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)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

The Group's revenue increased by 13.8% from RMB861.6 million for the six months ended 30 June 2025 to RMB980.6 million for the six months ended 30 June 2026.

The Group's gross profit increased by 23.0% from RMB550.3 million for the six months ended 30 June 2025 to RMB676.9 million for the six months ended 30 June 2026.

The Group's gross profit margin increased from 63.9% for the six months ended 30 June 2025 to 69.0% for the six months ended 30 June 2026.

The Group's net profit increased by 170.9% from RMB27.9 million for the six months ended 30 June 2025 to RMB75.5 million for the six months ended 30 June 2026.

The Group's earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 29.2% from RMB169.8 million for the six months ended 30 June 2025 to RMB219.5 million for the six months ended 30 June 2026.

The Group's basic earnings per Share was RMB0.06 for the six months ended 30 June 2025, as compared to basic earnings per Share of RMB0.15 for the six months ended 30 June 2026.

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026.

BUSINESS REVIEW

As the leading medical group in China specialising in hair-related healthcare, we offer one-stop hair-related healthcare services covering hair transplant, medical hair care, routine hair restoration and other ancillary services. Having been focused on the hair-related healthcare service market, we have built a brand matrix for the full industry chain which is centered on our "Yonghe Medical"(雍禾醫療) and comprised of "Yonghe Hair Transplant"(雍禾植髮) for our professional hair transplant service, "Svenson"(史雲遜) for our medical hair care service, "Yonghe Fa Zhi Chu"(雍禾髮之初) for our female aesthetic hair transplant service, and "Harvard"(哈髮達) for our medical wig products. For the six months ended 30 June 2026 (the "**Reporting Period**"), we operated 63 hair transplant clinics in 61 cities nationwide, and 7 hair care centers under the brand of Svenson in Shenzhen, Shanghai and Guangzhou, making us the largest hair-related healthcare clinic chain in China in terms of scale and geographical coverage. For the six months ended 30 June 2026, the total number of consumers we served reached 65,708.

The following map illustrates the relevant information of our clinic network as at 30 June 2026:

The following table illustrates the distribution of our clinics/stores by city tier*:

Yonghe Hair Transplant clinics	**As at 30 June 2026**	As at 31 December 2025
First-tier cities	**5**	5
New first-tier cities	**17**	17
Second-tier cities	**26**	26
Third-tier cities	**14**	14
Hong Kong	**1**	1
Subtotal	**63**	63
Stand-alone Svenson stores	**As at 30 June 2026**	As at 31 December 2025
Shenzhen	**4**	4
Guangzhou	**1**	1
Shanghai	**2**	2
Subtotal	**7**	7
Total	**70**	70

* *Note: Since the list of city rankings varies in different years, the figures set forth in this table are based on the list released for the corresponding periods.*

During the first half of 2026, the Group continued to build on the improvement trend following its turnaround in profitability in 2025, by continuously optimising its operating model, enhancing operational efficiency and implementing refined management. Focusing on consumer needs, the Group continued to enhance its medical service capabilities, optimise diagnosis and treatment processes and improve the efficiency of medical resource allocation, while actively promoting the application of digitalisation and artificial intelligence technologies across various business scenarios, including marketing, medical services and operational management, thereby further enhancing customer service quality and overall operational efficiency.

The Group continued to strengthen the synergistic development between hair transplant services and medical hair care services, optimise its business structure, and enhance service capabilities and operational quality, laying a solid foundation for its long-term sustainable growth. During the Reporting Period, the Group had a revenue of RMB980.6 million, representing an increase of 13.8% as compared with RMB861.6 million for the same period in 2025. Gross profit was RMB676.9 million, representing an increase of 23.0% as compared with RMB550.3 million for the same period in 2025. Gross profit margin was 69.0%, representing an increase of 5.1 percentage points as compared with 63.9% for the same period in 2025.

The following table illustrates a breakdown of our revenue composition, gross profit and gross profit margin by service type for the periods indicated:

	Six months ended 30 June							
	2026				2025			
	Revenue		**Gross profit**	**Gross profit margin**	Revenue		Gross profit	Gross profit margin
	RMB'000	***%***	***RMB'000***	***%***	*RMB'000*	*%*	*RMB'000*	*%*
Hair transplant service	**743,319**	**75.8**	**516,261**	**69.5**	662,061	76.8	439,595	66.4
Medical hair care service	**226,728**	**23.1**	**155,887**	**68.8**	187,891	21.8	105,599	56.2
Others	**10,591**	**1.1**	**4,766**	**45.0**	11,598	1.4	5,129	44.2
Total	**980,638**	**100.0**	**676,914**	**69.0**	861,550	100.0	550,323	63.9

Hair Transplant Service

During the Reporting Period, our revenue from hair transplant service amounted to RMB743.3 million, representing a 12.3% increase as compared with the same period last year, and accounting for 75.8% of our total revenue. During the Reporting Period, with the increasing demand from consumers for hair health management, the Group continued to optimise its hair transplant service system by enhancing medical service capabilities, optimising diagnosis and treatment processes and strengthening customer service capabilities, which supported the steady development of our hair transplant services. In addition, we integrated aesthetic design elements into the "good doctor" system to meet the increasing demand from female customers for aesthetic-oriented hair transplant solutions. This strategy not only enhanced customer satisfaction, but also further strengthened our leading position in hair health management. During the Reporting Period, the number of consumers who received our hair transplant surgery was 40,793, representing an increase of 21.8% as compared with the same period in 2025. In particular, the number of female hair transplant consumers increased significantly, accounting for approximately 34.4% of the total.

The table below illustrates the key operating data of our hair transplant service:

		Unaudited Six months ended 30 June 2026		2025
Number of consumers who received our hair transplant service		**40,793**		33,504
Average spending per hair transplant consumer (RMB)		**18,222**		19,761
Three levels of services	**Number of consumers**	**Percentage**	Number of consumers	Percentage
Number of consumers who received services from our business chiefs	**26,021**	**63.8%**	24,293	72.5%
Number of consumers who received services from our business deans	**12,644**	**31.0%**	7,458	22.3%
Number of consumers who received our “Yongxiang” (雍享) service*	**2,128**	**5.2%**	1,753	5.2%

* *Note: “Yongxiang” service includes the services from our Yongxiang chiefs and the services from our Yongxiang deans.*

Medical Hair Care Service

During the Reporting Period, our revenue from medical hair care service amounted to RMB226.7 million, representing an increase of 20.7% as compared with the same period of 2025 and accounting for 23.1% of our total revenue. As a pioneer in China’s medical hair care industry, we have established Svenson Medical Hair Care Centers in each of our hair transplant clinics under the “shop-in-shop” model, providing professional diagnosis and treatment services as well as customised treatment services to our consumers. With consumers’ increasing demand for long-term hair health management, medical hair care service has gradually become an important business segment of the Group connecting diagnosis, treatment, care and long-term membership-based hair health management. During the Reporting Period, the number of patients who received our medical hair care services was 56,757, representing an increase of 26.4% as compared with the same period of 2025. The repurchase rate of medical hair care packages was 25.9%.

