云康
YUNKANG

Yunkang Group Limited
云康集团有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2325

2025
Interim Report

CONTENTS

Definitions and Glossary of Technical Terms

"2022 RSU Scheme"	the 2022 restricted share unit scheme adopted by the Company on November 23, 2022
"AI"	artificial intelligence
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China and, except where the context requires, references in this interim report to the PRC or China exclude the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
"Company"	Yunkang Group Limited (云康集团有限公司), a company incorporated under the laws of the Cayman Islands with limited liability on July 20, 2018
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules, unless the context requires otherwise, refers to Mr. Zhang Yong, YK Development, Daan International, Guangzhou Daan Gene Technology, Da An Gene, Huizekx Limited, Mouduans Limited, Tongfuzc Limited, WJJR Investment Limited, Jin Jun Ying Limited and Source Capital RW Limited
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to 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) and one of our Controlling Shareholders
"Daan International"	Daan International Holdings Limited (達安國際集團有限公司), a company incorporated in Hong Kong with limited liability on September 2, 2008, a subsidiary of Da An Gene and one of our Controlling Shareholders
"Director(s)"	director(s) of the Company
"FVOCI"	fair value through other comprehensive income

Definitions and Glossary of Technical Terms

"FVTPL"	fair value through profit or loss
"Global Offering"	the offer for subscription of Shares as described in the Prospectus
"Group"	the Company, its subsidiaries and the consolidated affiliated entities as defined in the Prospectus
"Guangzhou Daan Gene Technology"	Guangzhou Daan Gene Technology Co., Ltd. (廣州市達安基因科技有限公司), a limited liability company established in the PRC on May 6, 2009 and a wholly-owned subsidiary of Da An Gene
"HK$", "HKD" or "Hong Kong Dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	September 18, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this interim report prior to its publication
"LDT"	laboratory-directed testing
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM. For avoidance of doubt, the Main Board excludes the GEM
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Prospectus"	the prospectus of the Company dated May 5, 2022
"R&D"	research and development
"Renminbi" or "RMB"	Renminbi yuan, the lawful currency of the PRC
"Reporting Period"	the six months ended June 30, 2025
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time

"Share(s)"	ordinary share(s) in the share capital of the Company with nominal value of US$0.000002 each
"Shareholder(s)"	shareholder(s) of the Company
"SPDB Guangzhou Wuyang Branch"	Guangzhou Wuyang Branch of Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司廣州五羊支行)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto under the Listing Rules
"Substantial Shareholder"	has the meaning ascribed thereto under the Listing Rules
"tNGS"	Targeted Second-generation Sequencing
"USD" or "US$"	United States dollars, the lawful currency of the United States
"we", "us" or "our"	the Company or the Group, as the context requires
"YK Development"	YK Development Limited, a limited liability company duly incorporated in the British Virgin Islands on July 12, 2018 and one of the Company's Controlling Shareholders
"Yunkang Industry"	Yunkang Health Industry Investment Co., Ltd. (雲康健康產業投資股份有限公司), previously known as Gaoxin Da An Health Industry Investment Co., Ltd. (高新達安健康產業投資有限公司), a limited liability company established in the PRC on May 28, 2008 controlled by us through the Contractual Arrangements (as defined in the Prospectus)
"%"	per cent

Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. Zhang Yong *(Chairman of the Board and Chief Executive Officer)*

Non-executive Directors

Ms. Huang Luo *(resigned on August 1, 2025)*
Mr. Zhang Weijie *(appointed on August 1, 2025)*
Dr. Wang Pinghui
Dr. Wang Ruihua

Independent Non-executive Directors

Mr. Yu Shiyou
Mr. Lan Fenghui *(passed away on January 11, 2025)*
Mr. Xie Shaohua
Dr. Dong Min *(appointed on April 10, 2025)*

AUDIT COMMITTEE

Mr. Xie Shaohua *(Chairman)*
Dr. Wang Ruihua
Mr. Yu Shiyou

REMUNERATION COMMITTEE

Mr. Yu Shiyou *(Chairman)*
Mr. Zhang Yong
Mr. Xie Shaohua

NOMINATION COMMITTEE

Mr. Zhang Yong *(Chairman)*
Mr. Xie Shaohua
Dr. Dong Min

JOINT COMPANY SECRETARIES

Mr. Lin Yingjia
Ms. Lam Chi Ching Cecilia

AUTHORIZED REPRESENTATIVES

Mr. Zhang Yong
Ms. Lam Chi Ching Cecilia

REGISTERED OFFICE

P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Guangzhou, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

4/F, Jardine House
1 Connaught Place
Central
Hong Kong

HONG KONG LEGAL ADVISER

Zhong Lun Law Firm LLP
4/F, Jardine House
1 Connaught Place
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

INVESTOR RELATIONS

Email: ir@yunkanghealth.com

COMPANY WEBSITE

www.yunkanghealth.com

STOCK CODE

2325

Financial Highlights

	Six months ended June 30,		
	2025	2024	Change
	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	
Revenue	**313,217**	379,943	(17.6)%
– Diagnostic testing services for medical institution alliances	**180,333**	182,272	(1.1)%
– Diagnostic outsourcing services	**118,491**	179,614	(34.0)%
– Diagnostic testing services for non-medical institutions	**14,393**	18,057	(20.3)%
Cost of revenue	**(206,848)**	(251,745)	(17.8)%
Gross profit	**106,369**	128,198	(17.0)%
Loss before income tax	**(55,409)**	(131,775)	(58.0)%
Loss for the period	**(55,359)**	(126,055)	(56.1)%
Loss attributable to owners of the Company	**(55,340)**	(126,129)	(56.1)%

	Six months ended June 30,		
	2025	2024	Change
	RMB	RMB	
	(Unaudited)	(Unaudited)	
Loss per share for loss attributable to owners of the Company			
Basic	**(0.09)**	(0.21)	(57.1)%
Diluted	**(0.09)**	(0.21)	(57.1)%

During the Reporting Period, the Group recorded revenue of RMB313.2 million, representing a decrease of 17.6% as compared to the same period in 2024. The decrease in the Group's overall revenue was mainly due to various factors such as centralized procurement, health insurance cost control and intensified competition in the industry. Among which, diagnostic outsourcing services recorded revenue of RMB118.5 million, representing a decrease of 34.0% as compared to the same period in 2024; the growth in demand for routine testing services was slower than anticipated due to the impact of industry policies and fierce market competition, resulting in pressure on short-term results. In addition, the Group took the initiative to optimize the customer portfolio, so as to better serve the premium customers, resulting in a decrease in revenue in the first half of the year.

The Group has been committed to developing the innovative service mode for joint construction 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 construction of medical institution alliances, medical and health communities, as well as the Group's extensive experience accumulated through long-term commitment to medical institution alliances business, more customers have shifted from the cooperation model of diagnostic outsourcing service to the joint construction of medical institution alliances service. At the same time, the Group further cooperated with the existing customers of medical institution alliances through in-depth cooperation and achieved results in horizontal business expansion and vertical product research, development and application, which enabled the Group to maintain good development in the diagnostic service sector for medical institution alliances. During the Reporting Period, revenue from the diagnostic testing services provided by the Group for the medical institution alliances recorded RMB180.3 million, which was basically the same as the same period in 2024. The diagnostic testing services for medical institution alliances have continued to be the Group's largest business segment since 2023. During the Reporting Period, revenue from this business accounted for 57.6% of the total revenue, representing an increase of approximately 9.6% as compared to the same period last year, indicating significant competitive advantages.

The Group recorded a net loss of RMB55.4 million for the Reporting Period and a net loss of RMB126.1 million for the same period in 2024. The significant decrease in the loss is mainly attributable to the following reasons:

1. during the Reporting Period, the Group continued to improve its operation and management capabilities. Through measures such as strengthening cost control and precise cost allocation, the gross profit margin increased as compared to the same period last year, and the selling expenses and administrative expenses decreased significantly as compared to the same period last year;

2. during the Reporting Period, the Group actively optimized its debt structure and strengthened capital management. The net cash generated from operating activities have maintained a net inflow and the finance costs were significantly reduced as compared to the same period last year; and

3. during the Reporting Period, the Group's provision for asset impairment losses decreased as compared to the same period last year.

Management Discussion and Analysis

BUSINESS REVIEW

1. INDUSTRY OVERVIEW

In 2025, China's medical industry is undergoing a phase of high-quality growth driven by policy refinement and technological innovation. The industry features intensive development and digital-intelligence transformation, fueled by accelerated population aging, diversified healthcare needs, and the iterative advancement of biopharmaceutical technologies. Progress toward high-quality and sustainable growth is further supported by the deepening reform of China's healthcare system and an increasingly robust regulatory framework. China's sustained and sound economic fundamentals are underpinning the medical and healthcare industry; biopharmaceutical technology innovation and domestic demand recovery are injecting new impetus into the industry; new sectors and business models are continuously popping up. However, policy adjustments and market restructuring still pose temporary challenges. As a key segment and empowered by both technological innovation and policy benefits, the third-party medical testing sector is rapidly shaping a new growth pattern centered on quality, guided by efficiency, and driven by innovation.

1.1 The development of medical institution alliances shifts towards high-quality development; optimization and enhancement of the healthcare service system stimulate further growth in market demand

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. At a macro-level, China has established the world's largest social security system and healthcare system, adding 114 new national-level regional medical centers during the 14th FYP period, which has brought the total to 125. By the end of 2024, 2,188 counties (including county-level cities and districts) across the country had advanced the development of close-knit county-level medical communities, achieving full coverage at the provincial level. Premium healthcare resources have rapidly expanded their capacity and extended to lower-tier markets, resulting in a more balanced regional distribution. Medical institution alliances are speeding up their development and playing a crucial role in the system.

Moving forward, the central government will further promote the sharing of high-quality healthcare and medical resources, exert sustained efforts to advance the development of urban medical groups, establish a new urban grid-based medical service system led by tertiary general hospitals, facilitate the enhancement of service capabilities at the municipal and county levels, and promote the establishment of compact county-level medical communities in over 90% of counties, with wider adoption of the healthcare service model characterized by "distributed testing and centralized diagnosis". Meanwhile, the thorough upgrade of policies backing the hierarchical diagnosis and treatment will further drive the high-quality development of medical institution alliances.

These major developments achieved during the 14th FYP period, along with sustained policy benefits, have laid a foundation for the long-term sustainable development of third-party medical testing institutions, driving accelerated transformation and upgrading within the industry. With the nationwide establishment of medical institution alliances, expanded mutual recognition of test and inspection results, and improved service capacity of grassroots healthcare facilities, demand in the grassroots healthcare market has increased. This is expected to create an incremental market opportunity worth hundreds of billions of RMB. Market demand will surge rapidly, especially in emerging fields such as molecular diagnostics and genetic testing.

Third-party medical testing institutions, through technology innovation, upgraded service models, and deep collaboration with medical and research institutions, will further expand their business boundaries and play a pivotal role in the high-quality development of the hierarchical diagnosis and treatment services. In particular, third-party institutions capable of providing comprehensive solutions for medical institution alliances and integrating and managing the industry chain will continue to benefit from the shift in alliance development from "framework building" to "high-quality operation". Leveraging their strengths in innovation, technology, quality, and the industry chain, these institutions will accelerate in-depth market deployment at the grassroots level and consolidate their industry-leading position.

