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

2026
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

"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 17, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this interim report prior to its publication
"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, 2026
"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$0.000002 each
"Shareholder(s)"	shareholder(s) of the Company
"SPDB Guangzhou Wuyang Branch"	Guangzhou Wuyang Branch of Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司廣州五羊支行)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto under the Listing Rules
"Substantial Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"tNGS"	Targeted Second-generation Sequencing
"USD" or "US$"	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

Mr. Zhang Weijie
Dr. Wang Pinghui
Dr. Wang Ruihua

Independent Non-executive Directors

Mr. Yu Shiyou
Mr. Xie Shaohua
Dr. Dong Min

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

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HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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1 Connaught Place
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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
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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,		
	2026	2025	Change
	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	
Revenue	**252,764**	313,217	(19.3)%
– Diagnostic testing services for medical institution alliances	**157,597**	180,333	(12.6)%
– Diagnostic outsourcing services	**81,684**	118,491	(31.1)%
– Diagnostic testing services for non-medical institutions	**13,483**	14,393	(6.3)%
Cost of revenue	**(174,559)**	(206,848)	(15.6)%
Gross profit	**78,205**	106,369	(26.5)%
Profit (Loss) before income tax	**2,687**	(55,409)	N/A
Profit (Loss) for the period	**2,462**	(55,359)	N/A
Profit (Loss) attributable to owners of the Company:	**2,444**	(55,340)	N/A

	Six months ended June 30,		
	2026	2025	Change
	RMB	RMB	
	(Unaudited)	(Unaudited)	
Profit (Loss) per share for profit (loss) attributable to owners of the Company			
Basic	**0.004**	(0.095)	N/A
Diluted	**0.004**	(0.095)	N/A

During the Reporting Period, the Group recorded a revenue of RMB252.8 million, representing a decrease of 19.3% as compared with the same period in the previous year, and recorded a net profit of RMB2.5 million, as compared with a net loss of RMB55.4 million in the same period of the previous year. The continuous improvement in the Group's profitability was mainly attributable to the following:

1. During the Reporting Period, affected by various factors such as centralized procurement and continuous adjustments of testing service prices, the short-term revenue scale of the Group was under pressure. In the face of various adjustments brought about by the market, the Group focused on improving operational quality, continued to optimize customer structure and product mix, and continued to deeply cultivate medical institution alliance clients. Although the overall revenue decreased as compared to the same period of the previous year, the overall operational quality steadily improved. In particular, the proportion of revenue from diagnostic testing services for medical institution alliances further increased, laying a foundation for the long-term development of the Group;

2. During the Reporting Period, the Group continued to improve its operation efficiency and management quality of the whole system. As a result, administrative expenses decreased by 23.4% as compared to the same period of the previous year, resulting in significant cost reduction and efficiency improvement. At the same time, the Group actively optimized its debt structure and improved the efficiency of capital utilization, resulting in a decrease of 33.1% in finance costs as compared to the same period of the previous year; and

3. During the Reporting Period, the Group continued to strengthen its management of cash and accounts receivable. The Group reversed the impairment losses on financial assets accrued in previous years as part of the trade receivables from previous years was recovered. Going forward, the Group will continue to strengthen credit management and increase collection efforts, implementing a range of measures to facilitate the recovery of receivables.

Management Discussion and Analysis

BUSINESS REVIEW

1. INDUSTRY OVERVIEW

2026 is the starting year of the 15th Five-Year Plan. General Secretary Xi Jinping emphasized, "Completing the Building of a Healthy China by 2035 is a strategic decision made by the Central Committee of the Communist Party of China. The 15th Five-Year Plan is a crucial period to achieve this goal; therefore, we must make coordinated plans, accelerate progress, and strive for decisive advancements." The Outline of the 15th Five-Year Plan published in March 2026 dedicated a special chapter to "Accelerating the Building of a Healthy China". In July, the State Council officially issued the 15th Five-Year Plan for National Health (hereinafter referred to as the "Plan"), anchoring the long-term goal of completing the Building of a Healthy China by 2035, and clarifying the primary target indicators, major strategic tasks, major reform measures and major engineering projects for Building a Healthy China during the 15th Five-Year Plan period.

Specifically, the Plan established the overarching concept of "promoting high-quality development of healthcare services as the theme, optimizing a comprehensive, full-lifecycle integrated health service system as the main thread, relying on reform and innovation as the fundamental driving force, and being guided by digital and smart transformation alongside the synergy of traditional Chinese and Western medicine." It clearly required "promoting the healthcare development mode to focus more on health, orienting the service system toward greater quality and efficiency, and directing reform and governance to focus more on system coordination."

