-term driver, promoting the implementation of digital and intelligent innovation in all aspects.

During the Reporting Period, the Group upgraded our “XinYun (心雲)” system by integrating data from multiple systems including logistics and testing, to establish an end-to-end sample workflow, enabling intelligent efficiency improvements across sample transfer, report review, customer service, and data management. Additionally, the Group has deployed intelligent agent “Xiaoyun (小雲)” integrated with DeepSeek to provide clinicians with medical knowledge Q&A and intelligent report interpretation services, significantly enhancing medical practitioners’ satisfaction with sample enquiries and precisely aligning with the industry trend of “digital empowerment of clinical services”. In terms of testing efficiency improvements, AI diagnostics have achieved large-scale implementation, focusing on areas such as pathological DNA ploidy analysis, cervical liquid-based cell AI, and chromosome analysis. The Group adopted an “AI primary screening + human review” model, which has increased diagnostic efficiency by over 100%, with accuracy steadily maintained at 98% or above. Furthermore, the turnaround time for pathology testing has been shortened by 6 to 8 hours, resulting in a 100% increase in per capita efficiency.

In terms of deeply empowering the entire clinical diagnosis and treatment process, during the Reporting Period, the Group unveiled its medical AI model “ZhiYun (智雲)” developed in collaboration with Runda Medical, signifying a new height for the Group’s unique digital-intelligence healthcare solutions powered by AI technology. This medical AI agent, built on general-purpose large-scale model technologies such as DeepSeek, PanGu, and Tongyi Qianwen, spans the entire clinical workflow, from pre-diagnosis to diagnosis and post-diagnosis. It will provide more efficient and convenient support and experience across all stages of clinical medical services and help medical practitioners in continuously optimizing their medical practice models. In the future, “ZhiYun”, the medical AI model, will be piloted in Yunkang’s healthcare partners and gradually rolled out nationwide, to improve quality and efficiency in the operation of medical institution alliances.

In terms of exploring data value, in recent years, the Group has gradually built the capabilities in data assetization and established a data asset security management system through measures such as data standardization, data resource accumulation, and data security and compliance management. During the Reporting Period, the Group has collaborated with Guangzhou Data Exchange and Zhejiang Big Data Trading Center to launch the “Yunkang Intelligent Medical Testing Data Product”, becoming one of the pioneers in the industry to explore medical data trading, securing a first-mover advantage in the “marketization of data” and marking a crucial step towards the gradual realization of the value of medical digital assets.

2.5 Constructing Sustainable Development Barriers to Anchor Long-term Value

The Group has consistently upheld the mission of “empowering healthcare with technology and promoting universal health coverage”. It has been dedicated to addressing the public health needs and providing professional, precise, efficient, and convenient medical and health services to its customers. The Group achieved consecutive annual improvements in its ESG score within the Corporate Sustainability Assessment (CSA) by S&P Global, a leading international rating agency. Its performance across governance, social, and environmental significantly exceeded the industry averages, and was included in the S&P Global’s Sustainability Yearbook for two consecutive years. Its sustainability performance has gained international recognition. As a leading healthcare service group in China, the Group has always embedded the concept of sustainable development into its strategy and operations since inception, building robust barriers to sustainable development and anchoring long-term value:

Further promote the development of medical institution alliances and facilitate the allocation of medical resources to lower-tier areas

The Group has actively responded to the national hierarchical diagnosis and treatment policy and established a well-developed and comprehensive solution for the construction of medical institution alliances. As of the date of this report, we have extended our support to nearly 450 leading hospitals that are jointly constructed by medical institution alliances, as well as to over 1,500 medical institutions in collaboration with medical institution alliances, thereby facilitating the allocation of high-quality medical resources to lower-tier areas. As the sole exclusive implementation partner of CLSI's healthcare business in China, it has long collaborated with CLSI to promote quality and competency standards for medical laboratories at the primary level in China, enhance the quality of primary healthcare services and facilitate the adoption of international standards. In terms of technological innovation and R&D commercialization, the Group has continuously enhanced its professional influence on specialty fields such as infectious diseases, psychiatry and allergies through the “joint innovation platform for diagnostic testing” and the “government-industry-academia-research-medical-application collaborative model”. Its extensive collaborative network now spans over ten provinces and municipalities, including Guangdong, Guangxi, and Yunnan, allowing the dissemination of high-quality technologies and services to a broader spectrum of primary healthcare scenarios.