1.2 The precision medicine market is promising; policy and technology jointly drive industrial upgrading

The precision medicine sector is experiencing a golden era for its development, driven by factors including sustained policy support, rapid technological advancement and growing adoption of personalized medicine. At the policy level, the National Development and Reform Commission's Bioeconomy Development Plan for the 14th Five-Year Plan Period (《"十四五"生物經濟發展規劃》) has explicitly identified precision medicine as a key development direction of the healthcare industry; the Ministry of Science and Technology first proposed China's precision medicine initiative in 2015, with plans to invest RMB60 billion by 2030 to establish a precision medicine system that addresses all stages of diseases; additionally, multiple local governments have issued supporting policies, prioritizing the application of precision medicine and other cutting-edge medical technologies. Under this policy-backed environment, frontier technologies and applications, such as gene sequencing and immunotherapy, have made breakthroughs continuously in recent years; the precision medicine sector has witnessed continuous expansion of market scale, continuous innovation in industry models, and an increasingly well-established system. In 2025, the remarkable progress in innovative pharmaceuticals further promotes the upgrade of the precision medicine industry. Through technological innovation and ecological synergy, clinical treatment is entering a new phase, shifting from "broad-spectrum therapies" to "precision medicine", with tremendous growth potential for the industry.

With the advent of the precision medicine era, precision treatment is inseparable from precision diagnosis, and the use of new technologies and methods to deliver accurate clinical information is emerging as a major trend. Therefore, the high-quality growth of laboratory-directed testing (LDT) will facilitate the clinical application and large-scale implementation of precision medicine. Since the National Medical Products Administration and the National Health Commission jointly released the Notice on the Pilot Program for Medical Institutions to Independently Develop and Use In Vitro Diagnostic (IVD) Reagents (《關於開展醫療機構自行研製使用體外診斷試劑試點工作的通知》) at the end of 2022, China's pilot LDT program has been underway for over two years, with relevant policies and practices evolving in tandem. With the growing demand for precision testing in China's clinical practice, technologies such as next-generation sequencing (NGS) and mass spectrometry have become indispensable for both the diagnosis and treatment of malignant tumors and life-threatening infectious diseases. Conventional IVD products have fallen short of clinical requirements regarding testing turnaround time, target coverage, and pace of technological iteration. In particular, within the hierarchical diagnosis and treatment system, regional medical centers demonstrate a notable need for individualized testing solutions. Thus, technological innovation and clinical translation under the LDT framework have been propelled by both policy support and market demand, which will further enhance the quality of diagnosis and treatment and facilitate the implementation of precision medicine.

1.3 *With AI-powered hierarchical diagnosis and treatment, the industry is embracing new growth opportunities*

In 2025, China's central and local governments establish a policy framework supporting the entire industrial chain to vigorously advance the development of "artificial intelligence (AI) + healthcare" initiatives. In November 2024, the National Health Commission, the National Administration of Traditional Chinese Medicine and the National Disease Control and Prevention Administration jointly released the Reference Guidelines for AI Application Scenarios in the Healthcare Sector (《衛生健康行業人工智能應用場景參考指引》). The document outlined four major directions to guide the "AI+" application scenarios: "AI+"medical service management, "AI+" grassroots public health services, "AI+" health industry development, and "AI+" medical education and R&D. China's provinces and municipalities have actively implemented these national policies, vigorously promoting the deep integration of AI with medical applications. For example, Luohu District of Shenzhen City, relying on the requirements of the pilot program of the comprehensive reform, launched a medical data corpus jointly developed by municipal and district medical institution alliances. The corpus integrates data from municipal and district-level hospitals (covering scenarios such as pathology and medical imaging) and establishes standardized datasets, serving as a key support for the advancement of medical AI and promoting data sharing and coordinated AI applications across medical institution alliances. Hubei Province released the Implementation Plan for Accelerating the Application of AI in the Healthcare Sector (2025-2027) (《加快推進人工智能在醫療衛生領域應用工作實施方案(2025 – 2027年)》), calling for sustained advancement of AI-powered support for clinical decision in ancillary diagnostic areas, including pathology, and offering accurate decision support for clinical diagnosis and treatment. By 2027, the applications of AI-powered support for clinical decision will be deployed in 50% of tertiary hospitals and 30% of secondary hospitals.

China's grassroots healthcare resources are currently characterized by uneven overall distribution, overconcentration of premium resources, and structural shortage of healthcare talents in grassroots healthcare institutions. In this context, technologies based on large-scale AI models can help primary care physicians rapidly and accurately assess patients' conditions through a multidisciplinary team consultation approach, thus improving diagnostic efficiency and accuracy, while compensating for limitations in their clinical capabilities; these technologies can also empower grassroots healthcare institutions via measures such as assisted diagnosis and treatment, facilitating the allocation of high-quality medical resources to lower-tier areas and mitigating the shortage of top-level medical professionals in China. High-quality medical resources are increasingly being allocated to lower-tier areas under the strong support of national policies, and smart healthcare has become a key approach to boosting the quality and efficiency of healthcare services across all levels, effectively advancing the implementation of hierarchical diagnosis and treatment. For the third-party medical testing sector, as a key participant in the national hierarchical diagnosis and treatment system, the implementation of AI-powered medical technologies in real-world scenarios allows the industry to usher in historic opportunities. The nationwide construction of medical institution alliances and county-level medical communities, coupled with the forward-looking digital-intelligence R&D and application advantages of third-party diagnostic companies, will provide third-party institutions with a pathway to scale up their participation in diagnostic services.

2. BUSINESS REVIEW

The Group has been committed to promoting development with innovation and overcoming challenges with resilience. In the face of multiple difficulties, challenges and historic development opportunities brought by the macro-environment, the Group has adopted a resolute business philosophy of "in-depth services and lean operations", and continuously strengthened the value of empowering clinical practices. During the Reporting Period, the Group had adopted "one horizontal, one vertical (一橫一縱)" as its core business strategy: horizontally, we had extended a lean management system to advance multi-mode collaboration among medical institution alliances; vertically, we had focused on specialty-specific innovation in medical diagnostics to fast-track the translation and implementation of new technologies and products. Meanwhile, we had leveraged AI to enhance the comprehensive solutions for medical institution alliances, promoted the practical application of AI in healthcare scenarios, and sped up business development and in-depth empowerment, thereby enhancing the Group's overall competitiveness.

In terms of financial results, due to multiple factors including the centralized drug-procurement program, cost controls of medical insurance, and fierce market competition, the Group's short-term results did not meet expectations. During the Reporting Period, the Group's diagnostic testing services recorded revenue of RMB313.2 million, a decline of 17.6% as compared to the same period last year. In the face of multiple challenges arising from market conditions during the period, the Group, on the one hand, remained committed to innovation in product and business models, and on the other hand, further refined the mechanisms and processes of our operational management. By adhering to lean operations, we also achieved significant improvements in overall performance: during the Reporting Period, the Group's gross profit margin reached approximately 34.0%, higher than the same period last year, representing an improvement of approximately 4.4% over the overall gross profit margin for 2024; the Group recorded a net loss of RMB55.4 million, a significant decrease of 56.1% from the same period last year. As a leading medical operations service provider in the market focusing on co-developing medical institution alliances, the diagnostic testing services segment provided by the Group for medical institution alliances has remained the Group's largest business segment since 2023, accounted for 57.6% of total revenue during the Reporting Period, representing an increase of approximately 9.6% as compared to the same period last year, and recorded the revenue of RMB180.3 million, basically maintaining at the same level as compared to the same period in 2024. We also achieved significant outcomes in empowering medical alliance clients through in-depth services, paving the way for the Group's long-term high-quality growth.

During the Reporting Period, the Group achieved good results in the following aspects:

2.1 *Steadily implementing "one horizontal, one vertical" strategy, with notable achievements in hospital-enterprise partnerships*

Extending the lean management system and promoting diverse forms of collaboration within medical institution alliances

The Group has been committed to developing the innovative service mode for joint construction of medical institution alliances featuring "professionalism as the foundation, standardization as the core, digital intelligence as the means, synergization as the goal", boasting extensive experience in construction and operation across major provinces and cities nationwide. As a pioneer in the construction of medical institution alliances, the Group had provided nearly 450 alliance clients with multi-scenario solutions tailored to different clinical needs by the end of the Reporting Period, 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, among other multi-model collaboration services. By leveraging Yunkang's strengths, we have assisted healthcare institutions at all levels in enhancing their service capabilities and expanding service coverage, established a hierarchical and coordinated healthcare service system, and promoted the development of regional hierarchical diagnosis and treatment services.

During the Reporting Period, despite increasingly fierce market competition, we maintained solid growth in the diagnostic testing services segment provided by the Group for medical institution alliances through deep collaboration with leading hospitals and municipal and county-level hospitals, generating revenue of RMB180.3 million, roughly in line with the same period last year. Since 2023, the joint construction business has remained the Group's largest business segment, accounting for 57.6% of our total revenue during the Reporting Period, increased by approximately 9.6% as compared to the same period last year, underscoring our clear competitive advantage.

The joint innovation platform for diagnostic testing serves as a strong driver for R&D; achievement transformation promotes long-term development

The Group has always adhered to a service philosophy guided by "clinical needs", continuously strengthening hospital-enterprise collaboration and pioneering the establishment of a joint innovation platform for diagnostic testing serves, which has played a pivotal role in expanding the Group's business and enhancing the competitiveness of our products. As at the end of the Reporting Period, the Group had forged joint diagnostic innovation partnerships with dozens of top-tier medical institutions nationwide, delivering dozens of testing products addressing multiple infectious syndromes, including respiratory tract infections, central nervous system infections, urinary tract infections, gynecological infections, and tuberculosis, as well as genetic testing products for personalized medication. Collectively, these innovative products have served nearly 300 clients across the country, and achieved sustained growth in testing revenue, which has injected new momentum into the Group's long-term high-quality growth.

The Group continued to deepen its partnership with Guangdong Provincial People's Hospital (hereinafter referred to as the "**Provincial Hospital**") during the Reporting Period, focusing on key technological breakthroughs and the translation and application of innovative outcomes. Since the inception of our collaboration in 2022, both parties have targeted the field of precision diagnostics for infectious diseases, with a particular emphasis on the R&D and clinical use of specialty-specific targeted next-generation sequencing (tNGS) projects. By leveraging top-tier experts and research capabilities of the Provincial Hospital, alongside Yunkang's strengths in technologies and industry chain, the two parties have jointly established a robust joint innovation platform for diagnostic testing, enabling seamless collaboration across R&D, clinical application, and third-party testing. By the end of the Reporting Period, guided by clinical needs, the two parties had successively launched a series of new panel products covering respiratory tract infections, central nervous system infections, and invasive fungal infections. These products had gone through three key stages: clinical validation, in-hospital pilots, and nationwide promotion. Through this process, a standardized incubation model for domestic hospital-enterprise research innovation and translation had been created, as well as a "1+N" medical inspection collaboration network. Moreover, throughout the process of scientific and technological innovation, both parties have gained rich clinical experience. With the active involvement and sustained efforts of dozens of domestic diagnostic experts and scholars, we formulated the Expert Consensus on the Application of tNGS for Clinical Standardization (《tNGS臨床規範化應用專家共識》), which was published during the Reporting Period in *Chinese Journal of Laboratory Medicine*, a leading journal in China's diagnostic field.