With respect to implementation pathways, the Plan expressly states that efforts should be made to "accelerate the advancement of hierarchical diagnosis and treatment, speed up the establishment of the close-knit medical institution alliances, promote the integration of medical, operational and information management functions, and enhance the homogeneity of healthcare services"; "implement the project of strengthening the foundation of medical and health care, promote the high-quality upgrading of county-level hospitals and key central township health centers, and strengthen the sharing of resources for medical imaging, electrocardiographic diagnosis and medical testing at county and district levels"; and "accelerate scientific and technological innovation in healthcare, advance the digital and intelligent development of national health, and promote the application of digital and intelligent technologies in an orderly manner in such areas as assisted diagnosis and treatment, precision medicine and health management."

For the third-party medical diagnostics industry, the systematic arrangements under the Plan will drive the industry from broad-based, large-scale expansion to a new phase of high-quality development centered on quality and efficiency, technological innovation and system-wide coordination. This represents both a leap in industry value and a critical window for reshaping the competitive landscape.

1.1 Full-scale Implementation of the " Project of Strengthening the Foundation" and Accelerated Advancement of Hierarchical Diagnosis and Treatment to Drive Rapid Expansion of Market Demand

The Outline of the 15th Five-Year Plan identifies the "implementation of the project of strengthening the foundation of medical and health care" as a key measure to reinforce the primary healthcare service network. Its core lies in addressing shortcomings at the primary level, and promoting the allocation of premium healthcare resources to lower-tier regions to achieve a more balanced regional distribution. Under the overall deployment of the " Project of Strengthening the Foundation", in April 2026, the General Office of the State Council issued Several Measures on Accelerating the Development of the Hierarchical Diagnosis and Treatment System《關於加快建設分級診療體系的若干措施》(hereinafter referred to as the "Measures"), setting out several measures such as completing the coordination mechanism for hierarchical diagnosis and treatment with the close-knit medical institution alliances as the starting point, guiding the public toward initial primary care consultation focusing on common and chronic diseases, and strengthening referral service management with a goal of enhancing the continuity of medical care.

In perfecting the coordination mechanism for hierarchical diagnosis and treatment with the close-knit medical institution alliances as the starting point, the Measures emphasized the development requirements concerning quality improvement and coverage expansion for close-knit medical institution alliances, and detailed the specific connotations of medical resource sharing among the close-knit medical institution alliances. It required accelerating the development of close-knit medical institution alliances (including close-knit county-level medical communities and close-knit urban medical groups) to promote the integration of medical treatment, operations, and information management. By 2030, a hierarchical diagnosis and treatment coordination mechanism with the close-knit medical institution alliances as the starting point will be basically established. It demanded the coordination of existing medical resources, the construction of resource-sharing centers for medical imaging, electrocardiogram diagnosis, medical testing and other areas, and the enhancement of healthcare service homogenization within medical alliances.

In guiding the public toward initial primary care consultation focusing on common and chronic diseases, the Measures require strengthening the diagnosis and treatment of common diseases alongside the management of chronic diseases at the primary level, and progressively increasing the proportion of primary care visits for common and chronic diseases. Primary healthcare institutions should conduct chronic disease prevention and control, promote healthy lifestyles and weight management, facilitate the concurrent prevention and co-management of multiple diseases, and enhance the early detection and intervention for populations at high risk of chronic diseases.

In strengthening referral service management with a goal of enhancing the continuity of medical care, the Measures required clarifying referral rules and channels, as well as reinforcing the guidance of medical insurance policies.

In May 2026, the National Health Commission released the Guidelines for the Development and Services of Medical Testing Centers Within Close-Knit County-Level Medical Communities (Trial) (《緊密型縣域醫共體醫學檢驗中心建設與服務指南(試行)》), refining policies into practicable standards, explicitly stipulating the reliance on the high-quality resources of the hospitals that take the lead to build a county-level medical service network defined by "hierarchical collaboration, precision services, homogeneity, and high efficiency," and requiring "the realization of cross-institutional real-time sharing and mutual recognition of testing data, and the exploration of artificial intelligence-assisted testing."

The full implementation of the Project of Strengthening the Foundation and the accelerated advancement of hierarchical diagnosis and treatment are systematically revitalizing the primary healthcare market. The quality improvement and coverage expansion of close-knit medical institution alliances and the development of resource-sharing centers will open up market space for third-party medical testing institutions to undertake large-scale and professional testing services. Meanwhile, the strengthened initial primary care consultation and health management focusing on common and chronic diseases has substantially boosted the volume of primary testing demand, laying a continuous and stable business growth foundation for the industry. Against this backdrop, third-party medical testing, drawing on its technological depth and large-scale operational capabilities, will become an indispensable professional synergistic force within the system of hierarchical diagnosis and treatment, bearing broad market prospects.