The table below illustrates the key operating data of our medical hair care service:

	Unaudited Six months ended 30 June 2026	2025
Number of consumers who received our medical hair care service	**56,757**	44,912
Average spending per medical hair care consumer (RMB)	**3,995**	4,184
* Repurchase rate	**25.9%**	29.9%

* *Note: Calculated by the number of consumers who purchased our medical hair care service packages more than once, divided by the total number of consumers who purchased our medical hair care service packages during the period.*

BUSINESS UPDATES

Enhancing operational efficiency and maintaining steady growth of female hair transplant business

During the Reporting Period, the Group continued to deepen its consumer-oriented operating model by enhancing customer service capabilities, optimising diagnosis and treatment processes and improving the efficiency of medical resource allocation, thereby further enhancing consumer experience and service quality.

The Group continued to focus on the hair health needs of different consumer groups and improved its service systems, medical solution design and service processes to meet consumers' demand for personalised and high-quality hair-related healthcare services.

In particular, services targeting female consumers continued to demonstrate growth potential and became an important driver for the optimisation of the Group's hair transplant service structure. During the Reporting Period, the Group further enhanced its female consumer service system by strengthening consumer demand insights, improving aesthetic design capabilities and optimising diagnosis and treatment processes, thereby enhancing the service experience of female consumers. As at the end of the Reporting Period, revenue from female-related services increased by approximately 40% year-on-year, while the number of female hair transplant surgeries exceeded 14,000. The proportion of high-value non-shaving hair transplant procedures increased by 18% year-on-year, further driving the optimisation of the Group's customer mix and product structure.

To continuously enhance the professional and standardised service capabilities for female hair-related healthcare, the Group continued to improve its female business operating system by advancing the development of a female specialist service system in key regions nationwide. The Group equipped professional service teams, enhanced training systems, standardised reception procedures and established dedicated service areas, further improving female consumers' experience throughout the diagnosis, aesthetic design and treatment processes.

During the Reporting Period, the Group continued to upgrade its product portfolio and strengthen its digital operation capabilities. In response to the hair health needs of younger consumer groups, the Group launched dedicated anti-hair loss and hair growth care packages and explored the integration of medical expertise and aesthetic services in its hair care offerings, further enriching service scenarios and optimising its product structure.

Meanwhile, the Group continued to apply intelligent consultation tools and customer profiling systems to improve consumer demand identification and solution matching efficiency through data analysis, strengthening its capabilities in new customer conversion and refined operation of existing customers. In addition, the Group established a talent development system integrating "training, assessment and certification" to continuously enhance its professional service capabilities, while strengthening its market competitiveness through differentiated products and professional services.

With continuous improvement in operational efficiency, the Group continued to optimise the development structure and resource allocation of its hair transplant clinics and implemented refined operational management based on the characteristics of different clinics, with a view to enhancing overall operational quality and efficiency.

The following table illustrates a breakdown of the number of our hair transplant clinics by development stage* during the Reporting Period:

	As at 30 June 2026	As at 31 December 2025
Mature-stage clinics	**58**	55
Developing-stage clinics	**5**	8
Newly-established clinics	**–**	–
Total	**63**	63

* *Note: We categorise our clinics based on three development stages, namely mature-stage clinics, being those that have been established for more than three years; developing-stage clinics, being those that have been established for one to three years; and newly-established clinics, being those that have been established for less than one year. For acquired clinics, we regard the dates when their financial positions and results of operations are consolidated into the Group as their respective opening dates.*

Strengthening medical talent development and enhancing professional service capabilities

The Group attaches great importance to the development of its medical talent team and continues to improve its talent development and capability enhancement system. Through the establishment of a talent development mechanism integrating "training, assessment and certification", the Group continuously enhances the professional capabilities and service standards of its medical team.

During the Reporting Period, the Group conducted more than ten specialised training sessions covering approximately 500 participants, focusing on key areas including professional hair-related knowledge, diagnosis and treatment skills, service communication capabilities and customer service management. Together with assessment and evaluation mechanisms, such initiatives continuously enhanced the professional standards and service capabilities of the medical team.

Meanwhile, the Group continued to strengthen its academic system and professional brand development. Through the accumulation of clinical experience, the analysis of case studies and enhancement of professional capabilities, the Group further strengthened consumers' trust in professional hair-related healthcare services and promoted the transformation of its business development model from being driven primarily by customer acquisition towards being driven by professional services and brand value.

The Group adheres to a service philosophy centred on healthcare quality and practises the principle of "treat with medical care and deliver with beauty". The Group recognises the professional value of physicians in hair-related healthcare services and continues to enhance physicians' diagnostic and treatment capabilities as well as service standards, providing consumers with more professional and personalised hair-related healthcare solutions. As at 30 June 2026, the Group had established a professional medical team comprising 1,410 members, details of which are set out below:

	As at 30 June 2026
Our professional team	**1,410**
– Physicians	**241**
– Nurses	**1,068**
– Other medical professionals (including pharmacists and medical technologists)	**101**

With the continued growth in demand for female hair-related healthcare services, the Group has continued to strengthen its professional talent pipeline and service capabilities in this area. On the one hand, the Group has enhanced its talent development and cultivation mechanisms through a structured approach involving different levels, grades and targeted training programmes, while strengthening the recruitment and development of key personnel to improve the professional service capabilities of its female hair-related healthcare business. On the other hand, the Group has continued to optimise its differentiated service system by accumulating high-quality clinical cases, enhancing physicians' professional capabilities, optimising hair transplant techniques and improving consumer service experience, thereby further strengthening its brand influence and market competitiveness.

Optimising marketing systems to enhance customer acquisition efficiency and long-term customer value

During the Reporting Period, the Group continued to optimise its marketing system development, focusing on three key areas, namely enhancing customer acquisition efficiency, improving operational quality and strengthening customer value management, thereby promoting the transformation of its marketing model from scale-driven expansion to refined operations.

In response to changes in market dynamics and evolving consumer expectations, the Group continued to enhance the application of digital tools, optimise marketing investment strategies and improve customer operation processes. Through enhancing various aspects including brand building, targeted customer engagement, customer conversion and long-term customer management, the Group further improved marketing efficiency. By continuously refining its integrated online and offline marketing system, the Group enhanced the quality of customer acquisition and service conversion efficiency, while strengthening full life-cycle customer management, thereby supporting the sustainable growth of its hair transplant and medical hair care services.

i) Integrated brand and performance, and precision marketing strategies

During the Reporting Period, the Group continued to deepen its integrated brand and performance marketing strategy. Based on stable customer acquisition costs, the Group further improved the return on marketing investments and optimised the allocation of marketing resources towards high-quality customer acquisition.