During the Reporting Period, the Group had also maintained close collaboration with the First Affiliated Hospital of Guangzhou Medical University, one of China's top-tier hospitals. Through ongoing technological innovation and R&D translation, we developed a urinary tNGS product, advancing the clinical practice of precision diagnosis and treatment for urinary tract infections. Additionally, the Group had partnered with the First Affiliated Hospital of Jinan University to establish a "university-hospital-enterprise joint innovation platform" and successfully incubated and operated the "innovation project of psychiatric drug genetic testing." The Phase I project, focused on depression/anxiety, had yielded genetic testing products for antidepressants, anti-anxiety drugs, and sedative-hypnotics.

Looking ahead, Yunkang will continue to collaborate with partners across the industrial chain to foster technological innovation, bringing more cost-effective clinical diagnostic solutions for clinical practice, continuously enhancing the efficiency of medical technology innovation and translation, and injecting strong momentum into the innovative development of the healthcare industry.

2.2 AI empowers multi-modal solutions for medical institution alliances, improving quality and efficiency in providing in-depth client services

With the rapid advancement of AI technology, the healthcare industry is embracing new opportunities for digital transformation and upgrade. Focusing on emerging medical technologies, cloud computing, big data, the Internet of Things, 5G, AI and other technologies, Yunkang has built an "AI+ medical care" smart healthcare platform that spans the entire clinical workflow, from pre-diagnosis to diagnosis and post-diagnosis, enhancing the operational quality and efficiency of medical institution alliances in all aspects from intelligent testing to intelligent clinical support.

AI technology leads comprehensive intelligence in medical diagnostics

During the Reporting Period, the Group officially employed DeepSeek and achieved comprehensive digital deployment across its platforms. The Group has fully applied AI technology across the multi-technology platforms of its medical laboratories, building a series of intelligent diagnostic platforms centered on the core concepts of "AI+" and "precision diagnostics". By deeply combining DeepSeek's large-scale model with AI-empowered medical imaging technology, the Group's multi-technology platforms will see significant enhancements across key capabilities such as data processing, advanced image interpretation, disease analysis, and report assessment. This will not only markedly improve the laboratories' testing efficiency and greatly shorten reporting time, but also strongly drive the optimization and upgrade of intelligent diagnostic systems, enabling diversified scenario expansion of smart diagnostic services. Taking the pathology platform as an example, the Group had significantly streamlined the pathology testing workflow by deeply integrating AI technology and the Yunkang pathology diagnosis platform. The per-slide efficiency of AI-empowered diagnostic was continuously optimized, achieving simultaneous improvements in intelligence, efficiency, and quality. Moreover, by harnessing AI large models' capabilities in language comprehension, information retrieval, and deep reasoning, the Group had widely deployed AI technology in critical support areas such as innovative products and services for multiple clinical scenarios, customer services, and sample management. Through the deployment of intelligent applications, the Group has realized smart online customer services and the efficient review of results and reports, which fully streamlined diagnostic service processes and improved experience and satisfaction of our client services.

In the process of jointly developing new technologies and products through hospital-enterprise R&D, AI technology has empowered product innovation and R&D across multiple aspects, including bioinformatics analysis, report interpretation, disease risk assessment, and the development and translation of novel products, by leveraging the powerful data analysis, modeling, and predictive capabilities of large-scale AI models. This has accelerated the clinical implementation.

AI technology deeply empowers the entire workflow of clinical diagnosis and treatment

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. Meanwhile, the Group signed a strategic cooperation agreement with Runda Medical. Both parties will strengthen in-depth collaboration across the industrial ecosystems in "AI + IVD + healthcare services," jointly promoting the development and application of large-scale AI models in the medical field, and providing clients with digital-intelligence healthcare solutions. 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.

FINANCIAL REVIEW

Overview

The financial summary set out below is extracted or calculated from the unaudited condensed consolidated financial statements of the Group for the Reporting Period which were prepared in accordance with the applicable disclosure provisions of the Listing Rules, including compliance with Hong Kong Accounting Standard 34 Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants.

Revenue

During the Reporting Period, the Group recorded revenue of RMB313.2 million, representing a decrease of 17.6% as compared to the same period in 2024. The decrease in the Group's overall revenue was mainly due to various factors such as centralized procurement, health insurance cost control and intensified competition in the industry.

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

	For six months ended June 30,		
	2025 **RMB'000** **(Unaudited)**	2024 RMB'000 (Unaudited)	Change
Diagnostic testing services for medical institution alliances	**180,333**	182,272	(1.1)%
Diagnostic outsourcing services	**118,491**	179,614	(34.0)%
Diagnostic testing services for non-medical institutions	**14,393**	18,057	(20.3)%
	313,217	379,943	(17.6)%

Diagnostic testing services for medical institution alliances

The Group has been committed to developing the innovative service mode for joint construction 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 construction of medical institution alliances, medical and health communities, as well as the Group's extensive experience accumulated through long-term commitment to medical institution alliances business, more customers have shifted from the cooperation model of diagnostic outsourcing service to the joint construction of medical institution alliances service. At the same time, the Group further cooperated with the existing customers of medical institution alliances through in-depth cooperation and made good progress in horizontal business expansion and vertical product research, development and application, which enabled the Group to maintain good development in the diagnostic service sector for medical institution alliances. During the Reporting Period, revenue from the diagnostic testing services provided by the Group for the medical institution alliances recorded RMB180.3 million, which was basically on par with the same period in 2024. In addition, the diagnostic testing services for medical institution alliances have continued to be the Group's largest business segment since 2023. During the Reporting Period, revenue from this business accounted for 57.6% of the total revenue, representing an increase of approximately 9.6% as compared to the same period last year, indicating significant competitive advantages.

Diagnostic outsourcing services

During the Reporting Period, diagnostic outsourcing services recorded revenue of RMB118.5 million, representing a decrease of 34.0% as compared to the same period in 2024. The growth in demand for routine testing services was slower than anticipated due to the impact of industry policies 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 in the first half of the year.

Diagnostic testing services for non-medical institution

Diagnostic testing services for non-medical institutions are mainly provided through our outpatient clinics, serving individual customers. During the Reporting Period, this business segment recorded revenue of RMB14.4 million, representing a decrease of 20.3% as compared to the same period in 2024. The decrease in revenue 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, plant 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 17.8% from RMB251.7 million for the six months ended June 30, 2024 to RMB206.8 million for the six months ended June 30, 2025, which was primarily attributable to an overall decline in its revenue.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by 17.0% from RMB128.2 million for the six months ended June 30, 2024 to RMB106.4 million for the six months ended June 30, 2025. The Group's overall gross profit margin increased from 33.7% for the six months ended June 30, 2024 to 34.0% for the six months ended June 30, 2025. The decrease in overall gross profit was mainly due to the decrease in overall revenue, which in turn led to a corresponding decrease in gross profit. During the Reporting Period, the Group continued to optimize its operating costs and further improved the efficiency of use of resources to achieve cost reduction and efficiency improvement, thus resulting in a slight increase in gross profit margin as compared to the same period last year.

Other Income

Other income decreased from RMB1.0 million for the six months ended June 30, 2024 to RMB0.3 million for the six months ended June 30, 2025. The decrease was primarily due to the decrease in government grants. The government grants mainly include grants from the local governments in recognition of the R&D projects of the Group. There are no unfulfilled conditions or other contingencies attached to these grants.

Other Gains, Net

Other gains, net increased from RMB6.6 million for the six months ended June 30, 2024 to RMB31.8 million for six months ended June 30, 2025. The increase arose from a provision made by the Group for legal disputes last year due to disputes with external suppliers over certain services falling short of expectations. During the Reporting Period, both parties agreed to withdraw the lawsuit after negotiation, and therefore the provision for legal disputes totaling RMB31.5 million was transferred to other income.

Selling Expenses

The Group's selling expenses decreased by 41.0% from RMB89.9 million for the six months ended June 30, 2024 to RMB53.1 million for the six months ended June 30, 2025, mainly due to the Group's continuous improvement of its operation and management capabilities during the Reporting Period. Through measures such as strengthening cost control and precise cost allocation, the selling expenses decreased significantly.

Administrative Expenses

The Group's administrative expenses decreased by 21.5% from RMB99.7 million for the six months ended June 30, 2024 to RMB78.3 million for the six months ended June 30, 2025, primarily due to (i) a decrease in the Group's expenses in connection with restricted share awards accrued under the 2022 RSU Scheme by RMB9.7 million; and (ii) the Group's continuous optimization of its management process and strictly controlled costs to improve efficiency, which resulted in a further reduction in administrative expenses.

The Group's R&D expenses mildly decreased from RMB24.7 million for the six months ended June 30, 2024 to RMB21.1 million for the six months ended June 30, 2025, and the R&D expenses as a percentage of the total revenue increased from 6.5% for the six months ended June 30, 2024 to 6.7% for the six months ended June 30, 2025, mainly due to the Group's continuous adherence to the commitment to innovation in its development directions and investment in innovation in terms of product, operating system and digitalization during the Reporting Period.

Impairment Losses on Financial Assets

The Group's impairment losses on financial assets were mainly provisions for trade receivables. For the six months ended June 30, 2025, the Group's impairment losses on financial assets were approximately RMB8.4 million, representing a decrease of provision of RMB44.0 million as compared to RMB52.4 million for the six months ended June 30, 2024. The Group assigned debtors of trade receivable 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 by fully and carefully considering the impact of the aging of their accounts receivable, historical modes of payment and forward-looking factors, and recognized a provision for asset impairment losses of RMB8.4 million for the six months ended June 30, 2025.

The management of the Group will take necessary actions to enhance the management of trade receivables: for customers with good credit and new customers, the Group will tighten credit control and ramp up 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 put more efforts into collection and exhaust all feasible means to ensure the recovery of receivables, including but not limited to the following means: (i) taking legal actions against defaulting customers; (ii) visiting the offices of business environment leadership groups at various levels in all regions (各區域各級商業環境領導小組辦公室) to urge various levels of governmental authorities to formulate repayment plans; (iii) petitioning through the Default Financing (Complaint) Platform for Small and Medium Enterprises (中小企業拖欠融資(投訴)平台) to urge various levels of governmental authorities to formulate repayment plans; and (iv) arranging employees to visit customers in person to collect debts and to urge the defaulting customers to settle their amounts owed to the Group quickly.

Finance Costs, Net

The Group's net finance costs decreased from RMB24.3 million for the six months ended June 30, 2024 to RMB15.1 million for the six months ended June 30, 2025, primarily due to the Group's continuous optimization of its debt structure and strengthen its capital management, resulting in a decrease in interest expense on interest-bearing borrowings during the Reporting Period.