1.2 AI-Empowered Medical Testing: Policy Dividends Opening the Window for Scale Expansion

In August 2025, the State Council issued the Opinion on Further Implementing the "Artificial Intelligence +" Action (《關於深入實施"人工智能+"行動的意見》), requiring "promoting the application of artificial intelligence in an orderly manner in scenarios including assisted diagnosis and treatment, health management, and medical insurance services." Based on this, in October 2025, five departments including the National Health Commission jointly issued the Implementation Opinion on Promoting and Standardizing the Application and Development of "AI + Healthcare" (《關於促進和規範"人工智能+醫療衛生"應用發展的實施意見》), explicitly outlining a two-stage objective: by 2027, intelligent assisted primary diagnosis and treatment, intelligent assisted decision-making for clinical specialties and specific diseases, and intelligent services for patient visits will be widely applied across healthcare institutions; by 2030, AI-assisted applications for primary diagnosis and treatment will basically achieve full coverage, and secondary and higher-level hospitals will broadly implement AI technology applications such as intelligent assisted diagnosis for medical imaging, and intelligent assisted decision-making for clinical diagnosis and treatment. The document placed particular emphasis on "focusing on primary healthcare," requiring "strengthening the roles of resource sharing centers of medical imaging diagnosis, electrocardiographic diagnosis, medical testing, and pathological diagnosis," while simultaneously requiring "providing primary-level medical practitioners with intelligent applications such as assisted diagnosis and treatment, prescription review, and follow-up management, thereby enhancing their capabilities in primary-level general practice assisted diagnosis, disease differential diagnosis, medical imaging assisted diagnosis and other services." The intensive promulgation of the aforementioned policies has provided fundamental compliance and directional guidance for the cultivation and application of AI technologies within medical testing scenarios. Moreover, AI technologies, represented by large models, are undergoing rapid iterations, substantially lowering the technical thresholds and implementation cost for applying AI in healthcare scenarios, and providing an unprecedented technological foundation for the digital and smart transformation of the medical testing industry.

In the first half of 2026, local practices proactively unfolded concurrently, as AI-empowered medical testing shifted from policy documents directly to the primary-level healthcare practices. The Guangzhou Municipal Health Commission published the "Ten, Hundred, Thousand" three-year development blueprint for medical AI scenarios – in three years, focusing on ten key domains, to spearhead the R&D of over one hundred vertical models for specialties, to set an example by materializing over one thousand intelligent medical application scenarios, and to concurrently launch the "Guangzhou Medical Intelligent Engine" (穗醫智擎) platform, supporting medical institutions of all levels, especially primary-level institutions, to invoke AI capabilities with a "zero threshold." At the same time, Fengkai County in Zhaoqing established Guangdong Province's first county-level AI-assisted diagnosis and treatment platform, comprehensively connecting three county-level hospitals that took the lead and sixteen township health centers (community healthcare service centers) to realize the interconnectivity between county-level testing and AI-assisted diagnosis. The synchronized advancement of city-level platforms and county-level practices indirectly reflected that AI-empowered medical testing has crossed from the policy design stage into a new stage of practical implementation.

Facing the dual convergence of policy dividends and technological transformation, enterprises that proactively develop automated and intelligent testing platforms, build intelligent agent applications and data ecosystems, and sustainably lower human labor cost, enhance testing efficiency and innovate their business model, will build a differentiated competitive moat in the new round of industry competition.

1.3 Policy Reforms and Regulatory Rectifications: Driving the Industry Towards High-Quality Development

During the Reporting Period, medical insurance payment reform and regulatory system upgrades were simultaneously advanced, forming a unified policy driving force propelling the third-party medical testing sector toward high-quality development. This transformation began with the comprehensive implementation of the DRG/DIP payment method reform; in 2021, the National Healthcare Security Administration issued the Three-Year Action Plan for DRG/DIP Payment Method Reform (《DRG/DIP支付方式改革三年行動計劃》), which expressly required attaining comprehensive coverage across the four elements of "co-ordinating regions, medical institutions, disease type groups, and medical insurance funds" by the end of 2025, enabling payment method reforms to drive medical services away from "scale expansion" toward being "quality and efficiency-driven". In parallel, the regulatory system underwent an upgrade simultaneously. In February 2026, the National Healthcare Security Administration released the Notice on Properly Conducting the Regulatory Work for the Medical Security Fund for 2026 (《關於做好2026年醫療保障基金監管工作的通知》), which required "continually intensifying unannounced inspections, coordinating national unannounced inspections, provincial unannounced inspections, and municipal cross-inspections, whilst integrally advancing annual unannounced inspections, specialized unannounced inspections, and 'targeted' unannounced inspections, thereby achieving full coverage of unannounced inspections across all provinces nationwide." Annual unannounced inspections focus on domains like tests and examinations, and propose the "innovative exploration of regulatory applications of artificial intelligence and other cutting-edge technologies as well as new scenarios". These serial deployments revealed that the supervision over medical insurance funds is penetrating deeply into a full-chain intelligent regulation extending from "post-event tracking and punishing" to "pre-event early warning, in-event intervention, and post-event stringent checks", imposing drastically firmer rigid constraints regarding the compliance of testing behaviors in medical institutions, which signified that the supervision over the industry entered into a new normalized and institutionalized governance stage.