The Group enhanced marketing efficiency through optimising advertising strategies, strengthening refined channel management and improving advertising performance evaluation mechanisms.

Meanwhile, the Group continued to strengthen brand building through brand promotion initiatives, including the brand promotion initiatives such as co-title sponsorship of Our Dormitory (《我們的宿舍》) with Mango TV, enhancing brand awareness and influence among younger consumer groups.

In addition, the Group continued to expand diversified market channels and increase marketing efforts in overseas markets, further enhancing regional market coverage. The Group also actively explored growth opportunities in segmented markets, including female consumers and consumers from other regions, providing support for sustainable business growth.

ii) *Building an end-to-end customer operation system to enhance conversion efficiency*

The Group continued to strengthen the development of its online sales system and enhance full life-cycle customer management capabilities through the application of digital tools. During the Reporting Period, focusing on the entire customer journey from initial demand engagement to the delivery of medical services, the Group continued to optimise the coordination among online consultation, customer management and clinic-level services.

The Group established a quality management system and operational evaluation mechanism covering advertising, customer consultation and clinic service processes, further enhancing customer conversion efficiency and service consistency.

Meanwhile, leveraging its internet hospital platform, the Group continued to explore digital healthcare service models. Through the application of artificial intelligence tools and customer segmentation-based operations, the Group enhanced its ability to identify consumer needs and match service solutions, promoting the formation of an integrated customer service pathway covering "demand identification, professional consultation, solution formulation and service fulfilment".

In addition, the Group continued to expand medical hair care service scenarios through medical-grade hair care stores and a home-based service product portfolio, further extending the scope of hair health management services to address consumers' needs at different stages of the hair health management cycle and enhance customer lifetime value.

iii) *Deepening content marketing and private domain operations to enhance long-term customer value*

The Group continued to strengthen its capabilities in content marketing and private domain operations. By establishing a diversified content ecosystem comprising professional physicians, medical teams and genuine consumer experiences, the Group enhanced consumer education and strengthened brand trust.

During the Reporting Period, focusing on key hair health concerns among consumers, the Group enhanced consumers' understanding of hair-related healthcare services and strengthened decision-making confidence through professional content creation and authentic case sharing.

Meanwhile, the Group continued to expand its private domain customer base and enhance customer engagement and interaction efficiency through customer segmentation and refined operations. Leveraging its internet hospital platform and digital operation tools, the Group further extended customer service cycles and improved conversion efficiency among customers with longer decision-making periods.

In response to post-operative hair transplant customer needs, the Group continued to optimise its hair care service product portfolio. Through providing continuous professional services, the Group enhanced customer repurchase and long-term service value, further facilitating the transformation of its business model from one-off medical services towards long-term hair health management.

Technology-driven digital and intelligent transformation

During the Reporting Period, the Group continued to advance its "Digitalisation and Intelligentisation" strategy, with the application of artificial intelligence (AI) technologies as a core focus. The Group strengthened its digital infrastructure capabilities and promoted the large-scale application of AI technologies across various business scenarios, including healthcare services, digital marketing and operational management, thereby further enhancing operational efficiency and customer service experience. The Group continued to advance the transformation of its operating model from experience-driven to data-driven. By integrating customer, medical and operational data, the Group has established a digital capability framework covering data collection, intelligent analysis and business applications, and gradually developed an operating model driven by data insights and enabled by technology, providing support for the Group's long-term sustainable growth.

i) AI-enabled refined marketing to enhance customer acquisition and conversion efficiency

During the Reporting Period, the Group continued to promote the application of AI technologies in marketing and customer operations, optimising customer acquisition, operations and conversion processes, and further enhancing marketing efficiency and customer service capabilities.

In terms of precise customer acquisition, the Group launched innovative tools including "AI Hair Loss Self-assessment" and "AI Aesthetic Self-assessment". By analysing user behaviour and traffic characteristics through AI technologies, the Group achieved more accurate identification of target customers and improved demand matching capabilities. As at the end of the Reporting Period, these tools had attracted more than 100,000 consumers in aggregate, effectively enhancing the efficiency of reaching potential customers. The Group continued to enhance its AI user profiling system by integrating data from online consultations and clinic services to analyse and categorise consumer needs and purchase intentions, enabling rapid transmission of customer information and more precise follow-up management, thereby improving customer response efficiency. Meanwhile, the Group continued to implement AI-powered marketing tools to optimise customer follow-up and private domain operations. Through automation, repetitive manual tasks were reduced, enhancing the operational efficiency of sales teams and enabling them to focus more on high-value customer services and conversion.

ii) *AI-enabled healthcare services to enhance diagnostic efficiency and service quality*

The Group continued to deepen the integration of AI technologies with healthcare service scenarios. Through intelligent detection, assisted diagnosis and treatment, and medical data applications, the Group enhanced the standardisation of healthcare services and physicians' service efficiency.

The Group introduced AI image recognition technology to assist physicians in analysing scalp and hair conditions, achieving coverage across its clinic network nationwide. During the Reporting Period, the monthly volume of AI-generated intelligent detection reports exceeded 50,000, providing data support for physicians' diagnosis and personalised service plan formulation. Meanwhile, the Group continued to improve its hair-related disease knowledge database and leveraged AI medical models to promote intelligent applications in outpatient medical records, enhancing diagnostic workflow efficiency and consistency of healthcare services. In addition, the Group continued to improve its AI-enabled diagnosis and treatment system, extending the application of AI technologies across pre-consultation solution design, intra-operative quality management and post-treatment intelligent follow-up, further enhancing consumer healthcare experience.

In terms of intelligent hardware applications, the Group independently developed image acquisition devices and gradually deployed them in healthcare service scenarios, providing data support for pre-operative assessment, post-operative outcome tracking and recovery cycle management. Such applications addressed inconsistencies in traditional manual image collection processes and further enhanced the standardisation of detection processes. Meanwhile, the Group completed preliminary research and development of 3D intelligent image acquisition and synthesis equipment, and plans to gradually introduce such equipment into clinics to further enhance hair transplant design and healthcare service capabilities.

iii) *AI-enabled operational management to enhance organisational efficiency and service standards*

During the Reporting Period, the Group continued to promote the application of AI technologies in operational management, service quality management and technology development, thereby improving overall operational efficiency.