Loss Before Income Tax

As a result of the aforementioned factors, the Group recorded a loss before income tax of RMB55.4 million for the six months ended June 30, 2025, as compared to a loss before income tax of RMB131.8 million for the six months ended June 30, 2024. The Group's loss before income tax during the Reporting Period decreased significantly as compared to the same period last year, mainly due to (i) the Group's continuous improvement of its operation and management capabilities during the Reporting Period. Through measures such as strengthening cost control and precise cost allocation, the gross profit margin increased as compared to the same period last year, and the selling expenses and administrative expenses decreased significantly as compared to the same period last year; (ii) the Group's active optimization of its debt structure and strengthened capital management during the Reporting Period. The finance costs were significantly reduced as compared to the same period last year; (iii) a decrease in the Group's provision for asset impairment losses of approximately RMB44.0 million as compared to the same period last year; and (iv) a provision for legal disputes made by the Group last year due to disputes with external suppliers over certain services falling short of expectations. During the Reporting Period, both parties agreed to withdraw the lawsuit after negotiation, and therefore the provision for legal disputes of approximately RMB31.5 million was transferred to other income.

Income Tax Credit

The Group recorded income tax credit of RMB0.1 million for the six months ended June 30, 2025, as compared to income tax credit of RMB5.7 million for the six months ended June 30, 2024, primarily due to a decrease of loss 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 RMB311.2 million as at June 30, 2025, mainly due to 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 June 30, 2025, the balance of financial assets at FVTPL was RMB567.6 million, representing an increase of RMB92.2 million as compared to RMB475.4 million as at December 31, 2024, due to an increase in investment of private fund and the effect of fluctuations in the fair value of financial assets at FVTPL during the Reporting Period.

As at June 30, 2025, the balance of financial assets at FVOCI was RMB64.1 million, representing an increase of RMB5.0 million as compared to RMB59.1 million as at December 31, 2024, due to the addition of an equity interest investment during the Reporting Period, whereas the overall fair value change of the financial asset at FVOCI was not significant.

Inventories

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

The Group's inventories increased from RMB16.1 million as at December 31, 2024 to RMB16.7 million as at June 30, 2025, and the change was not significant.

Trade Receivables

Our trade receivables mainly represent the outstanding amounts due from hospital 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 at June 30, 2025:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Trade receivables		
– Third parties	**1,460,956**	1,490,350
– Related parties	**594**	403
	1,461,550	1,490,753
Less: provision for impairment of trade receivables	**(873,124)**	(866,283)
	588,426	624,470
Bill receivables	**8,686**	3,986
	597,112	628,456

The Group's trade receivables decreased from RMB628.5 million as at December 31, 2024 to RMB597.1 million as at June 30, 2025, primarily due to (i) the collection of a portion of trade receivables; and (ii) provision for 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.

As at the Latest Practicable Date, RMB143.1 million of trade receivables was recovered subsequent to the Reporting Period, accounting for 9.8% of the balance of trade receivables as at June 30, 2025.

Prepayments and Other Receivables

The Group's prepayments and other receivables were RMB114.9 million as at June 30, 2025, which was basically on par with the amount as at December 31, 2024.

Trade and Other Payables

The Group's trade and other payables decreased from RMB970.2 million as at December 31, 2024 to RMB906.5 million as at June 30, 2025, primarily due to (i) reversal of provision of disputes arising as a result of the 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 its shareholders (the "**Shareholders**") and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Liquidity and Financial Resources

The Group's cash and cash equivalents decreased from RMB1,321.4 million as at December 31, 2024 to RMB1,186.1 million as at June 30, 2025, primarily because the Group increased the investment of the financial assets measured at FVTPL, and repaid a portion of borrowings. For details of the Group's investment of financial assets and borrowings, please refer to the items headed "Financial Assets Measured at Fair Value" and "Borrowings and Gearing Ratio" in this section.

Net Current Assets

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

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Current assets		
Inventories	**16,728**	16,075
Trade receivables	**597,112**	628,456
Prepayments and other receivables	**25,240**	24,279
Financial assets at FVTPL	**505,150**	412,989
Restricted cash	**159,765**	256,297
Cash and cash equivalents	**1,186,124**	1,321,355
Total current assets	**2,490,119**	2,659,451
Current liabilities		
Borrowings	**762,621**	902,575
Trade and other payables	**906,537**	970,158
Current income tax liabilities	**34,643**	*34,747*
Lease liabilities	**8,770**	8,955
Total current liabilities	**1,712,571**	1,916,435
Net current assets	**777,548**	743,016

The Group's net current assets increased from RMB743.0 million as at December 31, 2024 to RMB777.5 million as at June 30, 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.

	For the six months ended June 30, 2025	2024
Gross profit margin[(1)]	**34.0%**	33.7%

	As at June 30, 2025	As at December 31, 2024
Current ratio[(2)]	**1.45**	1.39
Quick ratio[(3)]	**1.44**	1.38
Debt to asset ratio[(4)]	**0.64**	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.

Contingent Liabilities

As at June 30, 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 June 30, 2025, the Group had borrowings of RMB1,003.6 million (December 31, 2024: RMB1,053.9 million), of which RMB674.4 million were at fixed interest rates (December 31, 2024: RMB697.5 million). As at June 30, 2025, borrowings equivalent to approximately RMB60.0 million were originally denominated in Swiss francs.

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 June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Interest-bearing borrowings	**1,003,558**	1,053,914
Lease liabilities	**12,530**	19,030
Total interest-bearing borrowings and lease liabilities	**1,016,088**	1,072,944
Total equity	**1,102,487**	1,149,877
Other financial liabilities	**–**	–
Total equity plus other financial liabilities	**1,102,487**	1,149,877
Gearing Ratio	**92.2%**	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) amounted to 92.2% as at June 30, 2025, as compared to 93.3% as at December 31, 2024. The decrease was mainly due to a decrease in the total interest-bearing borrowings and lease liabilities of RMB56.9 million as at June 30, 2025 as compared to December 31, 2024.

Pledge of Assets

As at June 30, 2025, borrowings of approximately RMB431.3 million (December 31, 2024: RMB515.1 million) were secured by the Group's certain equipment and lands and were pledged by the Group's certain time deposits, certain trade receivables and its equity interest in a subsidiary.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

As of June 30, 2025, the Group held two investments accounting for 5% or more of the Group's total assets, details of which are set out below:

Investment names	Investment cost	Fair value as of June 30, 2025	Unrealized gains during the Reporting Period	Size as compared to the Group's total assets as of June 30, 2025
Summit View Fund SPC[(i)]	US$21,200,000	US$22,703,399	US$1,503,399	5.3%
Windward Ascent SPC[(ii)]	US$24,000,000	US$25,701,962	US$1,701,962	6.0%

(i) The Company has subscribed for a segregated portfolio established under Summit View Fund SPC. Summit View Fund SPC is an exempted company with limited liability registered as a segregated portfolio company under the laws of the Cayman Islands, which is principally engaged in the management and investment of money market instruments.

(ii) The Company has subscribed for a segregated portfolio established under Windward Ascent SPC. Windward Ascent SPC is an exempted company with limited liability registered as a segregated portfolio company under the laws of the Cayman Islands, which is principally engaged in the management and investment of money market instruments.

The Group will closely monitor the impact of market changes and adjust its investment portfolio when necessary. The Group holds these investments for the purpose of generating stable returns.

The Group did not make any other material 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 June 30, 2025 and up to the date of this report.

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 report.

Employees and Remuneration

As at June 30, 2025, the Group had 1,146 employees (as at June 30, 2024: 1,459). The total remuneration cost (including Directors' remuneration) incurred by the Group for the six months ended June 30, 2025 was RMB124.6 million (for the six months ended June 30, 2024: RMB156.2 million). The total remuneration of employees for the six months ended June 30, 2025 includes approximately RMB8.0 million of expenses related to restricted award shares (for the six months ended June 30, 2024: RMB17.7 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 since 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.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(i) Interests in the Company

As at June 30, 2025, the interests and short positions of the Directors and chief executives of the Company and their associates in any of the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Capacity/nature of interest	Number of Shares	Approximate percentage of shareholding in the total issued Shares[2]
Mr. Zhang Yong (Executive Director and Chief Executive Officer)	Interested in a controlled corporation	250,108,000[1] (L)	40.25%

(L) denotes a long position

Notes:

(1) These Shares are directly held by YK Development, which is held as to 64.04% and controlled by Huizekx Limited, which is wholly-owned by Mr. Zhang. Therefore, Huizekx Limited and Mr. Zhang are deemed to be interested in the Shares held by YK Development under the SFO. As at June 30, 2025, YK Development Limited had pledged a total of 205,908,000 Shares, including (1) 145,293,220 Shares pledged to China Construction Bank (Asia) Corporation Limited in favor of SPDB International (Hong Kong) Limited; and (2) 60,614,780 Shares pledged directly to SPDB Guangzhou Wuyang Branch.

(2) The calculation is based on the total number of 621,250,500 Shares in issue as at June 30, 2025.

(ii) Interests in associated corporations of the Company

Name of Director/ chief executive	Name of associated corporation	Capacity/ nature of interest	Number of Shares in the associated corporation interested	Approximate percentage of shareholding in the associated corporation
Mr. Zhang Yong	Huizekx Limited	Beneficial owner	1 (L)	100.00%
Mr. Zhang Yong	YK Development	Interested in a controlled corporation	3,203,250 (L)	64.04%

(L) denotes a long position

Save as disclosed above, as at June 30, 2025, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or which would be required to be recorded in the register to be kept by the Company pursuant to Section 352 of the SFO; or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2025, so far as the Directors are aware, the followings are the persons, other than the Directors or chief executives of the Company, who had interests or short positions in the Shares and underlying Shares which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Name of substantial Shareholders	Capacity/nature of interest	Number of Shares	Approximate percentage of shareholding in the total issued Shares[5]
Huizekx Limited[1]	Interested in a controlled corporation	250,108,000 (L)	40.25%
Mouduans Limited[2]	Interested in a controlled corporation	250,108,000 (L)	40.25%
Tongfuzc Limited[2]	Interested in a controlled corporation	250,108,000 (L)	40.25%
WJJR Investment Limited[2]	Interested in a controlled corporation	250,108,000 (L)	40.25%
Jin Jun Ying Limited[2]	Interested in a controlled corporation	250,108,000 (L)	40.25%
Source Capital RW Limited[2]	Interested in a controlled corporation	250,108,000 (L)	40.25%
YK Development[1]	Beneficial owner	250,108,000 (L)	40.25%
Da An Gene[3]	Interested in a controlled corporation	209,783,000 (L)	33.76%
Guangzhou Daan Gene Technology[3]	Interested in a controlled corporation	209,783,000 (L)	33.76%
Daan International[3]	Beneficial owner	209,783,000 (L)	33.76%
Shanghai Pudong Development Bank Co., Ltd[4]	Interested in a controlled corporation	205,908,000 (L)	33.14%
SPDB International Holdings Limited[4]	Interested in a controlled corporation	145,293,220 (L)	23.38%
SPDB International (Hong Kong) Limited[4]	Person having a security interest in shares	145,293,220 (L)	23.38%
SPDB Guangzhou Wuyang Branch[4]	Person having a security interest in shares	60,614,780 (L)	9.76%
Kastle Limited[5]	Trustee/interested in a controlled corporation	35,905,846 (L)	5.78%
YK innovation Limited[5]	Beneficial owner	35,905,846 (L)	5.78%

(L) denotes a long position

Notes:

(1) YK Development is held as to 64.04% and controlled by Huizekx Limited, which is wholly-owned by Mr. Zhang Yong. Therefore, Huizekx Limited is deemed to be interested in the Shares held by YK Development under the SFO. As at June 30, 2025, YK Development Limited had pledged a total of 205,908,000 Shares, including (1) 145,293,220 Shares pledged to China Construction Bank (Asia) Corporation Limited in favor of SPDB International (Hong Kong) Limited; and (2) 60,614,780 Shares pledged directly to SPDB Guangzhou Wuyang Branch.