The rollout and enforcement of the aforementioned policies exerted pressure on hospitals from both the payment and the supervision sides, forcing their transformation. On the payment side, the "retention of balances" mechanism inherent in DRG/DIP compels hospitals to proactively control testing cost, driving them to rigorously reconsider the necessity, rationalization, and cost-effectiveness of their testing projects. On the supervision side, with unannounced inspections completely covering all provinces, and the tests and examinations named as annual principal focus areas, hospitals found to have engaged in irregularities such as unnecessary intensive testing and bundling orders are subject to subsequent fund recovery and administrative penalties. Constrained by the double pressure, hospital management transitioned from extensive development into refined operation, shifting development focus from "treatment-centric" directly towards being "health-centric".

Against the backdrop of upgraded policy reforms and standardized rectification within the industry, third-party medical testing institutions are facing short-term transitional pains — DRG/DIP mechanisms are compelling hospitals to optimise their cost structure, directly subjecting the overall revenue of the third-party medical testing industry to downward pressure; meanwhile, strict investigations of non-compliance through unannounced inspections are accelerating the market exit of non-compliant small and medium-sized institutions. However, in the long term, the demand from hospitals for cost control and efficiency improvement will continue to increase. Third-party medical testing institutions that can leverage their advantages in intensive operations and quality systems to deeply participate in the intensive development of medical communities through models such as the co-construction of laboratories and cooperation in regional testing centers, thereby assisting hospitals constrained by cost control in safeguarding testing capacity and quality, will gain broader room for growth during this round of industry reshuffle.

2. BUSINESS REVIEW

In the first half of 2026, in the face of profound transformation and fierce competition within the industry, the Group adhered to its business philosophy of "in-depth services and lean operations", remaining steadfast amidst transformation and forging ahead under pressure. By continuously optimizing the flexible and resilient operational platform, we have further consolidated our "one horizontal, one vertical" business foundation and deepened the key capability systems supporting our development, thereby withstanding external uncertainties with a steady operational pace.

The Group continued to strengthen clinical-empowered value. Horizontally, we have extended a lean management system to advance multi-model collaboration among medical institution alliances; vertically, we have focused on specialty-specific innovation in hospital-enterprise collaboration to fast-track the translation and implementation of new technologies. Meanwhile, we have leveraged AI to enhance the comprehensive solutions, driving the digital and intelligent transformation in healthcare scenarios.

During the Reporting Period, the Group's efforts yielded initial results in various key initiatives, further consolidating the foundation for high-quality development:

2.1 Continuous Consolidation of Operational Foundation with Steady Recovery in Profitability

In the first half of 2026, affected by multiple factors such as the centralized procurement program, cost controls of medical insurance, and intensified competition in the industry, the Group's operation was under pressure in the short term. In the face of profound market adjustments, the Group deepened its internal reforms and refined management, achieving initial results. During the Reporting Period, although the Group's overall revenue remained in an adjustment phase, it recorded a net profit of RMB2.5 million, representing a turnaround from loss to profit compared to the same period of the previous year, and continuing the trend of profitability improvement from the full year of 2025. Cost-efficiency and workforce efficiency management mechanisms were further optimized, resulting in a year-on-year decrease in selling expenses and administrative expenses of 13.3% and 23.4%, respectively, with continuously delivered results in cost reduction and efficiency enhancement. At the same time, through a combination of measures such as dynamically optimizing the customer structure, setting up dedicated teams to implement targeted collection of long-aged receivables, and orderly exiting from major loss-making customers, the operational risk exposure has been effectively narrowed and substantive results have been achieved. At a time when the overall industry is under pressure, the Group's operational resilience has been further strengthened.

2.2 *Steadily Implementing "One Horizontal, One Vertical" Strategy with Continuous Optimization of Business Structure*

Horizontally: Deepening the lean operation of medical institution alliances and continuously expanding multi-model collaboration services

Since its establishment, the Group has always taken the joint development model of medical institution alliances as its core business direction. It has accumulated rich experience in multi-model collaboration operations and standardized service systems in serving medical institutions at all levels and driving the integrated development of regional testing resources, which is highly aligned with the national direction of vigorously advancing the "project of strengthening the foundation of medical and health care" and the development of close-knit county-level medical communities during the 15th Five-Year Plan period. In the face of the industry trend where the development of medical institution alliances is upgrading from "framework building" to "high-quality operation", the Group, relying on its profound accumulation and first-mover advantage, is continuously transforming its capabilities into practical support to assist medical institutions at all levels in enhancing their discipline construction capabilities and service levels.

During the Reporting Period, in line with the deep advancement of national policies promoting high-quality medical resources towards lower-level hospitals and the coordinating development of regional healthcare, the Group, as a pioneer specializing in medical operation service, capitalized on policy opportunities and continuously deepened the "one horizontal" strategy. Adhering to our service philosophy of "professionalism as the foundation, standardization as the core, digital and smart intelligence as the means, and synergization as the goal", we precisely addressed the needs of medical institution alliance clients at different levels, and continuously extended the lean management system and platform-based service capabilities.

