

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Yunkang Group Limited

云康集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2325)

CONTINUING CONNECTED TRANSACTIONS 2025 PROPERTY LEASING AGREEMENT

Reference is made to the Prospectus of the Company in relation to, among others, the entering into of the Existing Property Lease Agreement and the continuing connected transactions thereunder, which will expire on December 31, 2024.

2025 PROPERTY LEASING AGREEMENT

The Board hereby announces that, to renew the continuing connected transactions under the Existing Property Lease Agreement, on December 27, 2024, Guangzhou Daan, a subsidiary of Yunkang Industry, and Da An Gene entered into the 2025 Property Leasing Agreement, pursuant to which Da An Gene agrees to lease the Premises to the Group and provide related services, including water and electricity supply, to the Group for a term of one (1) year from January 1, 2025 to December 31, 2025.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Da An Gene is a controlling shareholder of the Company and is thus a connected person of the Company under Rule 14A.07(1) of the Listing Rules. Therefore, the transactions contemplated under the 2025 Property Leasing Agreement constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios (other than the profit ratio) for the proposed annual cap in respect of the transactions contemplated under the 2025 Property Leasing Agreement are more than 0.1% but less than 5%, the transactions contemplated under the 2025 Property Leasing Agreement qualify under Rule 14A.76(2) of the Listing Rules as continuing connected transactions exempt from the circular (including independent financial advice) and shareholders' approval requirements but are subject to the relevant annual reporting and announcement requirements set out in Chapter 14A of the Listing Rules.

Reference is made to the Prospectus of the Company in relation to, among others, the entering into of the Existing Property Lease Agreement, which will expire on December 31, 2024.

I. 2025 PROPERTY LEASING AGREEMENT

The Board hereby announces that, to renew the continuing connected transactions under the Existing Property Lease Agreement, on December 27, 2024, Guangzhou Daan, a subsidiary of Yunkang Industry, and Da An Gene entered into the 2025 Property Leasing Agreement, pursuant to which Da An Gene agrees to lease the Premises to the Group and provide related services, including water and electricity supply, to the Group for a term of one (1) year from January 1, 2025 to December 31, 2025.

1. Principal Terms

Date:	December 27, 2024
Parties:	(i) Guangzhou Daan, as tenant; and (ii) Da An Gene, as service provider
Term:	One (1) year from January 1, 2025 to December 31, 2025
Premises leased:	Certain premises of No. 1 Building and No. 2 Building, No. 6 Lizhishan Road, Science City, High-tech Industry Development Zone, Guangzhou, the PRC, with a total gross floor area of approximately 10,468.23 sq.m.
Fees and payment:	The fees payable by Guangzhou Daan to Da An Gene shall be no more than RMB382,600 per month, which shall be settled quarterly.
Termination and renewal:	The 2025 Property Leasing Agreement shall be terminated upon (i) mutual agreement of both parties, (ii) any breach on the part of the tenant that entitles the lessor to vacate the Premises, or (iii) the occurrence of any force majeure events. If Guangzhou Daan wishes to renew the lease, it shall serve a written request to Da An Gene sixty (60) days before the 2025 Property Leasing Agreement expires. Da An Gene shall formally respond to Guangzhou Daan at least ten (10) days before the expiry date.

2. Pricing Policy

The property, water and electricity fees were arrived at after arm's length negotiation between the parties with reference to (i) the area of the Premises; (ii) the prevailing market rental rates in respect of properties of the same or similar nature with similar appraised value in the same region; (iii) the estimated changes in the prevailing market rental rates in the future; and (iv) the water and electricity fees prescribed by the National Development and Reform Commission (國家發展和改革委員會) and the actual usage of water and electricity.

3. Existing Annual Caps and Historical Amounts

The annual caps under the Existing Property Lease Agreement are RMB3.280 million, RMB3.572 million and RMB3.890 million for the years ended/ending December 31, 2022, 2023 and 2024, respectively.

The actual amounts of property, water and electricity fees paid under the Existing Property Lease Agreement for the years ended December 31, 2022 and 2023 and the eleven months ended November 30, 2024 are as follows:

	For the year ended December 31, 2022 (RMB'000)	For the year ended December 31, 2023 (RMB'000)	For the eleven months ended November 30, 2024 (RMB'000)
Property, water and electricity fees	3,279	3,501	3,597

Notes:

The final transaction amount for the year ending December 31, 2024 is not expected to exceed the annual cap of RMB3.890 million for the year ending December 31, 2024 under the Existing Property Lease Agreement.