In terms of service quality management, the Group continued to develop its AI-enabled service supervision system and achieved AI quality inspection coverage across in-clinic consultation processes. Through intelligent analysis, the Group identified opportunities for optimisation within service processes and established a management closed loop of "quality inspection, data review and continuous service enhancement", further improving service supervision efficiency and customer experience.

In terms of technology development, the Group integrated AI coding tools into its technology development processes, promoting the evolution of its development model from traditional manual development towards human-machine collaboration. During the Reporting Period, AI coding tools were applied in the daily development activities of the technology team, significantly shortening the delivery cycle of key projects and promoting the continued intelligent upgrade of the research and development system.

In terms of information security, with the continuous expansion of AI application scenarios, the Group continued to strengthen its data security and system risk management capabilities. During the Reporting Period, the Group completed dedicated security governance and risk remediation for its research and development systems, engaged external professional institutions to conduct system security testing, and continued to strengthen employee training on cybersecurity and compliant AI usage. These initiatives further enhanced the Group's information security protection framework and provided a solid foundation for its digital and intelligent transformation.

PROSPECTS

The hair-related healthcare services market is currently undergoing rapid development, with substantial unmet market demand and significant growth potential. According to the report titled "Research on Hair-related Health Service Industry of China for 2024" released by Frost & Sullivan and LeadLeo Research Institute, the hair-related healthcare market in China has continued to grow in recent years, increasing from RMB58.29 billion in 2020 to RMB79.55 billion in 2023, and is expected to reach RMB116.54 billion by 2028. During the first half of 2026, the number of consumers receiving our hair transplant services reached 40,793, representing a year-on-year increase of 21.8%. Leveraging our one-stop hair-related healthcare service platform, leading market position and established brand recognition, we will continue to capture the opportunities arising from the rapid development of the industry and achieve sustainable and healthy growth.

Going forward, the Group will continue to focus on evolving consumer needs and industry development trends, deepen the optimisation of its operating model, promote the synergistic development of hair transplant services and medical hair care services, and further enhance its full life-cycle hair-related healthcare service system covering "diagnosis, treatment and maintenance".

Meanwhile, the Group will continue to enhance its customer operation capabilities, optimise its service system and advance digital transformation. Through refined operations and technology empowerment, the Group aims to improve operational efficiency, enhance customer service experience and drive long-term sustainable growth.

Enhancing customer operation capabilities and improving the quality of business growth

Going forward, the Group will continue to strengthen its full life-cycle customer operation capabilities and enhance customer acquisition, conversion and service efficiency through digital tools and refined management. The Group will further improve its integrated online and offline customer operation system, strengthen refined operations for potential customers and existing customers, and enhance customer revisit and conversion rates through continuous optimisation of private domain operations, customer segmentation management and precise engagement mechanisms.

Meanwhile, the Group will continue to promote the development of intelligent consultation tools and standardised operating processes. Leveraging its customer profiling system, the Group will conduct in-depth analysis of consumer needs to achieve more precise service matching and solution recommendations, thereby further improving marketing investment efficiency and customer service experience.

In addition, the Group will continue to deepen the development of its membership system. Focusing on the hair management needs of consumers experiencing hair loss and post-hair-transplant care requirements, the Group will enhance its hair care service system and increase customer lifetime value through the synergistic "hair transplant + hair care" model, facilitating the transformation of medical hair care services from standalone services towards long-term hair health management.

Enhancing the hair-related healthcare service system and expanding growth opportunities

Going forward, the Group will continue to promote the synergistic development of hair transplant services and medical hair care services, optimise its product portfolio and address consumers' hair health management needs at different stages.

For medical hair care services, the Group will further enhance its multi-level product system covering "basic care, medical-grade treatment and aesthetic anti-ageing", enrich service scenarios, expand consumer coverage, and promote scalable business development through product innovation and service upgrades.

For female-related services, the Group will continue to strengthen its professional service capabilities. Leveraging AI-powered intelligent consultation, intelligent hair detection and customer profiling systems, the Group will achieve digital optimisation of female consumer needs identification, solution design and service processes. Meanwhile, the Group will summarise the operational experience of mature clinics and gradually replicate such experience in key cities to further expand the scale and market coverage of its female-related business.

Through continuous optimisation of its service system, enhancement of medical professional capabilities and enrichment of its product portfolio, the Group will further strengthen its differentiated competitive advantages and provide new growth drivers for future business development.

Advancing digital and intelligent transformation to enhance long-term operational efficiency

Going forward, the Group will continue to promote the application of digitalisation and artificial intelligence technologies throughout the entire process of hair-related healthcare services, leveraging data assets and intelligent capabilities to continuously upgrade its operating model.

In terms of marketing and customer operations, the Group will continue to deepen the application of AI-enabled digital marketing. Through intelligent tools, the Group will enhance target customer identification, precise customer engagement and customer operation efficiency, while gradually establishing an AI-powered sales system covering various scenarios to improve team operational capabilities and customer conversion efficiency.

In terms of medical services, the Group will continue to enhance its AI-powered intelligent diagnosis and treatment system, promoting the application of artificial intelligence technologies across pre-consultation solution design, in-service management and post-treatment follow-up. Through AI image recognition technology, hair disease knowledge bases and intelligent detection equipment, the Group aims to further improve the standardisation of medical services and diagnosis and treatment efficiency.

Meanwhile, the Group will accelerate the implementation of intelligent hardware applications, and continue to promote the deployment of image acquisition devices and 3D intelligent acquisition devices across its clinics, providing consumers with more accurate and standardised diagnosis and treatment experiences.

In addition, the Group will continue to strengthen the development of AI quality inspection, data governance and information security systems, promote the transformation of service management from traditional manual management towards data-driven management, and enhance organisational operational efficiency through AI tools, thereby supporting the Group's long-term high-quality development.

FINANCIAL REVIEW

Revenue

During the six months ended 30 June 2026, the Group recorded revenue of RMB980.6 million (the same period in 2025: RMB861.6 million), representing an increase of 13.8% as compared with the same period of 2025. The Group's revenue is mainly derived from (i) hair transplant service; (ii) medical hair care service; and (iii) others.

The following table sets forth a breakdown of the Group's revenue by business line for the periods indicated:

	Six months ended 30 June			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
Hair transplant service	**743,319**	**75.8**	662,061	76.8
Medical hair care service	**226,728**	**23.1**	187,891	21.8
Others	**10,591**	**1.1**	11,598	1.4
	980,638	**100.0**	861,550	100.0

Revenue from hair transplant service

The Group's revenue from hair transplant service was RMB743.3 million for the six months ended 30 June 2026, representing an increase of 12.3% as compared with RMB662.1 million for the same period in 2025. Such increase in revenue from hair transplant service was mainly attributable to the rise in the number of hair transplant patients. The number of hair transplant patients served by the Group increased by 21.8% from 33,504 for the six months ended 30 June 2025 to 40,793 for the six months ended 30 June 2026, while average spending per hair transplant patient decreased by 7.8% from RMB19,761 for the six months ended 30 June 2025 to RMB18,222 for the six months ended 30 June 2026.