As of the end of the Reporting Period, the Group continued to deepen its engagement with nearly 450 medical institution alliance clients. Focusing on exploring incremental value among existing clients, we promoted and deepened the upgrade of client collaboration models towards multi-model and multi-domain joint development, and extended the scope of our services to high value-added sectors, including AI+ digital and smart intelligence solutions for medical institution alliances, comprehensive collaborations with medical laboratories, joint development of hospitals/regional medical centers, solutions for precision medicine centers, and specialty-based solutions for alliance development, thereby effectively assisting medical institutions at all levels in enhancing their discipline construction capabilities and service levels.

During the Reporting Period, we maintained solid growth in the diagnostic testing services segment provided by the Group for medical institution alliances through horizontal deepening of multi-model collaboration among medical institution alliances, generating revenue of RMB157.6 million, representing a year-on-year decrease of 12.6%. The medical institution alliances business remained the largest business segment of the Group, with its proportion to the total revenue further increasing by approximately 4.8 percentage points, continuously consolidating our competitive advantage.

Vertically: Deepening the Integrated Innovation Ecosystem for Diagnostic Testing and Promoting R&D Commercialization and Product Implementation

The Group continued to strengthen the leading role of the "joint innovation platform for diagnostic testing", building it into a core hub linking clinical demands, scientific research and industrial translation. Supported by multi-technology platforms, the platform focuses on key areas such as infection, oncology and psychiatry, driving the continuous translation of cutting-edge testing technologies into precision diagnostic products with high clinical value. During the Reporting Period, the platform achieved breakthroughs in both R&D commercialization and academic collaboration:

In terms of R&D commercialization and product innovation, the project entitled "Applied Research on Precision Medicine for Individualized Disease Progression Monitoring and Biological Prediction of Efficacy in Allergic Rhinitis" under the Guangxi Science and Technology Scheme jointly applied with Guangxi Hospital Division of The First Affiliated Hospital, Sun Yat-sen University, has progressed smoothly. During the Reporting Period, 4 related invention patents were applied for, among which, 1 was authorized and 3 entered the substantive examination stage; and 1 product was successfully commercialized. Meanwhile, the project for the identification of mycobacterium and drug resistance gene testing of mycobacterium tuberculosis complex, jointly developed by the Group and Guangzhou Chest Hospital, was successfully implemented. The continuous enrichment of R&D commercialization and product innovation injects sustained momentum into the long-term high-quality development of the Group.

In terms of academic collaboration and enhancement of industry influence, during the Reporting Period, the Group, together with several top-tier hospitals in the Guangdong-Hong Kong-Macao Greater Bay Area, including The First Affiliated Hospital, Sun Yat-sen University, Nanfang Hospital, Southern Medical University and Guangdong Provincial People's Hospital, jointly drafted the group standard Construction Specifications for Allergic Disease Outpatient Clinics in Medical Institutions (《醫療機構過敏性疾病門診建設規範》) published by the Guangdong Precision Medicine Application Association. The implementation of this standard not only fills the gap in domestic group standards in this field, but also signifies that the construction of allergic disease outpatient clinics is transitioning from an experience-driven approach to a new stage governed by standards and evidence, demonstrating the Group's professional strength and responsibility in leading specialty construction and promoting the standardization process of the industry.

Looking ahead, the Group will continue to take "one horizontal, one vertical" as its core strategic axis. Amidst the era of the "project of strengthening the foundation of medical and health care" and the full coverage of county-level medical communities during the 15th Five-Year Plan period, we will ride the momentum, take proactive actions, and transform national policy benefits into definitive increments for high-quality corporate development.

2.3 *Steady Advancement of Digital and Intelligent Innovation and Empowerment of Clinical Diagnosis and Treatment*

As the state has rolled out a series of policies empowering healthcare with AI and explicitly designating medical testing and pathological diagnosis as key AI-empowered areas, the digital and intelligent transformation has been propelled from "forward-looking exploration" to "large-scale implementation", thereby charting a clear development path for the industry.

During the Reporting Period, the Group continued to upgrade digital intelligence across the entire process of medical testing. In terms of the high-throughput sequencing testing process, we continued to deepen the full-chain digital and intelligent integration of sample information, wet-lab parameters, and bioinformatics results. In terms of the automated processing of testing data, the analysis time for a single sample was shortened from minutes to seconds, while achieving a high degree of standardization in the data processing. In terms of intelligent report interpretation, for pathogenic tNGS projects, the intelligent pathogen pre-interpretation function driven by machine learning technology has been put into application, improving delivery efficiency by approximately 30%. Furthermore, for genetic NGS projects primarily involving human whole exome sequencing + mitochondrial genome testing (WES), the automated genetic data matching and intelligent grading functions driven by AI technology have been put into application, significantly improving customer service quality and delivery efficiency, thereby facilitating a substantial increase in the sample volume of the genetic NGS business. The digital and intelligent development of medical testing provides strong support for the continuously expanded collaboration with medical institution alliances.