Fortify the defense line for cancer screening and the prevention and control of chronic diseases

As a key participant in the national cervical and breast cancer screening (兩癌篩查) programme, the Group has provided health screening services to hundreds of thousands of women for years through public welfare initiatives, professional screenings and health consultations. In the field of diabetes prevention and control, we have collaborated with the International Diabetes Federation (IDF) to advance the implementation of international professional standards since 2015. Together with Sun Yat-sen University and its affiliated hospital, we have established a diabetes community internet health management platform based on retina monitoring, conducting complimentary screening and health education at over a hundred community healthcare institutions nationwide and has built a community-based “diabetes network (糖網)” fundus imaging library, forming a demonstration model for international standards transformation and community-based internet health management.

Promoting Digital Intelligence Empowerment and Data Application

In addition to achieving full-scale intelligence in the medical testing and promoting the application of large medical models in the development of medical institution alliances, the Group has also taken the lead in undertaking the “2018 Innovation and Development of Internet Plus, artificial intelligence and digital economy pilot major projects” (“2018年互聯網+人工智能創新發展和數字經濟試點重大工程”), a key investment project under the National Development and Reform Commission. Collaborating with nearly 10 universities and medical institutions, the Group has initially built a widely covered “Hierarchical and Collaborative Diagnosis and Treatment Service Platform for Health and Medical Big Data” (“健康醫療大數據分級協同診療服務平台”). In 2025, the Group once again successfully applied for and secured the “2025 Special Project of Central Budget Investment in the Digital Economy” (“2025年數字經濟中央預算內投資專項工程”) jointly launched by the National Development and Reform Commission and the National Data Bureau, which further aligned with the national strategy of data empowerment and promoted business innovation to resonate with industry trends.

Supporting the Development of Public Health Service Network

During major public health emergencies, the Group was among the first to be at the forefront of epidemic prevention and control efforts and was recognized by the relevant authorities as a core national participant. It has assisted numerous regions nationwide in rapidly enhancing testing capacity and efficiency, providing a robust technical barrier to contain the spread of epidemics and supporting the development of the public health service network.

The Group firmly believes that by deeply integrating technological innovation with societal needs, we not only create inclusive value for society but also build robust barriers for the Group’s long-term development, thereby anchoring enduring value that transcends commercial interests.

FINANCIAL REVIEW

Overview

The financial summary set out below is extracted or calculated from the consolidated financial statements of the Group for the Reporting Period which were prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), including compliance with HKFRS Accounting Standards.

Revenue

Revenue of the Group amounted to RMB601.4 million for the Reporting Period, representing a decrease of 15.5% compared to RMB711.9 million for the year ended December 31, 2024. The decrease in both the overall revenue and the revenue from each business segment was mainly due to changes in the overall economic environment, a market-driven reduction in the prices of routine testing services, slower-than-expected growth in demand for routine testing services, and the Group's proactive efforts to optimize its client structure to achieve higher-quality development, resulting in a year-on-year decrease in overall revenue of diagnostic testing services.

The Group's revenue for the years indicated was generated from three segments as demonstrated below:

	For the year ended December 31,		
	2025	2024	Change
	<i>RMB'000</i>	<i>RMB'000</i>	
<i>Recognized at a point in time:</i>			
– Diagnostic testing services for medical institution alliances	353,315	377,315	(6.4)%
– Diagnostic outsourcing services	216,921	301,809	(28.1)%
– Diagnostic testing services for non-medical institutions	31,152	32,760	(4.9)%
	601,388	711,884	(15.5)%

Diagnostic Testing Services for Medical Institution Alliances

The Group has been committed to developing the innovative service model for joint development of medical institution alliances featuring “professionalism as the foundation, standardization as the core, digital intelligence as the means, synergization as the goal”. Benefiting from the nationwide policy support for the development of medical institution alliances, as well as the Group’s extensive experience accumulated through long-term commitment to medical institution alliances business, the Group has consistently maintained sound growth trajectory in the diagnostic testing service business for medical institution alliances. During the Reporting Period, the diagnostic testing services for medical institution alliances have continued to be the Group’s largest business segment, accounting for 58.7% of the total revenue, representing a year-on-year increase of 5.7 percentage points, indicating significant competitive advantages.

