

1 August 2022

**High Concentration of Shareholding
in
Yunkang Group Limited (stock code: 02325)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Yunkang Group Limited (“the Company”) in the hands of a limited number of shareholders as at 8 July 2022.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that, as at 8 July 2022, 18 shareholders held an aggregate of 145,832,500 Shares, representing 23.47% of the issued Shares. Such shareholding, together with 459,891,000 Shares (representing 74.03% of the issued Shares) held by the 2 substantial shareholders, represented 97.50% of the issued Shares as at 8 July 2022. Therefore, only 15,527,000 Shares (representing 2.50% of the issued Shares) were held by other shareholders.

As at 8 July 2022, the shareholding structure of the Company was as follows:-

	Number of Shares held (Shares)	% of total number of issued Shares (%)
YK Development Limited (Note 1)	250,108,000	40.26
Daan International Holdings Limited (Note 2)	209,783,000	33.77
2 cornerstone investors (Note 3)	37,791,500	6.08
A group of 16 shareholders	108,041,000	17.39
Other shareholders	15,527,000	2.50
Total	621,250,500	100.00

Note 1: YK Development is held as to 64.04% and controlled by Huizekx Limited, which is wholly-owned by Mr. Zhang Yong, Chairman, Executive Director and Chief Executive Officer of the Company.

Note 2: Daan International Holdings Limited is wholly-owned by Guangzhou Daan Gene Technology Co., Ltd, and ultimately controlled by Daan Gene Co., Ltd. (廣州達安基因股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 002030.sz).

Note 3: The 2 cornerstone investors are Harvest International Premium Value (Secondary Market) Fund SPC acting on behalf of Harvest High Yield SP and YHLO (Hong Kong) Limited. Each of the cornerstone investors has agreed that, during the period of 6 months following the listing date, it will not dispose of the Shares they have purchased pursuant to the relevant Investment Agreement.



The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 18 May 2022 by way of public offering and placing of a total of 138,188,000 Shares (comprising 113,188,500 new Shares and 24,999,500 existing Shares) representing 22.54% of the enlarged issued share capital) at HK\$7.89 per Share (the “IPO Price”). At the time of listing, the top 25 shareholders held an aggregate of 97.61% of the issued Shares (assuming over-allotment option exercised in full). On 10 June 2022, the Company announced that the over-allotment option was partially exercised in respect of an aggregate of 8,062,500 Shares.

On the first day of listing (i.e. 18 May 2022), the share price closed at HK\$8.50, representing an increase of 7.73% from the IPO Price of HK\$7.89. The closing price of the Shares continued to rise and closed at \$18.18 on 8 July 2022, which was 130.42% higher than the IPO Price.

During the period from 18 May 2022 to 29 July 2022, the Company made the following announcements, amongst others:-

- On 4 July 2022, the Company issued a voluntary announcement regarding the formation of a joint venture company to establish a primary-level rapid detection network for respiratory diseases based on medical institution alliances and healthcare service institutions;
- On 11 July 2022, the Company issued a positive profit alert, expecting its net profits for the six months ended 30 June 2022 to increase by 40% to 50% as compared to that of the corresponding period in previous financial year; and
- On 12 July 2022, the Company issued a supplementary announcement regarding the positive profit alert that the company is expected to record a net profit approximately in the range of RMB226 million to RMB242 million for the six months ended 30 June 2022.

As of 29 July 2022, the Shares closed at HK\$17.92, which was 127.12% higher than the IPO Price of HK\$7.89.

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