In the field of pathological diagnosis, the Group deepened the integration of the Zhiyun Digital and Intelligent Pathology Information System. Driven by AI technology, this information system builds a digital and intelligent information platform covering the entire process of the pathology department, realizing cross-campus multi-center collaborative diagnosis and quality management, and empowering clinical research and the development of precision medicine. Specifically, through this digital and intelligent information platform: in terms of AI-assisted diagnosis, the AI detection sensitivity in cervical liquid-based cytology screening is industry-leading, the overall slide reading efficiency has doubled, the diagnosis speed per case has increased by 50%, the positive detection rate has increased by 3 percentage points, and the writing time for a single pathology report has decreased by 33%; in terms of remote consultation, it supports multi-terminal access and provides intraoperative frozen section consultation, MDT discussions, and a three-tier review mechanism, decentralizing high-quality resources towards primary medical institutions; in terms of data governance, disease-specific databases break through links between the pathology and clinical data, forming standardized multi-modal data assets, and supporting clinical research and the development of precision medicine.

In addition, an embedded AI-integrated chromosome analysis system was launched in the first half of the year. Powered by a core algorithm trained on a database of millions of sample images, the system can automatically perform chromosome segmentation, counting and precise localization of abnormal bands, thereby effectively compensating for the shortcomings of traditional manual analysis.

Looking ahead, the Group will steadfastly advance the deep integration and systemic reconstruction of digital and intelligent technologies across the entire chain, accelerating the comprehensive leap of medical testing and clinical diagnosis and treatment services from "process digitalization" to "decision intelligence". Driven by data and guided by scenarios, we will continue to build a full-chain intelligent system spanning sample collection, testing and analysis, intelligent interpretation and clinical decision-making, with a view to continuously enhancing testing accuracy, report quality, and delivery efficiency. By leveraging digital intelligence to break through spatial and temporal barriers, we will enable high-quality testing and diagnostic resources to benefit the primary care more efficiently.

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 RMB252.8 million, representing a decrease of 19.3% as compared to the same period in 2025. The decrease in the Group's overall revenue was mainly due to the short-term pressure placed on the Group's revenue by multiple factors, including the slowdown in the growth of demand from hospitals, centralized procurement, and the continuous downward adjustment of testing service prices, and the Group's further efforts to optimize its customer portfolio, resulting in a year-on-year decrease in overall revenue of diagnostic testing services.

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

	For the six months ended June 30,		
	2026	2025	Change
	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	
Diagnostic testing services for medical institution alliances	**157,597**	180,333	(12.6)%
Diagnostic outsourcing services	**81,684**	118,491	(31.1)%
Diagnostic testing services for non-medical institutions	**13,483**	14,393	(6.3)%
	252,764	313,217	(19.3)%

Diagnostic testing services for medical institution alliances

The Group has been deeply engaged in the joint construction of medical institution alliances for a long term. In the process of serving medical institutions at all levels and promoting the integrated development of regional testing resources, it has accumulated rich multi-model operational experience and standardized systems, which are highly aligned with the national "15th Five-Year Plan" for strengthening the foundation of medical and health care and the construction of county-level medical communities. At present, relying on its profound accumulation, the Group is translating its capabilities into solid support for facilitating the high-quality operation of medical institution alliances and the capability enhancement of medical institutions at all levels. During the Reporting Period, the diagnostic testing services for medical institution alliances have continued to be the Group's largest business segment. During the Reporting Period, revenue from this business segment accounted for 62.4% of the total revenue, representing an increase of approximately 4.8 percentage points as compared to the same period last year.

Diagnostic Outsourcing Services

During the Reporting Period, diagnostic outsourcing services recorded revenue of RMB81.7 million, representing a decrease of 31.1% as compared to the same period of 2025. The prices of routine testing services were further reduced due to multiple factors including the centralized drug-procurement program, cost controls of medical insurance, and intensified competition in the industry, resulting in pressure on short-term results. In addition, the Group continuously maintained its commitment to medical institution alliances business, resulting in a decrease in revenue from diagnostic outsourcing service business.

Diagnostic testing services for non-medical institutions

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 RMB13.5 million, representing a decrease of 6.3% as compared to the same period in 2025. The decrease in revenue was mainly affected by factors such as 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 15.6% from RMB206.8 million for the six months ended June 30, 2025 to RMB174.6 million for the six months ended June 30, 2026, which was primarily attributable to an overall decline in its revenue, which in turn led to a corresponding decrease in cost of revenue.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by 26.5% from RMB106.4 million for the six months ended June 30, 2025 to RMB78.2 million for the six months ended June 30, 2026. The Group's overall gross profit margin decreased from 34.0% for the six months ended June 30, 2025 to 30.9% for the six months ended June 30, 2026. 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. Affected by factors such as the continuous downward adjustment of testing service prices, the gross profit margin decreased.

Other Income

Other income increased from RMB0.3 million for the six months ended June 30, 2025 to RMB2.3 million for the six months ended June 30, 2026. The increase was primarily due to the increase in rental income from investment properties.

