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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)**

### PROFIT WARNING

This announcement is made by Yunkang Group Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) under Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the draft unaudited consolidated management accounts of the Group and other information currently available to the Board, the Group expects to record a net loss in the range of RMB663.0 million to RMB856.0 million for the year ended December 31, 2024 (the “**Reporting Period**”), as compared to a net loss of approximately RMB101.9 million for the year ended December 31, 2023. The expected net loss was primarily attributable to the following reasons:

1. during the Reporting Period, factors such as changes in the macro-environment, intensified competition in the industry as well as the Group’s strategic optimization of its customer structure and product mix has led to an overall decline in its revenue from diagnostic testing services as compared to the same period last year. Meanwhile, the downward adjustment of market prices and higher fixed costs of enterprises has led to insignificant economies of scale, resulting in an overall decline in its gross profit of the products as compared to the same period last year. Faced with the challenging objective environment, the Group promptly adjusted its development strategy, focusing its advantageous resources on its core customers and core products. As a result, the Group’s key customers experienced high-quality development, and the featured products in infection and other segments achieved rapid growth, laying a solid foundation for its long-term development;
2. during the Reporting Period, the Group continuously enhanced its operational and management capabilities and strengthened its cash flow management, with net cash generated from operating activities remaining positive and at a favorable level. However, due to the lengthening of the recovery period of some customers of the Group, the provision for credit impairment losses during the Reporting Period increased significantly as compared to the same period last year, amounting from approximately RMB495.0 million to approximately RMB622.0 million. The final impairment amount was determined after evaluation and audit by the valuer engaged by the Company and the Company’s auditors. The Group will strengthen credit control and increase collection efforts to reasonably control the level of accounts receivable;

3. during the Reporting Period, in order to optimize the allocation of resources and enhance the efficiency of resource use, the Group implemented strategic optimizations on those laboratories whose performance failed to meet expectations, and made impairment provision for relevant assets based on the principle of prudence, resulting in a decrease in the Group's profits in the short term; and
4. during the Reporting Period, the Group continuously (i) increased its investment in research and development (“R&D”), exploring innovations in models and products, as well as R&D and application in AI digitalization, to build a disease- and clinical-oriented R&D system for high-quality products, (ii) enriched the customer service model and product matrix, and (iii) promoted technological innovation for clinical purposes. During the Reporting Period, the proportion of R&D expenses to sales revenue further increased, which had a certain impact on the Group's profitability.

Despite facing the above challenges, the Group, relying on its customer-centric innovation and synergistic development system, has made numerous breakthroughs in product innovation, model innovation and “AI + medical care” digitalization during the Reporting Period, establishing a strong foundation for its high-quality development in the long run. The Group remains optimistic that despite the short-term pressure on the Group's performance due to the external objective environment, with the improvement of the macro-environment and the finalization of market adjustment, the Group will be able to meet market demands with more competitive products and services, putting the Group in a more favorable market position.

#### **CAUTION STATEMENT**

The Board wishes to remind the Shareholders and potential investors that the above financial data is based on the draft unaudited consolidated management accounts of the Group for the year ended December 31, 2024 and the information currently available to the Board. Such information has not been audited or reviewed by the auditors and the audit committee of the Company and is subject to adjustments upon further review. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended December 31, 2024 which is expected to be published in March 2025.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**Yunkang Group Limited**  
**Zhang Yong**  
*Chairman*

Guangzhou, the PRC  
March 4, 2025

*As at the date of this announcement, the Board comprises Mr. Zhang Yong as chairman and executive Director; Ms. Huang Luo, Dr. Wang Pinghui and Dr. Wang Ruihua as non-executive Directors; and Mr. Yu Shiyong and Mr. Xie Shaohua as independent non-executive Directors.*