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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**”) pursuant to 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 RMB90.0 million to RMB130.0 million for the year ended December 31, 2023 (the “**Reporting Period**”), as compared to a net profit of RMB373.9 million for the year ended December 31, 2022. The expected turnaround from net profit to net loss was primarily attributable to the following reasons:

- (i) during the Reporting Period, there was a significant decrease in revenue from the Group’s overall diagnostic testing services as compared to last year as a result of a decline in the demand for phased testing and screening nationwide. However, without taking into account such impact, the Group’s routine testing business had achieved a healthy and steady growth during the Reporting Period;
- (ii) during the Reporting Period, the Group further improved its operational and management capabilities and strengthened its cash flow management, resulting in a significant improvement in net cash generated from operating activities as compared to last year. However, due to the longer collection cycle of certain trade receivables, the Group recorded a relatively large amount of impairment provisions; and
- (iii) during the Reporting Period, as the demand for phased testing and screening decreased, the Group effectively implemented a series of measures based on local conditions in order to respond in a timely manner, and there was a decrease in the Group’s profitability in the short term as a result of the one-off costs incurred from the elimination of redundancies.

Given the Group's development strategy centered around "in-depth services and lean operations" in the future, the income of the Group's medical diagnosis services is expected to achieve high-quality growth through deepening the Group's service systems and building efficient operation systems.

## **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, 2023 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, 2023 which is expected to be published in March 2024.

**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 5, 2024

*As of 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, Mr. Lan Fenghui and Mr. Xie Shaohua as independent non-executive Directors.*