Other (Losses) Gains, Net

Other gains, net for the six months ended June 30, 2025 were RMB31.8 million, as compared to the other losses, net of RMB2.1 million for the six months ended June 30, 2026. The change was primarily due to (i) in the same period of last year, the provision for legal disputes totaling RMB31.5 million was transferred to other income as a result of the withdrawal of the lawsuit, and (ii) increase in charitable donation expenses.

Selling Expenses

The Group's selling expenses decreased by 13.3% from RMB53.1 million for the six months ended June 30, 2025 to RMB46.1 million for the six months ended June 30, 2026, mainly due to its implementation of measures such as strengthened cost control and precise expenditure allocation, leading to a reduction in selling expenses.

Administrative Expenses

The Group's administrative expenses decreased by 23.4% from RMB78.3 million for the six months ended June 30, 2025 to RMB59.9 million for the six months ended June 30, 2026, primarily due to (i) a decrease in the Group's expenses in connection with restricted share awards accrued under the 2022 RSU Scheme by RMB7.6 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 RMB21.1 million for the six months ended June 30, 2025 to RMB19.3 million for the six months ended June 30, 2026, and the R&D expenses as a percentage of the total revenue increased from 6.7% for the six months ended June 30, 2025 to 7.6% for the six months ended June 30, 2026, mainly due to the Group's unwavering commitment to the development direction of pursuing growth through innovation, with continued investment in product innovation, operating system innovation as well as digital and intelligent innovation during the Reporting Period.

Reversal of Impairment Losses (Impairment Losses) on Financial Assets, Net

The Group's impairment losses on financial assets were mainly provisions for trade receivables. For the six months ended June 30, 2026, the Group's reversal of impairment losses on financial assets was approximately RMB44.2 million, as compared to the impairment losses on financial assets of RMB8.4 million for the six months ended June 30, 2025. During the Reporting Period, the Group has continuously strengthened the management on accounts receivable to shorten the collection cycle. Leveraging a series of government policies launched in 2025 to support the resolution of accounts receivable, the Group implemented a series of measures to recover long-aged trade receivables, achieving notable progress. During the Reporting Period, the Group recovered trade receivables aged 2 years and more of approximately RMB62.5 million in total, resulting in a reversal of impairment losses on financial assets of RMB44.2 million for the period.

The Group assigned debtors of trade receivables 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 Hong Kong Financial Reporting Standards by fully and prudently considering the impact of the aging of their accounts receivable, historical modes of payment and forward-looking factors. In the future, the Group will continue to adopt various measures to enhance the management of trade receivables: for customers with good credit and new customers, the Group will continue to tighten credit control and enhance 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 step up collection efforts and adopt multiple measures to facilitate recovery.

Finance Costs, Net

The Group's net finance costs decreased from RMB15.1 million for the six months ended June 30, 2025 to RMB10.1 million for the six months ended June 30, 2026, primarily due to the Group's proactive optimization of its debt structure and reduction of its borrowing level, which led to a decrease in interest expenses on interest-bearing borrowings.

Profit (Loss) Before Income Tax

As a result of the aforementioned factors, for the six months ended June 30, 2026, the Group recorded a profit before income tax of RMB2.7 million, as compared to a loss before income tax of RMB55.4 million for the six months ended June 30, 2025, marking a turnaround from loss to profit.

Income Tax (Expenses) Credit

The Group recorded income tax expenses of RMB0.2 million for the six months ended June 30, 2026 as compared to income tax credit of RMB0.1 million for the six months ended June 30, 2025, primarily due to the income tax assets of certain intra-group companies becoming unrecoverable resulting from the expiry of deductible losses, leading to the recognition as expenses for the period.

Property and Equipment

The Group's property and equipment consist of properties 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 increased from RMB258.3 million as at December 31, 2025 to RMB288.3 million as at June 30, 2026, mainly due to an increase in the amount of construction in progress resulting from the Group's continuous investment in the civil construction project in Guangzhou.

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, 2026, the balance of financial assets at FVTPL was RMB248.3 million, representing a decrease of RMB3.8 million as compared to RMB252.1 million as at December 31, 2025, due to exchange rate fluctuations.

As at June 30, 2026, the balance of financial assets at FVOCI was RMB50.4 million, remaining unchanged as compared to RMB50.4 million as at December 31, 2025.

Inventories

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

The Group's inventories increased from RMB13.9 million as at December 31, 2025 to RMB14.7 million as at June 30, 2026, and the change was not significant.

Trade and Bills Receivables

Our trade receivables mainly represent the outstanding amounts due from healthcare institution 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, 2026:

	As at June 30 2026 RMB'000 (Unaudited)	As at December 31 2025 RMB'000 (Audited)
Trade receivables		
– Third parties	**843,681**	939,432
– Related parties	**664**	414
	844,345	939,846
Less: allowance for impairment of trade receivables	**(513,991)**	(593,345)
	330,354	346,501
Bills receivables	**377**	2,023
	330,731	348,524

The Group's trade and bills receivables decreased from RMB348.5 million as at December 31, 2025 to RMB330.7 million as at June 30, 2026, primarily due to (i) the collection of a portion of trade receivables arising from COVID-19-related revenue; (ii) the reversal of allowance for impairment of 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.