Diagnostic Outsourcing Services

During the Reporting Period, diagnostic outsourcing services recorded revenue of RMB216.9 million, representing a decrease of 28.1% as compared to the same period of 2024. The growth in demand for routine testing services was slower than anticipated due to multiple factors including the centralized drug-procurement program, cost controls of medical insurance, and fierce market competition, resulting in pressure on short-term results. In addition, the Group took the initiative to optimize the customer portfolio, resulting in a decrease in revenue from diagnostic outsourcing service business.

Diagnostic Testing Services for Non-Medical Institutions

Diagnostic testing services for non-medical institutions are mainly provided through our outpatient clinics, serving individual customers. During the Reporting Period, revenue generated from diagnostic testing services for non-medical institutions decreased by 4.9% from RMB32.8 million for the year ended December 31, 2024 to RMB31.2 million for the year ended December 31, 2025, which was mainly affected by external market environment and intensified competition in the industry.

Cost of Revenue

The Group’s cost of revenue consists of (i) cost of reagent and pharmaceuticals consumed; (ii) staff costs; (iii) depreciation expenses, which primarily include depreciation of property and equipment and right-of-use assets; (iv) subcontracting charges, which primarily include outsourcing service fees paid; and (v) other costs, which are directly attributable to the generation of revenue.

The Group’s cost of revenue decreased by 16.4% from RMB500.8 million for the year ended December 31, 2024 to RMB418.6 million for the year ended December 31, 2025, primarily attributable to a decline in overall revenue, which in turn led to a corresponding decrease in cost of revenue.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, the Group's gross profit decreased by 13.4% from RMB211.1 million for the year ended December 31, 2024 to RMB182.8 million for the year ended December 31, 2025. The Group's overall gross profit margin increased from 29.6% for the year ended December 31, 2024 to 30.4% for the year ended December 31, 2025. During the Reporting Period, the Group continued to optimize operating costs and further improved the efficiency of resource utilization, thereby achieving cost reduction and efficiency improvement, which resulted in a slight increase in the gross profit margin as compared with the same period last year.

Selling Expenses

The Group's selling expenses decreased by 34.4% from RMB180.2 million for the year ended December 31, 2024 to RMB118.2 million for the year ended December 31, 2025, primarily due to the Group's ongoing efforts to enhance its operational and management capabilities, as well as its implementation of measures such as strengthened cost control and precise expenditure allocation during the Reporting Period, leading to a significant overall reduction in selling expenses.

Administrative Expenses

The Group's administrative expenses decreased by 29.6% from RMB264.8 million for the year ended December 31, 2024 to RMB186.5 million for the year ended December 31, 2025, primarily due to the following reasons: i) a decrease of RMB21.5 million in the expenses in connection with restricted share awards accrued by the Group under the 2022 RSU Scheme; and ii) the Group's continuous optimization of management processes and strict implementation of cost control measures to enhance efficiency, resulting in a further reduction in administrative expenses.

The Group's R&D expenses slightly decreased from RMB53.0 million for year ended December 31, 2024 to RMB51.9 million for year ended December 31, 2025, and the percentage of R&D expenses to total revenue increased from 7.4% for the year ended December 31, 2024 to 8.6% for the year ended December 31, 2025, primarily due to the Group's unwavering commitment to the development direction of pursuing growth through innovation, with continued investment in business innovation as well as digital and intelligent innovation during the Reporting Period.

Impairment Losses on Financial Assets

For the year ended December 31, 2025, the Group's reversal of impairment losses on financial assets was RMB214.3 million, as compared to the impairment losses on financial assets of RMB536.2 million for the year ended December 31, 2024. During the Reporting Period, the Group has continuously strengthened the management on accounts receivable to shorten the collection cycle. Leveraging a series of government policies launched in 2025 to support the resolution of accounts receivable, the Group implemented a series of measures to recover long-aged trade receivables, achieving notable progress. As of 31 December 2025, the Group's trade receivables aged 2 years or more decreased by approximately 40.4%. During the Reporting Period, the Group recovered trade receivables aged 2 years and more of approximately RMB539.2 million in total, resulting in a reversal of impairment losses on financial assets of RMB214.3 million for the period, including the reversal of provisions of expected credit losses on receivables from customers of public healthcare institutions and disease control centers of RMB49.3 million and RMB147.3 million, respectively.