(2) YK Development is held as to approximately 23.47%, 6.95%, 3.04%, 0.50% and 2.00% by Mouduans Limited, Tongfuzc Limited, WJJR Investment Limited, Jin Jun Ying Limited and Source Capital RW Limited, respectively. Pursuant to Chapter 1.1C of the Guide for New Listing Applicants, Huizekx Limited, Mouduans Limited, Tongfuzc Limited, WJJR Investment Limited, Jin Jun Ying Limited, Source Capital RW Limited and YK Development are a group of Controlling Shareholders of the Company.

(3) Daan International is wholly-owned by Guangzhou Daan Gene Technology, a company wholly-owned by Da An Gene. Therefore, Guangzhou Daan Gene Technology and Da An Gene are deemed to be interested in the Shares held by Daan International under the SFO.

(4) SPDB International (Hong Kong) Limited is directly wholly owned by SPDB International Holdings Limited, which in turn is wholly owned by Shanghai Pudong Development Bank Co., Ltd. SPBD Guangzhou Wuyang Branch is ultimately wholly owned by Shanghai Pudong Development Bank Co., Ltd. Therefore, Shanghai Pudong Development Bank Co., Ltd is deemed to be interested in the interests held by SPDB International (Hong Kong) Limited and SPBD Guangzhou Wuyang Branch. As at June 30, 2025, YK Development Limited had pledged a total of 205,908,000 Shares, including (1) 145,293,220 Shares pledged to China Construction Bank (Asia) Corporation Limited in favor of SPDB International (Hong Kong) Limited; and (2) 60,614,780 Shares directly pledged to SPDB Guangzhou Wuyang Branch.

(5) YK innovation Limited is directly wholly owned by Kastle Limited. Kastle Limited is the trustee (which is independent of the Company and not a connected person of the Company) appointed by the Company for the administration of the 2022 RSU Scheme. Kastle Limited is therefore interested in the Shares held by YK innovation Limited, which serves as the platform holding underlying Shares under the 2022 RSU Scheme.

(6) The calculation is based on the total number of 621,250,500 Shares in issue as at June 30, 2025.

Save as disclosed above, as at June 30, 2025, the Directors and chief executives of the Company were not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

2022 RSU SCHEME

On November 23, 2022 (the "**Adoption Date**"), the 2022 RSU Scheme was approved and adopted by the Company. Further details of the 2022 RSU Scheme are set out in the Company's announcements dated November 23, 2022 and July 28, 2023.

A summary of the principal terms of the 2022 RSU Scheme is set out below:

1. Purposes of the 2022 RSU Scheme

The purpose of the 2022 RSU Scheme is 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 Shares and a proprietary interest in the success of the Company, thereby linking their interests with the Company's performance.

2. Selected Participants in the 2022 RSU Scheme

Selected participants (the "**Selected Participant(s)**") of the 2022 RSU Scheme include the following:

(1) any full-time or part-time employee of the Group;

(2) customers, suppliers, agents, partners, or consultants of the Group; and

(3) other persons identified by the Board as a Selected Participant.

The Board may in its sole and absolute discretion select any Selected Participant and determine the restricted share units (the "**RSUs**") for each of them.

3. Total number of Shares under the 2022 RSU Scheme

The Board may determine the number of Shares to be purchased as the underlying shares (the "**Underlying Shares**"), and cause to be paid the purchase price for the Underlying Shares and the related expenses to the trustee appointed by the Company for the administration of the 2022 RSU Scheme (the "**Trustee**"). The Trustee shall apply the entire amount without deduction (except for transaction levy, stamp duty and other statutory fees) towards the purchase of Shares at the prevailing market price or at a price within a specific price range determined in the sole discretion of the Board. Once purchased, the Underlying Shares are to be held by the Trustee for the awards under the 2022 RSU Scheme.

Pursuant to the 2022 RSU Scheme, the Underlying Shares will be satisfied by the existing Shares to be acquired by the Trustee on the market. As no new Shares will be issued under the 2022 RSU Scheme, the operation of the 2022 RSU Scheme is not expected to have a dilutive impact to the Shareholders.

On July 28, 2023, the Board resolved to increase the maximum number of Shares that can be awarded under the 2022 RSU Scheme from 3% to 10% of the issued Shares of the Company as at November 23, 2022, being 62,125,050 Shares, representing 10% of the issued Shares of the Company as at the Latest Practicable Date. For more details, please refer to the announcement of the Company dated July 28, 2023.

The number of RSUs available for grant under the 2022 RSU Scheme was 49,670,550 Shares and 51,794,300 Shares (including RSUs that have lapsed and are available for re-granting) as at January 1, 2025 and June 30, 2025, respectively.

As at June 30, 2025, the Company had granted a total of 15,101,500 RSUs to Selected Participants under the 2022 RSU Scheme, of which 2,123,750 RSUs lapsed during the six months ended June 30, 2025. None of the grantees of the RSUs are Directors or core connected person(s) of the Company as at June 30, 2025.

4. **Maximum entitlement of each RSU Participant**

   The maximum entitlement of each participant of the 2022 RSU Scheme shall not exceed the limits as required under the Listing Rules.

5. **Vesting**

   The Board will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of RSUs that will be paid-out to the Selected Participant(s). The Board may set vesting criteria based upon the Company's achievements and individual goals, or any other basis determined by the Board in its discretion. The vesting schedules are stipulated in the respective written or electronic agreement(s) (the "**Award Agreement(s)**") between the Company and the Selected Participant(s). Unvested RSUs will lapse automatically if the RSUs are not fully vested according to the vesting schedules due to Selected Participants failing to meet the vesting criteria or for other reasons.

6. **Acceptance of RSUs**

   If a Selected Participant signs the Award Agreement within 28 days, it will be deemed to have accepted the grant of RSUs, and the number of RSUs stated in the Award Agreement will be deemed to have been granted. The amount, if any, payable on acceptance of the RSUs shall be stipulated in the Award Agreement.

7. **Basis of determining the purchase price of RSUs awarded**

   The purchase price of RSUs awarded under the 2022 RSU Scheme shall be determined at the sole discretion of the Board and stipulated in the Award Agreement.

8. Remaining life

Unless terminated earlier by the Company in accordance with the rules of the 2022 RSU Scheme, the 2022 RSU Scheme is valid and effective for a term of 10 years commencing from the Adoption Date. The 2022 RSU Scheme may be terminated by ordinary resolution of the general meeting or by resolution of the Board. Upon termination, (i) no further grant of RSUs may be made under the 2022 RSU Scheme; and (ii) the Awards granted prior to such termination shall continue to be valid.

As at the date of this report, the remaining life of the 2022 RSU Scheme was approximately seven years and three months.

Details of movements in the RSUs granted under the 2022 RSU Scheme during the Reporting Period are as follows:

Category/name of grantee	Date of grant	Closing price of Shares immediately before the date on which the RSUs were granted (HK$)	Vesting period	Weighted average closing price of Shares immediately before the vesting date (HK$)	Purchase price (per Share) (HK$)	Performance target	Unvested as at January 1, 2025	During the Reporting Period Granted	Vested	Lapsed	Cancelled	Unvested as at June 30, 2025	Fair value of RSUs at the date of grant (Note (2)) (HK$)
Five highest paid individuals during the financial year in aggregate	January 23, 2024	11.22	6 years	N/A	0	Note (1)	3,866,500	0	0	541,310	0	3,325,190	11.22
Employees (other than five highest paid individuals) in aggregate	January 23, 2024	11.22	6 years	N/A	0	Note (1)	8,588,000	0	0	1,582,440	0	7,005,560	11.22
Total							**12,454,500**	**0**	**0**	**2,123,750**	**0**	**10,330,750**	

Notes:

(1) The vesting of the RSUs shall be subject to the grantee meeting the performance targets to be determined by the Company from time to time. The Company has established an appraisal mechanism to assess the fulfillment of performance targets by the grantee. The appraisal mechanism uses a grading system based on a matrix of qualitative and quantitative indicators that vary according to the roles and responsibilities of the grantee. The indicators include, but are not limited to, measures of work quality, efficiency, collaboration, management and strategy. The scoring system evaluates the grantee's regular duties and the strategic objectives or tasks assigned for the appraisal period. The Company intends to make reference to this appraisal mechanism to set and review the performance targets of the grantees periodically.

(2) Further details of the 2022 RSU Scheme are set out in note 18(b) to the interim condensed consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, at no time during the Reporting Period was the Company or any of its subsidiaries, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of the Shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

COMPLIANCE WITH THE CODE PROVISIONS SET OUT IN PART 2 OF 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 set out in Part 2 of the Corporate Governance Code as the basis of the Company's corporate governance practices during the Reporting Period.

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 officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer 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

The Company has adopted the Model Code as its securities transaction 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 unpublished price-sensitive information ("**Inside Information**") of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of 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 SFO 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

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 or any of its subsidiaries (including disposal of treasury shares) during the Reporting Period. As at June 30, 2025, the Company did not hold any treasury shares.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of the Directors subsequent to the publication of the annual report of the Company for the year ended December 31, 2024 are set out below:

In January 2025, Dr. Wang Ruihua ceased to be an independent director of Anhui Gujing Distillery Company Limited (安徽古井貢酒股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000596).

The appointment letter of Dr. Wang Ruihua was renewed with effect from July 11, 2025, for another three-year appointment term.

With effect from August 1, 2025, Ms. Huang Luo resigned as a non-executive Director.

With effect from August 1, 2025, Mr. Zhang Weijie was appointed as a non-executive Director.

INTERIM DIVIDEND

The Board did not declare any interim dividend for the six months ended June 30, 2025 (for the six months ended June 30, 2024: nil).

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited condensed consolidated financial statements and the interim report for the six months ended June 30, 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.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds from the Global Offering amounted to approximately HK$811.8 million ("**Net Proceeds**"). The original plan for utilization of the Net Proceeds had been disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

On June 28, 2024, the Company announced re-allocation of the use of the Net Proceeds and the extension of timing of the use of the Net Proceeds. For further details and reasons for such changes, please refer to the announcement of the Company dated June 28, 2024.

Details of the original allocation of the Net Proceeds, the revised allocation of the Net Proceeds and the utilization of the Net Proceeds are set out below:

	Net Proceeds and the proportion of allocation as disclosed in the Prospectus		Net Proceeds utilized as at May 31, 2024	Unutilized balance of Net Proceeds after re-allocation as at May 31, 2024	Net Proceeds utilized as at June 30, 2025	Amounts not yet utilized as at June 30, 2025	Expected timeline of full utilization of the Net Proceeds
	HK$ million	Percentage	HK$ million	HK$ million	HK$ million	HK$ million	
Expanding and deepening our medical institution alliance network	446.5	55.0%	220.1	184.0	**341.2**	**62.9**	By the end of 2026
Upgrading and enhancing our operational capabilities as a medical operation service provider	162.3	20.0%	130.4	59.4	**157.0**	**32.8**	By the end of 2026
Expanding our diagnostic capabilities and enriching our diagnostic testing portfolio	81.2	10.0%	31.7	22.0	**53.7**	**–**	N/A
Potential investment and acquisition opportunities	40.6	5.0%	–	55.0	**–**	**55.0**	By the end of 2026
Recruiting and training up our talent pool	40.6	5.0%	22.3	36.3	**58.6**	**–**	N/A
Working capital and general corporate purposes	40.6	5.0%	40.6	10.0	**50.6**	**–**	N/A
Total	811.8	100.0%	445.1	366.7	**661.1**	**150.7**	

The Company will continue to evaluate market conditions and adopt a prudent and flexible approach for utilizing the Net Proceeds and will ensure the Net Proceeds will be used effectively and efficiently for the long-term benefit and development of the Group. The expected timeline of full utilization set out above is based on the Directors' best estimation barring unforeseen circumstances, and is subject to change in light of future development of market conditions.