Revenue from medical hair care service

The Group's revenue from medical hair care service was RMB226.7 million for the six months ended 30 June 2026, representing an increase of 20.7% as compared with RMB187.9 million for the same period in 2025. The increase in revenue from medical hair care service was mainly attributable to the rise in the number of our medical hair care patients, which increased by 26.4% from 44,912 for the six months ended 30 June 2025 to 56,757 for the six months ended 30 June 2026.

Revenue from others

The Group's revenue from other services was mainly derived from the services provided and goods sold by our stand-alone Svenson stores for routine services, which amounted to RMB10.6 million for the six months ended 30 June 2026, representing a decrease of 8.7% as compared with RMB11.6 million for the same period in 2025.

Cost of sales and services

During the Reporting Period, the Group's cost of sales and services primarily consisted of staff costs, amortisation and depreciation charges, cost of inventories and consumables, operation related expenses and other expenses. The following table sets forth a breakdown of the Group's cost of sales and services by nature for the periods indicated:

	Six months ended 30 June			
	2026		2025	
	RMB'000	***%***	*RMB'000*	*%*
Staff costs	**140,618**	**46.3**	125,701	40.4
Amortisation and depreciation charges	**101,663**	**33.5**	112,318	36.1
Cost of inventories and consumables	**37,972**	**12.5**	52,518	16.9
Operation related expenses	**14,130**	**4.6**	14,391	4.6
Other expenses	**9,341**	**3.1**	6,299	2.0
	303,724	**100.0**	311,227	100.0

During the six months ended 30 June 2026, the Group's cost of sales and services amounted to RMB303.7 million (the same period in 2025: RMB311.2 million). In particular, staff costs represent the salaries and bonuses paid to physicians, nurses and other professionals. The increase in staff costs was mainly attributable to the natural growth in performance-related remuneration arising from revenue growth. The reduction in the cost of inventories and consumables was primarily attributable to our optimisation of inventory cost structure and cost savings achieved through bulk procurement.

Gross profit and gross profit margin

During the six months ended 30 June 2026, the Group recorded a gross profit of RMB676.9 million (the same period in 2025: RMB550.3 million), representing an increase of 23.0% over the same period in 2025. The Group's gross profit margin was 69.0% (the same period in 2025: 63.9%).

General and administrative expenses

During the Reporting Period, the Group's general and administrative expenses primarily consisted of (i) staff costs, which represent wages, benefits and bonuses of our administrative staff; (ii) operation related expenses, which primarily include conference fees, utilities, maintenance fees and rental payments; (iii) amortisation and depreciation charges; (iv) professional and consulting service fees incurred in relation to audit services and internet services; (v) travelling and entertainment expenses; and (vi) others. The following table sets forth a breakdown of the Group's general and administrative expenses by nature for the periods indicated:

	Six months ended 30 June			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
Staff costs	**76,233**	**65.0**	78,648	70.2
Operation related expenses	**10,292**	**8.8**	6,965	6.2
Amortisation and depreciation charges	**8,450**	**7.2**	7,017	6.3
Professional and consulting service fees	**6,167**	**5.3**	6,126	5.5
Travelling and entertainment expenses	**5,257**	**4.5**	4,723	4.2
Others	**10,854**	**9.2**	8,613	7.6
	117,253	**100.0**	112,092	100.0

During the six months ended 30 June 2026, the Group incurred general and administrative expenses of RMB117.3 million (the same period in 2025: RMB112.1 million). Such increase in general and administrative expenses was mainly attributable to the corresponding increase in operation related expenses driven by revenue growth.

Selling and marketing expenses

During the Reporting Period, the Group's selling and marketing expenses primarily consisted of marketing and promotion expenses, staff costs, etc. The following table sets forth a breakdown of the Group's selling and marketing expenses by nature for the periods indicated:

	Six months ended 30 June			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
Marketing and promotion expenses	**299,379**	**67.5**	254,047	66.6
Staff costs	**126,406**	**28.5**	109,966	28.8
Travelling expenses	**5,644**	**1.3**	4,967	1.3
Amortisation and depreciation charges	**5,241**	**1.2**	5,817	1.5
Operation related expenses	**2,933**	**0.7**	2,417	0.6
Others	**3,837**	**0.8**	4,194	1.2
	443,440	**100.0**	381,408	100.0

During the six months ended 30 June 2026, the Group incurred selling and marketing expenses of RMB443.4 million (the same period in 2025: RMB381.4 million). The Group's selling and marketing expenses primarily consist of marketing and promotion expenses and staff costs. The increase in marketing and promotion expenses was mainly due to (i) adjustments in channel structure and increased investment in high-output channels; and (ii) a phased increase in brand-building initiatives to strengthen brand penetration in key regions.

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

During the six months ended 30 June 2026, the Group's earnings before interest, taxes, depreciation and amortisation amounted to RMB219.5 million (the same period in 2025: RMB169.8 million), representing an increase of 29.2% over the same period in 2025.

Reconciliations to earnings before interest, taxes, depreciation and amortisation are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Reconciliations of profit for the period to earnings before interest, taxes, depreciation and amortisation:		
Profit for the period	**75,457**	27,855
Income tax expense	**22,322**	9,954
Finance income	**(4,878)**	(5,882)
Finance costs (including discount and amortisation of lease liabilities)	**11,134**	12,768
Depreciation of right-of-use assets	**61,190**	62,687
Depreciation of property, plant and equipment	**51,850**	60,137
Amortisation of intangible assets	**2,384**	2,328
Earnings before interest, taxes, depreciation and amortisation	**219,459**	169,847

Income tax expense

During the six months ended 30 June 2026, the Group's income tax expense was RMB22.3 million, as compared to the income tax expense of RMB10.0 million in the same period in 2025. The increase in income tax expense was primarily attributable to higher profits for the current period.

Net profit and net profit margin

As a result of the above, the Group's net profit increased by 170.9% from RMB27.9 million for the six months ended 30 June 2025 to RMB75.5 million for the six months ended 30 June 2026. The Group's net profit margin was 7.7% for the six months ended 30 June 2026, as compared to net profit margin of 3.2% for the same period of last year.

Cash, cash equivalents and term deposits

As at 30 June 2026, the Group recorded cash, cash equivalents and term deposits of RMB883.6 million (31 December 2025: RMB749.2 million). The Group has robust cash flows which are adequate to meet the capital requirements for daily operation as well as future strategic plans.