The Group assigned debtors of trade receivables to different groups based on their characteristics of risk and then calculated the expected credit losses of these debtors using a "simplified approach" permitted by HKFRS Accounting Standards by fully and prudently considering the impact of the aging of their accounts receivable, historical modes of payment and forward-looking factors. In the future, the Group will continue to adopt various measures to enhance the management of trade receivables: for customers with good credit and new customers, the Group will continue to tighten credit control and enhance efforts in collection to reasonably control the level of accounts receivable; for accounts receivable that have not been collected for a long time, the Group will continue to step up collection efforts and adopt multiple measures to facilitate recovery.

Other Income

The Group's other income increased by 65.2% from RMB1.3 million for the year ended December 31, 2024 to RMB2.1 million for the year ended December 31, 2025. The increase was mainly due to the increase in rental income from investment properties.

Other (Losses) Gains – Net

During the Reporting Period, our other losses, net were approximately RMB55.4 million, as compared to the other gains, net of RMB25.0 million for the year ended December 31, 2024. This was mainly attributable to (i) a loss of RMB50.0 million arising from the redemption of some financial assets; (ii) loss arising from the sale or obsolescence of idle equipment; and (iii) increase in charitable donation expenses.

Finance Costs, Net

The Group's net finance costs decreased from RMB39.1 million for the year ended December 31, 2024 to RMB26.0 million for the year ended December 31, 2025, primarily due to the Group's optimization of its debt structure in 2025, which led to a decrease in interest expenses on interest-bearing borrowings.

Profit (Loss) Before Income Tax

As a result of the aforementioned factors, during the Reporting Period, the Group recorded a profit before income tax of RMB7.0 million, as compared to a loss before income tax of RMB791.2 million for the year ended December 31, 2024, marking a turnaround from loss to profit.

Income Tax Expenses

The Group recorded income tax expenses of RMB2.0 million for the year ended December 31, 2024 as compared to income tax expenses of RMB3.1 million for the year ended December 31, 2025, primarily due to the income tax assets of certain intra-group companies becoming unrecoverable resulting from the expiry of deductible losses, leading to the recognition as expenses for the period.

Property and Equipment

The Group's property and equipment consist of property and buildings, medical equipment, vehicles, furniture and office equipment, leasehold improvements, construction in progress and right-of-use assets.

The Group's property and equipment decreased from RMB314.3 million as at December 31, 2024 to RMB258.3 million as at December 31, 2025, mainly due to (i) the change of use of certain fixed assets to investment properties; (ii) the impairment on property and equipment; and (iii) the depreciation and amortization of property and equipment.

Financial Assets Measured at Fair Value

The Group's financial assets measured at fair value comprise financial assets designated at FVTPL and financial assets designated at FVOCI.

As at December 31, 2025, the balance of financial assets at FVTPL was RMB252.1 million, representing a decrease of RMB223.3 million from RMB475.4 million as at December 31, 2024 due to sales of certain investments.

As at December 31, 2025, the balance of financial assets at FVOCI was RMB50.4 million, representing a decrease of RMB8.7 million from RMB59.1 million as at December 31, 2024, due to the decrease in the appraised value of the Group's unlisted investee companies during the Reporting Period.

Inventories

The Group's inventories primarily consist of reagents and pharmaceuticals.

The Group's inventories decreased from RMB16.1 million as at December 31, 2024 to RMB13.9 million as at December 31, 2025, as the Group's procurement scale decreased following the reduction of business scale and the Group continued to strengthen its inventory management.

Trade and Bill Receivables

Our trade receivables mainly represent the outstanding amounts due from healthcare institution customers in relation to the diagnostic outsourcing services and diagnostic testing services for medical institution alliances. The following table sets forth our trade receivables as of the dates indicated:

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables		
– Third parties	939,432	1,490,350
– Related parties	414	403
	<hr/>	<hr/>
	939,846	1,490,753
Less: allowance for impairment of trade receivables	(593,345)	(866,283)
	<hr/>	<hr/>
	346,501	624,470
Bill receivables	2,023	3,986
	<hr/>	<hr/>
	348,524	628,456
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The Group's trade and bill receivables decreased from RMB628.5 million as at December 31, 2024 to RMB348.5 million as at December 31, 2025, primarily due to (i) the collection of a portion of trade receivables arising from COVID-19-related revenue; (ii) the reversal of allowance for impairment of trade receivables. The credit term granted by the Group to customers is generally within 180 days. In accordance with industry practice, the settlement periods applicable to certain customers, such as public hospitals and the Chinese Center for Disease Control and Prevention, involve lengthy internal administrative procedures. The Group maintains stringent control over these outstanding receivables and operates a credit control department to minimize credit risks. Senior management of the Company conducts regular reviews of overdue balances.