EVENT AFTER THE END OF THE REPORTING PERIOD

There has been no material event after the end of the Reporting Period and up to the date of this interim report which requires disclosure in this report.

By Order of the Board
Yunkang Group Limited
Zhang Yong
Chairman

Guangzhou, the PRC, August 28, 2025

Interim Condensed Consolidated Statement of Comprehensive Income

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
		Six months ended June 30,	
Continuing operations			
Revenue	5	**313,217**	379,943
Cost of revenue	7	**(206,848)**	(251,745)
Gross profit		**106,369**	128,198
Selling expenses	7	**(53,096)**	(89,945)
Administrative expenses	7	**(78,272)**	(99,706)
Net impairment losses on financial assets		**(8,352)**	(52,447)
Other income		**331**	1,034
Other gains, net	6	**31,822**	6,590
Fair value changes on financial assets at fair value through profit or loss	16(b)	**(39,065)**	(1,241)
Operating loss		**(40,263)**	(107,517)
Finance income	8	**4,445**	3,628
Finance costs	8	**(19,591)**	(27,886)
Finance costs, net	8	**(15,146)**	(24,258)
Loss before income tax		**(55,409)**	(131,775)
Income tax credits	9	**50**	5,720
Loss for the period		**(55,359)**	(126,055)
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss			
– Change in the fair value of financial assets at fair value through other comprehensive income, net of tax	16(a)	**–**	–
Total comprehensive loss for the period		**(55,359)**	(126,055)

Interim Condensed Consolidated Statement of Comprehensive Income

	Notes	Six months ended June 30, 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
(Loss)/profit attributable to:			
– Owners of the Company		**(55,340)**	(126,129)
– Non-controlling interests		**(19)**	74
		(55,359)	(126,055)
Total comprehensive (loss)/profit attributable to:			
– Owners of the Company		**(55,340)**	(126,129)
– Non-controlling interests		**(19)**	74
		(55,359)	(126,055)
Loss per share for loss attributable to the owners of the Company			
Basic (RMB)	10	**(0.09)**	(0.21)
Diluted (RMB)	10	**(0.09)**	(0.21)

The above interim condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Financial Position

	Notes	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Assets			
Non-current assets			
Property and equipment	11	**311,224**	314,340
Intangible assets		**2,729**	2,259
Prepayments and other receivables	15	**89,659**	90,613
Financial assets at fair value through other comprehensive income ("**FVOCI**")	16(a)	**64,066**	59,066
Financial assets at fair value through profit or loss ("**FVTPL**")	16(b)	**62,411**	62,411
Deferred income tax assets		**40,206**	40,196
		570,295	568,885
Current assets			
Inventories	13	**16,728**	16,075
Trade receivables	14	**597,112**	628,456
Prepayments and other receivables	15	**25,240**	24,279
Financial assets at FVTPL	16(b)	**505,150**	412,989
Restricted cash	17	**159,765**	256,297
Cash and cash equivalents	17	**1,186,124**	1,321,355
		2,490,119	2,659,451
Total assets		**3,060,414**	3,228,336
Equity			
Equity attributable to owners of the Company			
Share capital and share premium	18(a)	**610,358**	610,358
Shares held for employee share scheme	18(b)	**(362,241)**	(362,241)
Other reserves	19	**945,505**	937,536
Retained earnings		**(97,352)**	(42,012)
		1,096,270	1,143,641
Non-controlling interests		**6,217**	6,236
Total equity		**1,102,487**	1,149,877

	Notes	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Borrowings	20	**240,937**	151,339
Lease liabilities	12	**3,760**	10,075
Deferred income tax liabilities		**659**	610
		245,356	162,024
Current liabilities			
Borrowings	20	**762,621**	902,575
Trade and other payables	21	**906,537**	970,158
Current income tax liabilities		**34,643**	34,747
Lease liabilities	12	**8,770**	8,955
		1,712,571	1,916,435
Total liabilities		**1,957,927**	2,078,459
Total equity and liabilities		**3,060,414**	3,288,336

The above interim condensed consolidated statements of financial position should be read in conjunction with the accompanying notes.

The interim condensed consolidated financial statements on pages 37 to 70 were approved by the Board of Directors of the Company on August 28, 2025 and were signed on its behalf by:

Zhang Yong
Director

Xie Shaohua
Director

Interim Condensed Consolidated Statement of Changes in Equity

		Attributable to owners of the Company						
	Notes	Share capital and share premium RMB'000	Shares held for employee share scheme RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
Balance as at January 1, 2025		610,358	(362,241)	937,536	(42,012)	1,143,641	6,236	1,149,877
Loss for the period		–	–	–	(55,340)	(55,340)	(19)	(55,359)
Other comprehensive income								
– Changes in fair value of equity investments at FVOCI, net of tax	16(a)	–	–	–	–	–	–	–
Total comprehensive loss for the period		–	–	–	(55,340)	(55,340)	(19)	(55,359)
Transaction with owners:								
Share award expenses		–	–	7,969	–	7,969	–	7,969
Shares purchased under the 2022 RSU Scheme	18(b)	–	–	–	–	–	–	–
Dividends	23	–	–	–	–	–	–	–
Total transactions with owners		–	–	7,969	–	7,969	–	7,969
(Unaudited) Balance as at June 30, 2025		610,358	(362,241)	945,505	(97,352)	1,096,270	6,217	1,102,487

	Notes	Attributable to owners of the Company						
		Share capital and share premium RMB'000	**Shares held for employee share scheme RMB'000**	**Other reserves RMB'000**	**Retained earnings RMB'000**	**Subtotal RMB'000**	**Non-controlling interests RMB'000**	**Total RMB'000**
Balance as at January 1, 2024		621,314	(188,524)	929,692	749,670	2,112,152	7,705	2,119,857
(Loss)/profit for the period		–	–	–	(126,129)	(126,129)	74	(126,055)
Other comprehensive income								
– Changes in fair value of equity investments at FVOCI, net of tax		–	–	–	–	–	–	–
Total comprehensive (loss)/ income for the period		–	–	–	(126,129)	(126,129)	74	(126,055)
Transaction with owners:								
Share award expenses		–	–	17,692	–	17,692	–	17,692
Shares purchased under the 2022 RSU Scheme		–	(74,532)	–	–	(74,532)	–	(74,532)
Dividends		(10,924)	–	–	–	(10,924)	–	(10,924)
Total transactions with owners		(10,924)	(74,532)	17,692	–	(67,764)	–	(67,764)
(Unaudited) Balance as at June 30, 2024		610,390	(263,056)	947,384	623,541	1,918,259	7,779	1,926,038

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Cash Flows

Items	Notes	Six months ended June 30, 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cash flows of operating activities			
Cash generated from operations		**8,199**	89,347
PRC enterprise income tax paid		**(5)**	(1,752)
Net cash generated from operating activities		**8,194**	87,595
Cash flows of investing activities			
Purchases of property and equipment		**(26,543)**	(19,837)
Payment of software and other intangible assets development costs		**(378)**	(525)
Payment of financial assets at FVOCI		**(5,000)**	(5,000)
Purchases of financial assets at FVTPL		**(132,033)**	–
Proceeds from redemption of financial assets at FVTPL		**–**	212,660
Net proceeds from disposal of property and equipment		**133**	1,673
Restricted cash released		**96,532**	101,274
Net cash (used in)/generated from investing activities		**(67,289)**	290,245
Cash flows of financing activities			
Proceeds from borrowings		**421,256**	377,643
Repayments of borrowings		**(473,434)**	(605,749)
Interest paid		**(18,109)**	(26,768)
Principal elements and interest expenses of lease payments		**(5,597)**	(3,903)
Shares repurchased for the employee share award scheme	18(b)	**–**	(74,532)
Net cash used in financing activities		**(75,884)**	(333,309)
Net (decrease)/increase in cash and cash equivalents		**(134,979)**	44,531
Cash and cash equivalents at beginning of the period		**1,321,355**	1,244,120
Effect of exchange rate changes on cash and cash equivalents		**(252)**	1,180
Cash and cash equivalents at end of the period	17	**1,186,124**	1,289,831

The above interim condensed consolidated statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the Interim Condensed Consolidated Financial Statements

1 GENERAL INFORMATION

Yunkang Group Limited 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 are primarily engaged in the provision of diagnostic testing services in the People's Republic of China.

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

These financial statements are presented in Renminbi, unless otherwise stated.

These unaudited condensed consolidated financial statements were approved by the Board on August 28, 2025.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements of the Group for the six months ended June 30, 2025 have been prepared in accordance with the Listing Rules and Hong Kong Accounting Standard 34 Interim Financial Reporting ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

This financial information does not include all the notes of the type normally included in an annual report. Accordingly, this report should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") as issued by the HKICPA and any public announcements made by the Group during the interim reporting period.

The accounting policies applied in the preparation of this financial information are generally consistent with those applied in the previous financial year and the corresponding interim reporting period, except for the adoption of amended standards as set out below.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

(a) Amended standards and interpretation adopted by the Group

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

Amendments to HKAS 21	Lack of Exchangeability

(b) New standards, amendments and interpretations to standards that have been issued but are not effective

The following new and revised standards have been issued but are not effective for accounting periods beginning on or after January 1, 2025 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRSs – Volume 11	January 1, 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to HK Interpretation 5	HK Interpretation 5: Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	January 1, 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an investor and its Associate or Joint Venture	To be determined

The Company expects that the application of all other new HKFRSs and amendments thereto will have no material impact on the consolidated financial statements in the foreseeable future.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim financial information in accordance with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the Group's consolidated financial statements for the year ended December 31, 2024.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2024.

There have been no changes in the risk management policies approved by the Board since year end.

4.1.1 Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyzes the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.1 Financial risk factors *(Continued)*

4.1.1 Liquidity risk (Continued)

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 3 years RMB'000	Over 3 years RMB'000	Total RMB'000
As at June 30, 2025					
Borrowings	**786,728**	**168,424**	**26,238**	**66,081**	**1,047,471**
Lease liabilities	**9,285**	**3,276**	**406**	**–**	**12,967**
Trade and other payables (excluding accrued staff costs, other taxes payable and dividends payable)	**858,122**	**–**	**–**	**–**	**858,122**
	1,654,135	**171,700**	**26,644**	**66,081**	**1,918,560**
As at December 31, 2024					
Borrowings	776,974	106,435	179,038	34,152	1,096,599
Lease liabilities	8,955	6,933	2,231	986	19,105
Trade and other payables (excluding accrued staff costs and other taxes payable)	910,307	–	–	–	910,307
	1,696,236	113,368	181,269	35,138	2,026,011

As at June 30, 2025, trade payables to related parties of RMB644,133,000 was attributable to purchase of goods and services from related parties of the Group. The Group has closely managed its liquidity risk and may delay its settlements with related parties when needed.