4. Proposed Annual Cap and Basis of Determination

The following table sets out the proposed annual cap of the 2025 Property Leasing Agreement:

	For the year ending December 31, 2025 (RMB'000)
Property, water and electricity fees	4,592

The proposed annual cap is determined with reference to (i) the property, water and electricity fees expected to be paid under the 2025 Property Leasing Agreement; (ii) the historical amounts paid by the Group for the property, water and electricity fees pursuant to the Existing Property Lease Agreement; and (iii) the expected increase in leased area and water and electricity usage due to the expected continuous growth of the Group's business.

5. Reasons for and Benefits of Entering into the 2025 Property Leasing Agreement

The properties leased from Da An Gene are mainly used for the Group's daily laboratory tests and office use. Any relocation may cause material disruption to the Group's business operations and would incur additional cost. The Company has also been using Da An Gene's property management services. The Directors believe that the continuation of such leasing arrangement and related services is cost efficient and is in the best interest of the Group and the Shareholders as a whole.

6. Listing Rules Implications

As at the date of this announcement, Da An Gene is a controlling shareholder of the Company and is thus a connected person of the Company under Rule 14A.07(1) of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profit ratio) for the proposed annual cap in respect of the transactions contemplated under the 2025 Property Leasing Agreement are more than 0.1% but less than 5%, the transactions contemplated under the 2025 Property Leasing Agreement qualify under Rule 14A.76(2) of the Listing Rules as continuing connected transactions exempt from the circular (including independent financial advice) and shareholders' approval requirements but are subject to the relevant annual reporting and announcement requirements set out in Chapter 14A of the Listing Rules.

II. INFORMATION ON THE PARTIES

The Group is a China-based company mainly engaged in the provision of diagnostic testing services.

Da An Gene is a biomedical high-tech company listed on the SME Board of the Shenzhen Stock Exchange (Stock Code: 002030.SZ) with a focus on molecular diagnostic technology and is primarily engaged in the research and development, production, and sales of clinical test reagents, instruments, and supporting consumables.

III. APPROVAL BY THE BOARD

As Ms. Huang Luo is the general manager and a director of Da An Gene, Ms. Huang had abstained from voting on the resolutions at the meeting of the Board for approving the 2025 Property Leasing Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the 2025 Property Leasing Agreement or is required to abstain from voting on the resolutions of the Board for considering and approving the same.

The Directors (other than Ms. Huang) are of the view that the continuing connected transactions and the proposed annual cap contemplated under the 2025 Property Leasing Agreement are entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IV. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2025 Property Leasing Agreement”	the property leasing agreement dated December 27, 2024 entered into between Guangzhou Daan and Da An Gene
“Board”	the board of Directors
“CDB Development Fund”	CDB Development Fund Co., Ltd. (國開發展基金有限公司), an investment entity established under the laws of the PRC by China Development Bank (國家開發銀行)
“Company”	Yunkang Group Limited 云康集团有限公司, an exempted company with limited liability incorporated in the Cayman Islands, the Shares of which were listed on the main board of the Stock Exchange (stock code: 2325)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Da An Gene”	Daan Gene Co., Ltd. (廣州達安基因股份有限公司), a company limited by shares established in the PRC whose shares are listed on the SME Board of the Shenzhen Stock Exchange (Stock Code: 002030.SZ)
“Directors(s)”	director(s) of the Company
“Existing Property Lease Agreement”	the property lease agreement dated January 1, 2021 entered into between Guangzhou Daan and Da An Gene
“Group”	the Company, its subsidiaries and consolidated affiliated entities
“Guangzhou Daan”	Guangzhou Daan Clinical Laboratory Center Co. Ltd. (廣州達安臨床檢驗中心有限公司), a company established in the PRC and held as to 95.28% by Yunkang Industry and 4.72% by CDB Development Fund
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“PRC” or “China”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires otherwise, references in this announcement to “China” and the “PRC” do not apply to Hong Kong, Macau and Taiwan
“Premises”	certain premises of No. 1 Building and No. 2 Building, No. 6 Lizhishan Road, Science City, High-tech Industry Development Zone, Guangzhou, the PRC
“Prospectus”	the prospectus of the Company dated May 5, 2022
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the ordinary share(s) of US\$0.000002 each in the issued share capital of the Company
“sq. m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yunkang Industry”	Yunkang Health Industry Investment Co., Ltd. (雲康健康產業投資股份有限公司), a company established in the PRC and controlled by the Company through the Contractual Arrangements (as defined in the Prospectus)
“%”	per cent.

By order of the Board
Yunkang Group Limited
Zhang Yong
Chairman

Guangzhou, the PRC
December 27, 2024

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