Prepayments and Other Receivables

The Group's prepayments and other receivables were RMB132.1 million as of December 31, 2025, representing an increase of RMB17.2 million as compared to RMB114.9 million as of December 31, 2024, primarily due to the increase in prepayments for investments.

Trade and Other Payables

The Group's trade and other payables decreased from RMB970.2 million as at December 31, 2024 to RMB839.7 million as at December 31, 2025, primarily due to (i) reversal of provision of disputes resulting from professional services falling short of expectations; and (ii) payment of certain expenses and amounts due.

Capital Management

The Group's objectives in respect of managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders while maintaining an optimal capital structure to reduce the cost of capital.

Liquidity and Financial Resources

The Group's cash and cash equivalents increased from RMB1,321.4 million as at December 31, 2024 to RMB1,522.2 million as at December 31, 2025, primarily due to the Group's collection of a portion of trade receivables arising from COVID-19-related revenue. For details of the Group's trade receivables, please refer to the section headed "Trade and Bill Receivables".

Net Current Assets

The following table sets forth a summary of our net current assets as at the dates indicated:

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current assets		
Inventories	13,930	16,075
Trade and bill receivables	348,524	628,456
Prepayments and other receivables	86,221	24,279
Financial assets at FVTPL	181,860	412,989
Restricted cash	64,211	256,297
Cash and cash equivalents	1,522,169	1,321,355
Total current assets	2,216,915	2,659,451

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Current liabilities		
Borrowings	511,336	902,575
Trade and other payables	839,676	970,158
Current income tax liabilities	34,762	34,747
Lease liabilities	7,015	8,955
	<hr/>	<hr/>
Total current liabilities	1,392,789	1,916,435
	<hr/> <hr/>	<hr/> <hr/>
Net current assets	824,126	743,016
	<hr/> <hr/>	<hr/> <hr/>

The Group's net current assets increased from RMB743.0 million as of December 31, 2024 to RMB824.1 million as of December 31, 2025, mainly due to the decrease in the borrowings included in current liabilities, and the decrease in trade and other payables.

Key Financial Ratios

The following table sets forth the Group's key financial ratios for the periods or as at the dates indicated.

	As of December 31,	
	2025	2024
Gross profit margin ⁽¹⁾	30.4%	29.6%
	As at	As at
	December 31,	December 31,
	2025	2024
Current ratio ⁽²⁾	1.59	1.39
Quick ratio ⁽³⁾	1.58	1.38
Debt to asset ratio ⁽⁴⁾	0.57	0.64

Notes:

- (1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.
- (2) Current ratio is calculated based on total current assets divided by total current liabilities.
- (3) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.
- (4) Debt to asset ratio is calculated as total liabilities divided by total assets.

Capital Commitments

The Group's capital commitment in 2025 was mainly related to the construction project of the land acquired by the Group in Guangzhou in 2019. The Group's capital commitment amounted to RMB34.5 million as of December 31, 2025, as compared to RMB74.2 million as of December 31, 2024. The decrease in the capital commitment was mainly due to the progress of the said construction project following its commencement in 2025.

Contingent Liabilities

As at December 31, 2025, the Group did not have contingent liabilities.

Financing and Treasury Policies

The Group adopts centralized financing and treasury policies in order to ensure the Group's funding is utilized efficiently. The Group's liquidity position remains healthy, and the Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements.

The Group's primary objectives for managing its capital are to safeguard the Group's ability to provide returns to the Shareholders and benefits for other stakeholders, by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost. The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder's returns that might be possible with higher level of borrowings and the advantage and security based on a sound capital position, and adjusts the capital structure in light of changes in economic conditions.