As at June 30, 2025, current and non-current borrowings of Group amounted to RMB762,621,000 and RMB240,937,000, respectively, which were mainly used to meet the Group's needs of working capital.

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.2 Fair value estimation

(a) Fair value hierarchy

The Group made judgements and estimates in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows below the table.

(Unaudited) At June 30, 2025	**Level 1 RMB'000**	**Level 2 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
Financial assets				
Financial assets at FVTPL				
– Investment in private funds	**–**	**418,417**	**86,733**	**505,150**
– Unlisted companies	**–**	**–**	**62,411**	**62,411**
Financial assets at FVOCI				
– Unlisted companies	**–**	**–**	**64,066**	**64,066**
Total financial assets	**–**	**418,417**	**213,210**	**631,627**

At December 31, 2024	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets at FVTPL				
– Investment in private funds	–	342,157	70,832	412,989
– Unlisted companies	–	–	62,411	62,411
Financial assets at FVOCI				
– Unlisted companies	–	–	59,066	59,066
Total financial assets	–	342,157	192,309	534,466

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.2 Fair value estimation *(Continued)*

(a) Fair value hierarchy (Continued)

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is calculated using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs of instruments measured at fair value are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the six months ended June 30, 2025 (2024: same).

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.2 Fair value estimation *(Continued)*

(b) The following table presents the changes in level 3 instruments

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
At FVOCI		
Balance at beginning of the period/year	**59,066**	74,508
Additions	**5,000**	–
Changes in fair value	**–**	(15,442)
Disposals	**–**	–
Balance at the end of the period/year	**64,066**	59,066
At FVTPL		
Balance at beginning of the period/year	**133,243**	253,102
Additions	**60,000**	–
Changes in fair value	**(44,099)**	(8,644)
Disposals	**–**	(111,215)
Balance at the end of the period/year	**149,144**	133,243

(c) Valuation process, inputs and relationship to fair value

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case by case basis. At least once a year, the team uses valuation methods to determine the fair value of the Group's level 3 instruments. Engaged valuation experts will be involved when necessary.

As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including:

- the latest round financing, i.e. the prior transaction price or the third-party pricing information; and
- a combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.2 Fair value estimation *(Continued)*

(c) Valuation process, inputs and relationship to fair value (Continued)

There was no change to valuation techniques during the six months ended June 30, 2025 (2024: same).

If the fair value of the Group's financial assets at FVOCI had been 10% higher/lower, other comprehensive loss before income tax for the six months ended June 30, 2025 would have been approximately RMB6,407,000 lower/higher (2024: RMB5,907,000).

If the fair value of the Group's financial assets at FVTPL had been 10% higher/lower, the loss before income tax for the six months ended June 30, 2025 would have been approximately RMB56,756,000 lower/higher (2024: RMB47,540,000).

5 SEGMENT AND REVENUE INFORMATION

(a) Description of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive director of the Company that makes strategic decisions.

The principal operating entities of the Group are domiciled in the PRC. Accordingly, all of the Group's revenue were derived in the PRC during the six months ended June 30, 2025 (2024: same).

(b) Revenue by business line

	Six months ended June 30,	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Recognized at a point in time:		
Diagnostic services	**313,217**	379,943

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

(c) Information about major customers

All the revenues derived from single external customers were less than 10% of the Group's total revenue during six months ended June 30, 2025 (2024: same).

5 SEGMENT AND REVENUE INFORMATION *(Continued)*

(d) 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, which unsatisfied performance obligations are immaterial and the Group has elected the practical expedient that does not require disclosure of the remaining performance obligations for these types of contracts.

6 OTHER GAINS – NET

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Gains on redemption of financial assets at FVTPL	**–**	2,369
Gains on disposal of property and equipment	**370**	3,282
Exchange (losses)/gains – net	**(451)**	863
Others (Note (a))	**31,903**	76
	31,822	6,590

(a) During the last year, the Group made a provision for a legal dispute with an external suppliers as certain of services fell short of expectations. During the Reporting Period, the lawsuit has been withdrawn upon negotiation between the two parties. Accordingly, the total provision of RMB31.5 million for the legal dispute has been transferred to other gains.

7 EXPENSES BY NATURE

Expenses included in cost of revenue, selling expenses and administrative expenses are analyzed as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of reagent and pharmaceuticals consumed	**83,299**	104,114
Staff costs	**116,598**	138,532
Share award expenses	**7,969**	17,692
Marketing and promotion expenses	**29,840**	36,942
Subcontracting costs	**22,902**	44,499
Depreciation and amortization charges	**23,262**	33,131
Transportation expenses	**7,930**	9,677
Office expenses	**2,960**	7,996
Travelling and entertainment expenses	**8,233**	11,541
Consultancy and professional service fees	**16,565**	15,392
Rental expenses	**3,942**	3,718
Outsourced R&D expenses	**1,259**	1,763
Other expenses	**13,457**	16,399
	338,216	441,396

8 FINANCE COSTS – NET

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
Bank interest income	**4,445**	3,628
Finance costs		
Interest on interest-bearing borrowings	**(19,319)**	(25,831)
Interest on lease liabilities	**(272)**	(820)
Other finance costs	**–**	(1,235)
	(19,591)	(27,886)
Finance costs – net	**(15,146)**	(24,258)

9 INCOME TAX CREDITS

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	**–**	(213)
Deferred income tax	**50**	5,933
	50	5,720

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, when 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 six months ended June 30, 2025 (2024: same).

9 INCOME TAX CREDITS *(Continued)*

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% for the six months ended June 30, 2025 (2024: 25%).

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% as at June 30, 2025 (2024: 15%).

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 subject to a reduced CIT rate of 20%.

10 LOSS PER SHARE

(a) Basic loss per share

The basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended June 30, 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 same period of approximately 35,905,846 shares (2024: 22,796,346 shares).

	For the six months ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Loss attributable to owners of the Company (RMB'000)	**(55,340)**	(126,129)
Weighted average number of ordinary shares in issue less shares held under the 2022 RSU Scheme	**585,344,654**	600,602,161
Basic loss per share attributable to the owners of the Company (expressed in RMB per share)	**(0.09)**	(0.21)

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company has no dilutive potential shares in issue during the six months ended June 30, 2025 and 2024. Therefore, the diluted loss per share for the six months ended June 30, 2025 and 2024 are the same as basic loss per share.

11 PROPERTY AND EQUIPMENT

	Property and equipment RMB'000	Right-of-use assets RMB'000	Total RMB'000
As at January 1, 2025			
Cost	**591,388**	**205,990**	**797,378**
Accumulated depreciation	**(274,070)**	**(46,736)**	**(320,806)**
Impairment	**(153,967)**	**(8,265)**	**(162,232)**
Net book amount	**163,351**	**150,989**	**314,340**
(Unaudited)			
Six months ended June 30, 2025			
Opening net book amount	**163,351**	**150,989**	**314,340**
Additions	**28,399**	**1,631**	**30,030**
Write offs/disposals	**(4,509)**	**(3,935)**	**(8,444)**
Depreciation charge	**(17,710)**	**(6,992)**	**(24,702)**
Closing net book amount	**169,531**	**141,693**	**311,224**
As at June 30, 2025			
Cost	**586,580**	**196,923**	**783,503**
Accumulated depreciation	**(275,614)**	**(46,965)**	**(322,579)**
Impairment	**(141,435)**	**(8,265)**	**(149,700)**
Net book amount	**169,531**	**141,693**	**311,224**
As at January 1, 2024			
Cost	647,059	232,441	879,500
Accumulated depreciation	(255,468)	(48,068)	(303,536)
Impairment	(179,043)	–	(179,043)
Net book amount	212,548	184,373	396,921
(Unaudited)			
Six months ended June 30, 2024			
Opening net book amount	212,548	184,373	396,921
Additions	11,364	4,582	15,946
Write offs/disposals	(329)	(11,429)	(11,758)
Depreciation charge	(23,249)	(8,572)	(31,821)
Closing net book amount	200,334	168,954	369,288
As at June 30, 2024			
Cost	591,299	214,185	805,484
Accumulated depreciation	(235,182)	(45,231)	(280,413)
Impairment	(155,783)	–	(155,783)
Net book amount	200,334	168,954	369,288

(a) As at June 30, 2025, medical equipment with carrying amount of RMB28,945,000 (December 31, 2024: RMB38,820,000) were pledged to secure the other borrowings of the Group.

12 LEASES

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Right-of-use assets included in "Property and equipment"		
– Leased properties	**9,918**	16,713
– Leased equipment and motor vehicles	**1,211**	1,695
– Land use rights	**130,564**	132,581
	141,693	150,989
Lease liabilities		
– Current	**8,770**	8,955
– Non-current	**3,760**	10,075
	12,530	19,030

13 INVENTORIES

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Reagent and pharmaceuticals	**16,728**	16,075

14 TRADE RECEIVABLES

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Trade receivables		
– Third parties	**1,460,956**	1,490,350
– Related parties (Note 22(d))	**594**	403
	1,461,550	1,490,753
Less: allowance for impairment of trade receivables	**(873,124)**	(866,283)
	588,426	624,470
Notes receivables	**8,686**	3,986
	597,112	628,456

(a) At June 30, 2025 and December 31, 2024, the aging analysis of the trade receivables based on recognition date were follows:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Up to 180 days	**218,547**	260,617
181 days to 1 year	**102,787**	126,500
1 to 2 years	**115,240**	156,512
2 to 3 years	**694,181**	839,225
More than 3 years	**330,795**	107,899
	1,461,550	1,490,753

(b) The Group's trade receivables were denominated in RMB and their carrying amounts approximated their fair values.

(c) As at June 30, 2025, trade receivables with carrying amount of RMB200,420,000 (December 31, 2024: same) were pledged to secure the bank borrowing of the Group.

15 PREPAYMENTS AND OTHER RECEIVABLES

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Included in current assets		
Prepayments		
– Prepayments to third party suppliers	**7,347**	11,395
– Other tax recoverable	**5,280**	3,577
	12,627	14,972
Other receivables		
– Interest receivables	**1,560**	193
– Deposits with RSU Trustee	**230**	225
– Deposits receivables	**8,846**	8,349
– Cash advance to employees	**401**	355
– Amounts due from related parties (Note 22(d))	**1,778**	397
	12,815	9,519
Less: allowance for impairment of other receivables	**(202)**	(212)
	12,613	9,307
	25,240	24,279
Included in non-current assets		
Prepayments		
– Prepayment for equipment to third party suppliers	**1,078**	2,840
Other receivables		
– Note receivable (Note (b))	**88,581**	87,773
	89,659	90,613
Total	**114,899**	114,892

(a) The Group's other receivables were denominated in RMB, and their carrying amounts approximated their fair values.

(b) The note receivable represented a note with fixed interest rate of 5% per annum with maturity date on October 28, 2026 which has been redeemed in full after the Period.

