YONGHE
雍禾医疗

Yonghe Medical Group Co., Ltd.
雍禾醫療集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2279)

INSIDE INFORMATION
POSITIVE PROFIT ALERT

This announcement is made by Yonghe Medical Group Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors of the Company that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2025 (the "**Year**") and the information currently available to the Board, **the Group estimated a net profit of not less than RMB70.0 million for the Year,** as compared with the net loss of approximately RMB226.6 million for the year ended 31 December 2024.

Based on the information currently available, the Board considers that the above expected turning of net loss into net profit is primarily attributable to the following reasons, which have not only laid a solid foundation for profitability during the Year, but also provided strong support for the Group's sustainable earnings growth in the future:

(i) Continuous optimization of business model enhanced operating efficiency, hence higher gross profit margin

The Group further focused on the refined deployment of its clinic network, continuously optimizing resource allocation and directing core resources toward high-potential clinics, thereby steadily raising overall operational efficiency of its clinic network. Meanwhile, the Group continued to advance the intelligent upgrade of its self-developed medical chain management system "Hefan"(禾帆), deeply integrating it with the enterprise-level AI knowledge-base engine to build smart solutions covering the entire workflow of diagnosis and treatment, services, and operations. These measures effectively improved the Group's core business in terms of efficiency, quality control, and cost management, further driving an increase in gross profit margin. It is expected that the Group's gross profit margin for the Year will achieve a significant increase of 5.5 to 6.5 percentage points, as compared with the corresponding period in 2024.

(ii) Refined Management and Marketing Models produced operating leverage, and therefore lower expense ratio

The Group has continued to advance restructuring of its management model and to optimize marketing expenditure through effective operational strategies, significantly improved customer conversion efficiency and the return on marketing investment. In addition, by streamlining the organizational structure and human resource allocation, overall operational efficiency has been further boosted and the cost structure has been effectively degraded. It is expected that both the selling and marketing expenses ratio* and the general and administrative expenses ratio* of the Year to decline further compared with the corresponding period in 2024, decreasing by 5.0% to 6.0% and 2.0% to 3.0%, respectively.

The Board believes that the Group's positive earnings momentum since 2025 has continued, reflecting the substantive effectiveness of the Group's strategic adjustments and management optimization initiatives. The Board is fully confident in the Group's future development prospects.

As of the date of this announcement, the Company is in the process of finalizing the annual results of the Group for the Year. The information contained in this announcement is only based on the preliminary assessment of the unaudited management accounts of the Group and the information currently available to the Board as of the date of this announcement, which has not been audited or reviewed by the auditor of the Company and/or the audit committee of the Board. The finalized annual results of the Group for the Year, which may differ from the figures and information provided in this announcement, are expected to be published by the end of March 2026.

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

* *Note: Selling and marketing expenses ratio = selling and marketing expenses divided by operating income*

General and administrative expenses ratio = general and administrative expenses divided by operating income

By Order of the Board
Yonghe Medical Group Co., Ltd.
Zhang Yu
Chairman of the Board

Hong Kong, 3 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Yu, Mr. Zhang Hui and Ms. Han Zhimei; the non-executive director of the Company is Mr. Geng Jiaqi and the independent non-executive directors of the Company are Ms. Liang Jihong, Mr. Chan Peng Kuan and Mr. Li Xiaopei.