Foreign Exchange Risk

The Group mainly operates in China. The relevant foreign exchange risk arises from bank deposits and financial assets at FVTPL that are denominated in Hong Kong dollars or U.S. dollars, and borrowings that are denominated in Swiss francs. The Group has adopted forward foreign exchange currency swap arrangement for borrowings that are denominated in Swiss francs to mitigate exchange risk, other than which the Group does not have any other material direct exposure to foreign exchange fluctuations. The management will continue to monitor foreign exchange risk, take prudent measures and develop hedging strategy as appropriate to reduce foreign exchange risks.

Cash Flow and Fair Value Interest Rate Risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

Other than interest-bearing short-term deposits, the Group has no other significant interest-bearing assets. The Board does not anticipate that there is any significant impact to interest-bearing assets resulted from the changes in interest rates because the interest rates of short-term deposits are not expected to change significantly.

Credit Risk

The Group is exposed to credit risk in relation to its trade and other receivables, amounts due from related parties and cash deposits at banks. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

Liquidity Risk

To manage the liquidity risk, the Group's policy is to regularly monitor its liquidity requirements and compliance with lending covenants, to ensure that it maintains sufficient reserve of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

Borrowings and Gearing Ratio

As at December 31, 2025, the Group had borrowings of RMB683.6 million (December 31, 2024: RMB1,053.9 million), of which RMB356.1 million were at fixed interest rates (December 31, 2024: RMB697.5 million). As at December 31, 2025, borrowings equivalent to approximately RMB59.5 million were originally denominated in Swiss francs.

The debt maturity profile for the Group's total borrowings is determined based on the scheduled repayment dates set out in each loan agreement and is presented below:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Repayment period is:		
Less than 1 year	511,336	902,575
1 to 2 years	139,308	80,352
2 to 3 years	1,000	37,987
More than 3 years	32,000	33,000
	683,644	1,053,914

The finance department of the Group regularly and closely examined the overall condition of cash and liabilities, and flexibly arranged financing plans based on finance costs and maturity profile.

The gearing ratio of the Group (calculated as total interest-bearing borrowings and lease liabilities divided by total equity plus other financial liabilities as at the same date) is set out in the table below:

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest-bearing borrowings	683,644	1,053,914
Lease liabilities	8,664	19,030
Total interest-bearing borrowings and lease liabilities	692,308	1,072,944
Total equity	1,162,360	1,149,877
Total equity	1,162,360	1,149,877
Gearing Ratio	59.6%	93.3%

The gearing ratio of the Group (calculated as total interest-bearing borrowings and lease liabilities divided by total equity plus other financial liabilities as at the same date) decreased from 93.3% as of December 31, 2024 to 59.6% as of December 31, 2025, mainly due to the Group's repayment of certain short-term borrowings, resulting in a decrease in total borrowings.

Pledge of Assets

As at December 31, 2025, borrowings of approximately RMB213.7 million (December 31, 2024: RMB515.1 million) were secured by the Group's certain property and equipment, pledged by certain time deposits, certain trade receivables, lands and its share equity interest in a subsidiary.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures during the Reporting Period

As of December 31, 2025, the Group held one investment valued at 5% or more of the Group's total assets, details of which are set out below:

Investment name	Investment cost	Fair value as of December 31, 2025	Unrealised gains during the Reporting Period	Compared to the Group's total assets as of December 31, 2025
Windward Ascent SPC ⁽ⁱ⁾	US\$24,000,000	US\$25,874,000	US\$1,874,000	6.8%

- (i) The Company subscribed for an independent asset portfolio established by Windward Ascent SPC. Windward Ascent SPC is an exempted company with limited liability registered as an independent investment portfolio company under the laws of the Cayman Islands and is principally engaged in the investment and management of money market instruments.

The Group's investment strategy for material investments is to identify investment opportunities with growth potential and risk-adjusted returns for the Shareholders. The Group will pay close attention to the impact of market changes and adjust the investment portfolio when necessary. The Group holds these investments for the purpose of generating stable returns.

Save as disclosed above, the Group did not make any significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

Events after the Reporting Period

No important events affecting the Group have occurred since December 31, 2025 and up to the date of this announcement.

Future Plans for Material Investments and Capital Assets

The Group does not have any concrete committed plans for material investments and capital assets as at the date of this announcement.