16 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 at FVOCI included the following:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Unlisted		
– Private company A (Note (i))	**55,668**	55,668
– Private company B (Note (ii))	**3,398**	3,398
– Private company C (Note (iii))	**5,000**	–
	64,066	59,066

Notes:

(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 an equity instrument which is principally engaged in sales of medical imaging diagnostic equipment.

(iii) Private Company C engaged in investment activities, focusing on investing in projects related to the medical and health industry.

During the six months ended June 30, 2025, the fair value changes on financial assets measured at FVOCI are considered as immaterial.

16 FINANCIAL ASSETS AT FAIR VALUE *(Continued)*

(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 June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Included in current assets		
Investment in private funds		
– Managed by investment manager A (Note (i))	**162,547**	160,481
– Managed by investment manager B (Note (i))	**184,016**	181,676
– Managed by investment manager C (Note (ii))	**86,733**	70,832
– Managed by investment manager D (Note (i))	**71,854**	–
	505,150	412,989
Included in non-current assets		
Unlisted companies (Note (iii))	**62,411**	62,411
	567,561	475,400

Notes:

(i) These investments represent three (2024: two) investment portfolios managed by three (2024: two) different investment managers. The investment objective is to invest in cash or cash equivalents, treasury bonds and other money market instruments.

(ii) A wholly-owned subsidiary of the Company subscribed a private fund. The investment objectives are primarily fixed-income products and cash or cash equivalents, as well as bonds and equity securities.

(iii) Investments in unlisted companies included investments in three (2024: same) private companies, which are principally engaged in research and sales of medical instruments, provision of consultancy services and investment management.

16 FINANCIAL ASSETS AT FAIR VALUE *(Continued)*

(b) Financial assets at FVTPL *(Continued)*

Amounts recognized in profit or loss

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fair value losses recognized in profit or loss	**(39,065)**	(1,241)

(c) Fair value, impairment and risk exposure

Information about the methods and assumptions used in determining fair value have been set out in Note 4.2.

17 CASH AND CASH EQUIVALENTS

	As at June 30, 2025	As at December 31, 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cash at bank	**1,345,889**	1,577,652
	1,345,889	1,577,652
Less: restricted cash (Note (a))	**(159,765)**	(256,297)
Cash and cash equivalents	**1,186,124**	1,321,355

(a) As at June 30, 2025, the majority of the Group's restricted cash were deposits for bank borrowings.

18 SHARE CAPITAL, SHARE PREMIUM AND SHARES HELD FOR EMPLOYEE SHARE SCHEME

(a) Share capital and share premium

	Number of ordinary shares	Share capital USD	Equity equivalents RMB'000	Share premium RMB'000	Total RMB'000
Authorized					
As at January 1, 2025 and June 30, 2025	25,000,000,000	50,000	338		
Issued and paid					
Balance at January 1, 2025	621,250,500	1,242	9	610,349	610,358
Dividends (Note 23)	–	–	–	–	–
(Unaudited)					
Balance at June 30, 2025	621,250,500	1,242	9	610,349	610,358
Balance at January 1, 2024	621,250,500	1,242	9	621,305	621,314
Dividends	–	–	–	(10,924)	(10,924)
(Unaudited)					
Balance at June 30, 2024	621,250,500	1,242	9	610,381	610,390

(i) As at June 30, 2025, the total number of issued ordinary shares of the Company included 35,905,846 shares (December 31, 2024: same) held under the 2022 RSU Scheme (Note (b)).

(b) Shares held for employee share scheme

(i) On November 23, 2022, the Board approved the adoption of the 2022 RSU Scheme which was revised 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

18 SHARE CAPITAL, SHARE PREMIUM AND SHARES HELD FOR EMPLOYEE SHARE SCHEME *(Continued)*

(b) Shares held for employee share scheme *(Continued)*

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 following table presents the changes in shares held for employee share scheme.

	Number of Ordinary shares	Cost of acquired shares RMB'000
Balance at January 1, 2025	**35,905,846**	**362,241**
Acquisition of shares by the Share Scheme Trust	–	–
(Unaudited)		
Balance at June 30, 2025	**35,905,846**	**362,241**

(ii) As at June 30, 2025, a total of 35,905,846 shares had been purchased from open market by the Share Scheme Trust at a total consideration of approximately HK$398,032,000 (equivalent to approximately RMB362,241,000) (December 31, 2024: same).

(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 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.

19 OTHER RESERVES

	Capitalization reserves (Note (a)) RMB'000	Share award reserve (Note (b)) RMB'000	Reserves for financial assets at FVOCI RMB'000	Capital reserves (Note (c)) RMB'000	Total RMB'000
Balance at January 1, 2024	930,845	–	(1,134)	(19)	929,692
Changes in fair value of financial assets at FVOCI, net of tax	–	–	(15,748)	–	(15,748)
Share award expenses	–	23,592	–	–	23,592
Balance at December 31, 2024	930,845	23,592	(16,882)	(19)	937,536
Balance at January 1, 2025	930,845	23,592	(16,882)	(19)	937,536
Share award expenses	–	7,969	–	–	7,969
(Unaudited)					
Balance at June 30, 2025	930,845	31,561	(16,882)	(19)	945,505

Notes:

(a) Capitalisation reserves represented the registered capital and capital premium of Yunkang Industry attributable to owners of the Company in aggregate of approximately RMB931 million as at January 1, 2018, as the Group obtained the equity interest in Yunkang Industry through a series of contractual arrangements other than any cash considerations, which were considered as deemed contribution from the shareholders.

(b) The share award reserve comprises the fair value of share-based payment transactions. For the six months ended June 30, 2025, 2,123,750 share awards were lapsed (2,647,000 share awards were lapsed during the year ended December 31, 2024). As at June 30, 2025, none of the share awards were vested.

(c) Capital reserves comprise the difference between the amount by which non-controlling interests are adjusted for changes in the Group's interests in subsidiaries that do not result in a loss of control by the Group and the fair value of the consideration paid or received.

20 BORROWINGS

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Borrowings included in non-current liabilities:		
Bank borrowings		
– Secured and/or guaranteed	**249,315**	108,851
Other borrowings		
– Secured and/or guaranteed	**142,266**	170,242
Less: current portion of non-current borrowings	**(150,644)**	(127,754)
	240,937	151,339
Borrowings included in current liabilities:		
Bank borrowings		
– Secured and/or guaranteed	**611,849**	767,325
Other borrowings		
– Secured and/or guaranteed	**128**	7,496
Add: current portion of non-current borrowings	**150,644**	127,754
	762,621	902,575
Total borrowings	**1,003,558**	1,053,914

(a) As at June 30, 2025, the effective interest rate of the borrowings was 3.84% per annum (December 31, 2024: 3.77%).

21 TRADE AND OTHER PAYABLES

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Trade payables (Note (a))		
– Third parties	**139,290**	147,785
– Related parties (Note 22(d))	**644,133**	631,579
	783,423	779,364
Other payables		
– Related parties (Note 22(d))	**28,466**	32,154
– Marketing and promotion expenses payables	**6,126**	14,513
– Decoration expenses payables	**18,098**	19,981
– Accrued expenses (Note 6(a))	**9,744**	53,791
– Deferred revenue	**740**	380
– Others	**11,525**	10,124
	74,699	130,943
Accrued staff costs	**41,523**	48,551
Other taxes payable	**6,892**	11,300
	906,537	970,158

(a) The aging analysis of the trade payables based on goods and services received for the indicated period end was as follows:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Up to 180 days	**94,663**	110,020
181 days to 1 year	**59,859**	55,625
1 to 2 years	**38,627**	39,346
2 to 3 years	**271,350**	487,808
More than 3 years	**318,924**	86,565
	783,423	779,364

(b) As at June 30, 2025, the trade and other payables are denominated in RMB, and their carrying amounts approximated their fair values (December 31, 2024: same).

22 RELATED PARTY TRANSACTIONS

(a) Names of and relationships with related parties

Related parties refer to persons who have the ability to control, jointly control or exercise significant influence over another party's power to control the investee; who bear the risks or are entitled to the rights of variable returns from its involvement with the investee; and who can take advantage of its control over the investee to affect the amount of investor returns. Parties are also considered related parties if they are under common control or joint control. Related parties may be individuals or other entities.

Save as disclosed elsewhere in these consolidated financial statements, the directors of the Company are of the view that the related parties/companies that had transactions or balances with the Group for the six months ended June 30, 2025 are as follows:

Name of related parties	Relationship with the Group
Mr. Zhang Yong	The controlling shareholder of the Group
Da An Gene and its subsidiaries ("**Da An Group**")	A shareholder with significant influence to the Group

(b) Key management compensation

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, bonuses and other benefits	**1,642**	1,599
Expenses of contribution to pension scheme	**183**	239
Share award expenses	**1,770**	6,365
	3,595	8,203

22 RELATED PARTY TRANSACTIONS *(Continued)*

(c) Transactions with related parties

	Six months ended June 30, 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue from		
– Da An Group	**191**	101
Purchase of goods and services		
– Da An Group	**18,946**	19,030
Commercial property management service fee to related parties		
– Da An Group	**1,731**	1,753

All of the transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transacting parties.

(d) Balances with related parties

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Amounts due from related parties		
Trade		
Trade receivables		
– Da An Group	**594**	403
Other receivables		
– Da An Group	**1,778**	397
	2,372	800
Amounts due to related parties		
Trade		
Trade payables		
– Da An Group	**(644,133)**	(631,579)
Other payables		
– Da An Group	**(28,466)**	(32,154)
	(672,599)	(663,733)

22 RELATED PARTY TRANSACTIONS *(Continued)*

(d) Balances with related parties *(Continued)*

As at June 30, 2025, the balances due from/to related parties are unsecured, interest-free, no fixed repayment term, and are denominated in RMB. Other receivables primarily include deposits in relation to transactions with related parties. Other payables primarily represent commercial property related fees payable in relation to the leased offices.

(e) Guarantees from a related party

As at June 30, 2025, there were no guarantees or pledges provided to the related parties (December 31, 2024: same).

(f) Other information with the related parties

On December 9, 2015, Guangzhou Daan, a subsidiary of the Group, Yunkang Industry, CDB Development Fund and Da An Gene entered into an investment agreement ("**Investment Agreement**"). Pursuant to which CDB Development Fund agreed to contribute RMB40 million to Guangzhou Daan in exchange of 6.18% (it was diluted to 4.72% subsequently) of shareholding of Guangzhou Daan. Pursuant to the Investment Agreement, Yunkang Industry is obliged to repurchase the equity interest of Guangzhou Daan held by CDB Development Fund in accordance with the schedule stated in the Investment Agreement and/or Da An Gene may repurchase the relevant equity interest of Guangzhou Daan when Yunkang Industry is unable to repurchase the same in accordance with the provisions in the Investment Agreement.

23 DIVIDENDS

The Board did not declare any interim dividend for the six months ended June 30, 2025 (June 30, 2024: nil).

24 COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Contracted but not provided for:		
– Property and equipment	**52,729**	74,231

As at June 30, 2025 and December 31, 2024, the Group's capital commitments mainly related to the construction on the land in Guangzhou acquired in 2019.

25 CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities (December 31, 2024: same).

26 SUBSEQUENT EVENTS

There were no material subsequent events during the period from July 1, 2025, to the approval date of the Interim Financial Information.