Cash flows

The following table sets forth selected data of the Group's consolidated statements of cash flows for the periods indicated:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Net cash generated from operating activities	**263,732**	208,484
Net cash used in investing activities	**(102,793)**	(8,294)
Net cash used in financing activities	**(116,591)**	(132,105)
Cash and cash equivalents at beginning of the period	**698,993**	487,842
Cash and cash equivalents at end of the period	**743,234**	555,885

Liquidity and capital resources

As at 30 June 2026, the Group had cash, cash equivalents and term deposits of RMB883.6 million (31 December 2025: RMB749.2 million). As at 30 June 2026, the Group had no bank borrowings (31 December 2025: nil).

Capital expenditures

The Group's capital expenditures mainly represent payments for purchase of items of property, plant and equipment and intangible assets. The following table sets forth a breakdown of our capital expenditures for the periods indicated:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Payments for property, plant and equipment	**13,745**	7,712
Payments for intangible assets	**75**	800
Total	**13,820**	8,512

During the six months ended 30 June 2026, the Group incurred capital expenditures of RMB13.8 million (six months ended 30 June 2025: RMB8.5 million).

Indebtedness

The Group's indebtedness mainly includes lease liabilities. The following table sets forth a breakdown of our indebtedness:

	30 June 2026 *RMB'000* **Unaudited**	31 December 2025 *RMB'000* Audited
Current		
Lease liabilities	**124,841**	120,203
Non-current		
Lease liabilities	**310,793**	364,470
Total	**435,634**	484,673

Bank borrowings

As at 30 June 2026, the Group had no bank borrowings (31 December 2025: nil).

Lease liabilities

The Group recognises lease liabilities with respect to all leases, except for short-term leases and leases of low-value assets. As at 30 June 2026, the Group (as lessee) had total outstanding lease liabilities of RMB435.6 million (31 December 2025: RMB484.7 million) for the remaining terms of the relevant lease agreements.

Future plan for material investments and capital assets

Save as disclosed in the Prospectus, as at 30 June 2026, the Group did not have any future plans for material investments and capital assets.

Charge of assets

There was no charge on the Group's assets as at 30 June 2026 (31 December 2025: nil).

Gearing ratio

Gearing ratio is calculated using bank loans and other borrowings divided by total equity as at the end of the relevant period and multiplied by 100%. As at 30 June 2026, since the Group had no bank loans or other borrowings, the Group's gearing ratio was nil (31 December 2025: nil).

Exchange rates and any related hedges

The Group has no significant foreign currency risk as its operations, assets and liabilities are mainly denominated in RMB which is also the functional currency of the Company. As at 30 June 2026, the Group had cash and cash equivalents of RMB7.4 million denominated in foreign currencies, mainly USD and HKD (31 December 2025: RMB5.7 million, mainly USD). We monitor foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Contingent liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities (31 December 2025: nil).

SUBSEQUENT EVENTS

Save as disclosed in this announcement, there was no significant event that might affect the Group after the Reporting Period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had a total of 3,624 employees, among whom 1,410 were members of our professional medical team. Staff costs were RMB352.7 million for the six months ended 30 June 2026, as compared to RMB323.1 million for the six months ended 30 June 2025.

The Group continues to provide competitive compensation packages, attractive promotion opportunities, diverse training courses and a professional working environment to its employees. The Group remunerates the employees based on industry practices and individual's performance and experience. Remuneration packages primarily comprise basic salary, performance-based compensation and/or discretionary bonus. As required by PRC laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local governments, including housing provident fund, pension, medical, maternity, work-related injury and unemployment insurances.

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
	Note	**2026**	2025
		RMB'000	*RMB'000*
		Unaudited	Unaudited
Revenue from contracts with customers	*4*	**980,638**	861,550
Cost of sales and services		**(303,724)**	(311,227)
Gross profit		**676,914**	550,323
Selling and marketing expenses		**(443,440)**	(381,408)
General and administrative expenses		**(117,253)**	(112,092)
Research and development expenses		**(10,866)**	(9,053)
Impairment losses on financial assets – net		**(330)**	(1,751)
Other income		**612**	683
Other losses – net	*5*	**(1,602)**	(2,007)
Operating profit		**104,035**	44,695
Finance income	*6*	**4,878**	5,882
Finance costs	*6*	**(11,134)**	(12,768)
Finance costs – net		**(6,256)**	(6,886)
Profit before income tax		**97,779**	37,809
Income tax expense	*7*	**(22,322)**	(9,954)
Profit for the period		**75,457**	27,855
Profit is attributable to			
– Equity holders of the Company		**75,521**	27,913
– Non-controlling interests		**(64)**	(58)

	Note	Six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
		Unaudited	Unaudited
Other comprehensive (loss)/income			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		**(107)**	37
Total comprehensive income for the period		**75,350**	27,892
Total comprehensive income for the period is attributable to:			
– Equity holders of the Company		**75,414**	27,950
– Non-controlling interests		**(64)**	(58)
Earnings per share attributable to equity holders of the Company			
Basic earnings per share *(RMB)*	*8*	**0.15**	0.06
Diluted earnings per share *(RMB)*	*8*	**0.15**	0.06

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 30 June 2026 *RMB'000* Unaudited	As at 31 December 2025 *RMB'000* Audited
Assets			
Non-current assets			
Property, plant and equipment		**250,147**	286,695
Right-of-use assets		**382,669**	425,668
Intangible assets		**20,493**	22,877
Deferred income tax assets		**103,486**	109,628
Prepayments, deposits and other receivables		**2,166**	3,468
Total non-current assets		**758,961**	848,336
Current assets			
Inventories		**15,160**	13,305
Trade receivables	*10*	**5,556**	9,809
Prepayments, deposits and other receivables		**72,819**	79,885
Term deposits		**140,324**	50,181
Cash and cash equivalents		**743,234**	698,993
Restricted cash		**888**	1,331
Total current assets		**977,981**	853,504
Total assets		**1,736,942**	1,701,840
Equity			
Equity attributable to equity holders of the Company			
Share capital		**8**	8
Share premium		**1,290,533**	1,330,450
Treasury shares		**(185)**	(185)
Shares held for employee share scheme		**(173,624)**	(175,533)
Other reserves		**155,675**	155,782
Accumulated losses		**(446,946)**	(522,467)
		825,461	788,055
Non-controlling interests		**(745)**	(681)
Total equity		**824,716**	787,374

	Note	As at 30 June 2026 RMB'000 Unaudited	As at 31 December 2025 RMB'000 Audited
Liabilities			
Non-current liabilities			
Lease liabilities		**310,793**	364,470
Deferred income tax liabilities		**371**	694
Total non-current liabilities		**311,164**	365,164
Current liabilities			
Trade and other payables	*11*	**170,695**	158,556
Contract liabilities		**288,190**	259,738
Current income tax liabilities		**17,336**	10,805
Lease liabilities		**124,841**	120,203
Total current liabilities		**601,062**	549,302
Total liabilities		**912,226**	914,466
Total equity and liabilities		**1,736,942**	1,701,840

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

Yonghe Medical Group Co., Ltd. (the "Company") was incorporated in the Cayman Islands on 17 September 2020 as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands. The address of the Company's registered office is Floor 4, Willow House, Cricket Square, Grand Cayman, KY 1-9010, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together, the "Group") are primarily engaged in the provision of (i) hair transplant and (ii) medical hair care services (the "Business") in the Mainland ("Chinese Mainland") of People's Republic of China (the "PRC").