Employees and Remuneration

As at December 31, 2025, the Group had 1,064 employees (as at December 31, 2024: 1,249). The total remuneration cost (including Directors' remuneration) incurred by the Group as of December 31, 2025 was RMB227.5 million (as of December 31, 2024: RMB299.8 million). The total remuneration of employees as of December 31, 2025 includes approximately RMB2.1 million of expenses related to restricted share awards (as of December 31, 2024: RMB23.6 million). The remuneration package of the Group's employees includes salary and bonus, which are generally determined by their qualifications, industry experience, position and performance. The Group makes contributions to social insurance and housing provident funds as required by the PRC laws and regulations. Apart from offering a competitive remuneration and benefits package, the Group provides corporate and vocational training to its employees according to the training and development policy of the Group.

The Company has also adopted a restricted share unit scheme as at November 23, 2022 to attract, retain and incentivize the key personnel and partners of the Company, and to promote the value of the Company by offering these individuals an opportunity to acquire the shares of the Company and a proprietary interest in the success of the Company, thereby linking their interests with the Company's performance. For details, please refer to the Company's announcements dated November 23, 2022 and July 28, 2023.

OTHER INFORMATION

Compliance with the Code Provisions set out in Part 2 of the Corporate Governance Code in Appendix C1 to the Listing Rules (the "Corporate Governance Code")

The Company strives to achieve high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code as the basis of the Company's corporate governance practices.

During the Reporting Period, the Company has complied with all applicable code provisions set out in Part 2 of the Corporate Governance Code except for the deviation from code provision C.2.1 of the Corporate Governance Code. Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Mr. Zhang Yong currently serves as the chairman of the Board and the chief executive officer of the Company. He joined the Group on May 28, 2008 and has been operating and managing the Group since then. The Directors believe that it is beneficial to the business operations and management of the Group that Mr. Zhang Yong continues to serve as both the chairman of the Board and the chief executive officer of the Company.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Listing Rules (the “Model Code”)

The Company has adopted the Model Code as its securities code to regulate the dealing by the Directors in securities of the Company. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the Reporting Period. The Company’s relevant employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance with the Model Code by the Company’s relevant employees was noted by the Company during the Reporting Period.

The Company has also established a policy on inside information to comply with its obligations under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Listing Rules. In case when the Company is aware of any restricted period for dealings in the Company’s securities, the Company will notify its Directors and relevant employees in advance.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any subsidiaries or consolidated affiliated entities of the Group purchased, redeemed or sold any of the listed securities of the Company during the Reporting Period.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, June 23, 2026 to Friday, June 26, 2026, both days inclusive, in order to determine the eligibility of the Shareholders to attend and vote at the annual general meeting to be held on Friday, June 26, 2026 (the “AGM”). A notice of the AGM will be issued and delivered to the Shareholders in due course. In order to be eligible to attend and vote at the AGM, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on Monday, June 22, 2026. The Shareholders whose names appear on the register of members of the Company on Friday, June 26, 2026 are entitled to attend and vote at the AGM.

AUDIT COMMITTEE

The Company has established the audit committee (the “**Audit Committee**”) under the Board with written terms of reference in compliance with the Corporate Governance Code. The Audit Committee consists of one non-executive Director and two independent non-executive Directors, namely Dr. Wang Ruihua, Mr. Yu Shiyong and Mr. Xie Shaohua (Chairman).

The Audit Committee has reviewed the consolidated financial statements for the year ended December 31, 2025 of the Group. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control measures with senior management members. The Audit Committee does not have any disagreement with the accounting treatment adopted by the Company.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of this announcement for the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereon for the year ended December 31, 2025 have been agreed by the Company's external auditor, Forvis Mazars CPA Limited ("Forvis Mazars"), to the amounts set out in the Group's consolidated financial statements for the year ended December 31, 2025. The work performed by Forvis Mazars in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Forvis Mazars on the preliminary announcement.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended December 31, 2025.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yunkanghealth.com).

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

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Company for their support and contribution to the Group.

By order of the Board
Yunkang Group Limited
Zhang Yong
Chairman

Guangzhou, the PRC
March 30, 2026

As at the date of this announcement, the Board comprises Mr. Zhang Yong as chairman and executive Director; Mr. Zhang Weijie, Dr. Wang Pinghui and Dr. Wang Ruihua as non-executive Directors; and Mr. Yu Shiyou, Mr. Xie Shaohua and Dr. Dong Min as independent non-executive Directors.