The Company had its listing on the Main Board of The Stock Exchange of Hong Kong Limited on 13 December 2021.

These condensed consolidated financial statements are presented in Renminbi ("RMB") and all amounts are rounded to the nearest thousand of RMB ("RMB'000"), unless otherwise stated.

This condensed consolidated interim financial information has been approved for issue by the Board of Directors on 20 August 2026.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards.

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2025, as described in the annual consolidated financial statements.

3.1 New and amended standards adopted by the Group

The Group has applied the following amendments for the first time from 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments-Amendments to HKFRS 9 and HKFRS 7; and

- Contracts Referencing Nature-dependent Electricity-Amendments to HKFRS 9 and HKFRS 7.

The adoption of above did not have any material impact on the Group's results for the six months ended 30 June 2026 and the Group's financial position as at 30 June 2026. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

3.2 Impact of standards not yet applied by the Group

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2026 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions, except for HKFRS 18 Presentation and Disclosure in Financial Statements.

The application of the HKFRS 18 is expected to affect the presentation of the statement of comprehensive income and disclosures in the future financial statements. Please see the details of the impact from the application of HKFRS 18 in the annual consolidated financial statements for the year ended 31 December 2025.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION

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 segment, has been identified as the board of directors of the Company that make strategic decisions. The Group is principally engaged in the provision of hair transplant services which are subject to similar type of services, similar class of customers, similar regulatory environment and similar business risk. Resources are allocated based on what is beneficial to the Group in enhancing the value as a whole rather than any specific unit. Therefore, the CODM of the Company regards that there is only one operating segment for the Group.

The major operating entities of the Group are all domiciled in the Chinese Mainland and the majority of the Group's revenue was derived in the Chinese Mainland for the six months ended 30 June 2026 and 2025.

As at 30 June 2026 and 31 December 2025, the majority of non-current assets of the Group were located in the Chinese Mainland.

There was no revenue derived from a single external customer accounting for 10% or more of the Group's revenue for the six months ended 30 June 2026 and 2025.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Hair transplant	**743,319**	662,061
Medical hair care	**226,728**	187,891
Others	**10,591**	11,598
	980,638	861,550

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Revenue from customers and recognised at a point in time		
Hair transplant	**743,319**	662,061
Medical hair care – sale of goods	**13,824**	18,138
Others – sale of goods	**6,021**	3,304
	763,164	683,503
Revenue from customers and recognised over time		
Medical hair care – services	**212,904**	169,753
Others – services	**4,570**	8,294
	217,474	178,047
Total	**980,638**	861,550

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Revenue from customers by region		
Chinese Mainland	**978,558**	861,060
Hong Kong	**2,080**	490
	980,638	861,550

5. OTHER LOSSES — NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Losses on disposal of property, plant and equipment	**(1,395)**	(4,737)
(Losses)/gains on early-termination of property leases	**(219)**	2,984
Others	**12**	(254)
	(1,602)	(2,007)

6. FINANCE COSTS – NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Finance income		
Interest income on bank deposit	**4,315**	5,882
Foreign exchange gains	**563**	–
	4,878	5,882
Finance costs		
Interest expense on lease liabilities	**(11,134)**	(12,100)
Interest expense on bank borrowings	**–**	(589)
Foreign exchange losses	**–**	(79)
	(11,134)	(12,768)
Finance costs – net	**(6,256)**	(6,886)

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	Unaudited	Unaudited
Current income tax	**16,503**	8,039
Deferred income tax	**5,819**	1,915
Income tax expense	**22,322**	9,954

(a) Cayman Islands

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands and, accordingly, is exempted from the Cayman Islands income tax.

(b) British Virgin Islands

Under the current laws of the British Virgin Islands, the subsidiaries incorporated in the British Virgin Islands are not subject to income tax.

(c) **Hong Kong Profits Tax**

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% on any estimated assessable profits arising in Hong Kong.

(d) **Chinese Mainland Corporate Income Tax ("CIT")**

The income tax expense consists of current and deferred income taxes payable in the Chinese Mainland by the subsidiaries. Income tax provision in respect of the operations in the Chinese Mainland has been calculated at the applicable tax rate on the estimated assessable profits for the year or period, based on existing legislations and interpretations and practices in respect thereof.

Beijing Yonghe Medical Technology Group Co., Ltd. ("Beijing Yonghe") is qualified as "High and New Technology Enterprises" ("HNTEs") and is entitled to the preferential income tax rate of 15% for the six months ended 30 June 2026 (six months ended 30 June 2025: 15%). This status is subject to a requirement that Beijing Yonghe reapply for HNTEs status every three years. Certain subsidiaries of the Group are taxed at preferential tax rates of 15% from 1 January 2021 to 31 December 2030 under the relevant tax rules and regulations of the Chinese Mainland. In addition, certain of the subsidiaries in the Chinese Mainland are qualified as small and micro enterprises under the relevant tax rules and regulations of the Chinese Mainland.

Other than the above-mentioned subsidiaries, the other operating entities in the Chinese Mainland are subject to standard income tax rate of 25% pursuant to the enterprise income tax law and related regulations.

8. EARNINGS PER SHARE

For the six months ended 30 June 2026, the basic earnings per share is RMB0.15 (six months ended 30 June 2025: earnings per share RMB0.06), which is calculated by dividing the profit attributable to equity holders of the Company RMB75,521,000 (six months ended 30 June 2025: RMB27,913,000) by the weighted average number of 500,111,000 (six months ended 30 June 2025: 500,250,000) ordinary shares outstanding during the period.

There are no potential dilutive ordinary shares outstanding and thus the diluted earnings per share is the same as the basic earnings per share.

9. DIVIDEND

The final dividend of RMB0.076 per share for the year ended 31 December 2025, amounting to RMB39.92 million in aggregate, to be paid out of the share premium of the Company, was approved by the Company's shareholders in the Annual General Meeting on 19 May 2026, and subsequently paid in June 2026.

The Directors do not recommend the payment of an interim dividend for the current interim period (six months ended 30 June 2025: nil).

10. TRADE RECEIVABLES

	As at 30 June 2026 ***RMB'000*** **Unaudited**	As at 31 December 2025 *RMB'000* Audited
Trade receivables from contracts with customers		
– Third parties	**5,566**	9,827
Less: allowance for impairment	**(10)**	(18)
	5,556	9,809

(a) The Group usually receives the payment from customers in advance. The trade receivable is primarily the receivable from financial institutions or the third party payment platforms which the customers have already settled their payment through financial institutions or the third party payment platforms. The credit term given to the third party payment platforms are determined on an individual basis with normal credit period within 30 days. The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	Unaudited	Audited
Up to 3 months	**5,563**	9,624
3 to 6 months	**3**	203
	5,566	9,827

11. TRADE AND OTHER PAYABLES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	Unaudited	Audited
Trade payables	**58,849**	48,085
Accrued employee benefits	**58,057**	61,158
Tax payables	**26,078**	22,903
Refund liabilities	**14,339**	14,268
Accrued expenses	**4,765**	6,703
Security deposits	**1,954**	2,113
Others	**6,653**	3,326
	170,695	158,556

(a) Ageing analysis of the trade payables based on invoice date at the end of each reporting period are as follows:

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	Unaudited	Audited
Up to 3 months	**52,609**	43,199
3 to 6 months	**3,347**	2,616
6 months to 1 year	**1,230**	752
1 to 2 years	**880**	754
Over 2 years	**783**	764
	58,849	48,085

OTHER INFORMATION

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high corporate governance standards. It believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

During the Reporting Period, the Company has complied with all the applicable principles and code provisions as set out in the CG Code except for the deviation from code provision C.2.1 of the CG Code. Mr. ZHANG Yu is the Chairman and chief executive officer of the Company. With extensive experience in the hair health industry and having served in the Company since its establishment, Mr. ZHANG Yu is in charge of the overall strategic planning, business direction and operational management of the Group. The Board considers that vesting the roles of the Chairman and the chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the Board, which comprises experienced and diverse individuals. The Board currently comprises three executive Directors (including Mr. ZHANG Yu), one non-executive Director and three independent non-executive Directors, and therefore has a strong independent element in its composition.

The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for dealings in securities of the Company by the Directors and relevant employees who are likely to be in possession of unpublished inside information of the Company.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the relevant employees has been noted by the Company during the Reporting Period.

USE OF PROCEEDS

The Company issued 94,424,000 Shares in the global offering at HK$15.80 which were listed on the Main Board of the Stock Exchange on 13 December 2021 and subsequently issued 7,124,500 Shares at HK$15.80 per Share upon partial exercise of the over-allotment option on 5 January 2022. The net proceeds received by the Company, after deducting related underwriting fees and expenses payable by the Company in connection with the global offering, were approximately HK$1,526.2 million (the "**Net Proceeds**").

On 30 March 2023, 22 August 2024 and 31 March 2026, the Board resolved to change the use of the unutilised Net Proceeds. Please refer to the Prospectus and the announcements of the Company dated 30 March 2023, 22 August 2024 and 31 March 2026 for details.

An analysis of actual use of proceeds during the six months ended 30 June 2026 is set out below:

	Use of proceeds	Planned applications[(2)] *HK$ million*	Amount unutilised as at 31 December 2025 *HK$ million*	Amount unutilised as at 31 March 2026 *HK$ million*	Revised amounts of unutilised Net Proceeds as at 31 March 2026 *HK$ million*	Actual amount of proceeds utilised during the six months ended 30 June 2026 *HK$ million*	Amount unutilised as at 30 June 2026 *HK$ million*	Expected timeline for full utilisation[(1)]
1	To expand and upgrade existing hair transplant clinics in our network in China	–	–	–	–	–	–	N/A
2	To fund our innovations in product and service offerings	88.6	39.9	39.9	23.9	9.5	14.4	By December 2028
3	For investment in research and development to upgrade our service system with cutting-edge technology	38.2	12.9	12.9	28.9	4.3	24.6	By December 2028
4	To integrate industry resources to raise brand awareness in China	122.3	22.3	22.3	22.3	–	22.3	By December 2028
5	To settle the outstanding balance of the acquisition consideration payable for our acquisition of Nu/Hart Hair	–	–	–	–	–	–	N/A
6	For our working capital and general corporate purposes	251.0	–	–	–	–	–	N/A
	Total	500.1	75.1	75.1	75.1	13.8	61.3	

Notes:

(1) The expected timeline for the usage of the remaining proceeds is made based on the best estimate of the Group's future market conditions, which is subject to the current and future development of the market conditions.

(2) Representing the revised planned application of unutilised Net Proceeds, following the change in use of proceeds announced on 22 August 2024.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares (as defined under the Listing Rules)).

AUDIT COMMITTEE

The Board has established the Audit Committee which is chaired by an independent non-executive Director, Mr. CHAN Peng Kuan, and consists of a non-executive Director, Mr. GENG Jiaqi, and another independent non-executive Director, Mr. LI Xiaopei. The primary duties of the Audit Committee are to assist the Board by monitoring and evaluating the work of the external auditor, supervising the implementation of our internal audit system, reviewing and commenting on our financial reports and related disclosures, and other duties conferred by the Board.

REVIEW OF INTERIM RESULTS

The Audit Committee has jointly reviewed with the management and the independent auditor of the Company, the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the unaudited consolidated interim financial information of the Group for the six months ended 30 June 2026) of the Group. The unaudited consolidated interim financial information was reviewed by the Company's independent auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yonghegroup.cn), and the 2026 interim report containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

DEFINITIONS

"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of the Company
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Chairman"	the Chairman of the Board
"China" or the "PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

"Company" or "the Company" or "we"	Yonghe Medical Group Co., Ltd. (雍禾醫療集團有限公司), a limited liability company incorporated under the laws of the Cayman Islands on 17 September 2020
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HKD" or "HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing"	the listing of the Shares on the Main Board on 13 December 2021
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"Main Board"	Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Prospectus"	the prospectus issued by the Company dated 1 December 2021
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of the PRC
"Reporting Period"	the six-month period from 1 January 2026 to 30 June 2026
"Shareholder(s)"	holder(s) of Share(s)
"Share(s)"	ordinary share(s) with nominal value of US$0.0000025 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USD" or "US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent

In this announcement, the terms "associate", "connected person", "controlling shareholder" and "subsidiary" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

By order of the Board
Yonghe Medical Group Co., Ltd.
ZHANG Yu
Chairman

Hong Kong, 20 August 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.