Prepayments and Other Receivables

The Group's prepayments and other receivables increased from RMB132.1 million as at December 31, 2025 to RMB176.4 million as at June 30, 2026, primarily due to an increase in fixed-income bills receivables during the Reporting Period.

Trade and Other Payables

The Group's trade and other payables decreased from RMB839.7 million as at December 31, 2025 to RMB798.8 million as at June 30, 2026, primarily due to 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 RMB1,522.2 million as at December 31, 2025 to RMB1,459.7 million as at June 30, 2026, primarily due to the continued capital investment in the Guangzhou land construction project which commenced construction in 2025 and the payment of amounts due. For details of the Group's borrowings, please refer to the item headed "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, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Current assets		
Inventories	**14,710**	13,930
Trade and bills receivables	**330,731**	348,524
Prepayments and other receivables	**136,770**	86,221
Financial assets at FVTPL	**178,102**	181,860
Restricted cash	**29,929**	64,211
Cash and cash equivalents	**1,459,738**	1,522,169
Total current assets	**2,149,980**	2,216,915
Current liabilities		
Borrowings	**414,716**	511,336
Trade and other payables	**798,838**	839,676
Current income tax liabilities	**34,825**	34,762
Lease liabilities	**7,491**	7,015
Total current liabilities	**1,255,870**	1,392,789
Net current assets	**894,110**	824,126

The Group's net current assets increased from RMB824.1 million as at December 31, 2025 to RMB894.1 million as at June 30, 2026, 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, 2026	2025
Gross profit margin[(1)]	**30.9%**	34.0%

	As at June 30, 2026	As at December 31, 2025
Current ratio[(2)]	**1.71**	1.59
Quick ratio[(3)]	**1.70**	1.58
Debt to asset ratio[(4)]	**0.57**	0.57

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, 2026, 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 a 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 a forward foreign exchange currency swap arrangement for borrowings that are denominated in Swiss francs to mitigate foreign 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 a 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 bearing interest 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 resulting 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 cash reserves 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, 2026, the Group had borrowings of RMB674.5 million (December 31, 2025: RMB683.6 million), of which RMB179.7 million were at fixed interest rates (December 31, 2025: RMB356.1 million). As at June 30, 2026, borrowings equivalent to approximately RMB48.0 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, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Interest-bearing borrowings	**674,520**	683,644
Lease liabilities	**13,654**	8,664
Total interest-bearing borrowings and lease liabilities	**688,174**	692,308
Total equity	**1,163,432**	1,162,360
Total equity plus other financial liabilities	**1,163,432**	1,162,360
Gearing Ratio	**59.2%**	59.6%

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) was 59.2% as at June 30, 2026, as compared to 59.6% as at December 31, 2025, representing an insignificant change.

Pledge of Assets

As at June 30, 2026, borrowings of approximately RMB234.3 million (December 31, 2025: RMB213.7 million) were secured by the Group's certain equipment and lands, and pledged by certain trade receivables and the equity interest in a subsidiary.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures during the Reporting Period

As of June 30, 2026, the Group held one investment valued at 5% or more of the Group's total assets, details of which are set out below:

Investment name	Investment cost	Fair value as of June 30, 2026	Accumulated unrealised gains as of June 30, 2026	Compared to the Group's total assets as of June 30, 2026
Windward Ascent SPC(i)	US$24,000,000	US$26,150,000	US$2,150,000	6.6%

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

The Group's investment strategy for material investments is to identify investment opportunities with growth potential and risk-adjusted returns for the Shareholders. The Group will pay close attention to the impact of market changes and adjust the investment portfolio when necessary. The Group holds these investments for the purpose of generating stable returns.

Save as disclosed above, the Group did not make any significant 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, 2026 and up to the date of this announcement.

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 announcement.

Employees and Remuneration

As at June 30, 2026, the Group had 1,008 employees (as at June 30, 2025: 1,146). The total remuneration cost (including Directors' remuneration) incurred by the Group for the six months ended June 30, 2026 was RMB94.5 million (for the six months ended June 30, 2025: RMB124.6 million). The total remuneration of employees for the six months ended June 30, 2026 includes approximately RMB0.4 million of expenses related to restricted share awards (for the six months ended June 30, 2025: RMB8.0 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 with effect from 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.

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

(i) Interests in the Company

As at June 30, 2026, 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	230,248,500[1] (L)	37.06%

(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, 2026, YK Development Limited had pledged a total of 199,156,500 Shares, including (1) 138,541,720 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, 2026.

(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, 2026, 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, 2026, so far as the Directors are aware, the following 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	230,248,500 (L)	37.06%
Mouduans Limited[2]	Interested in a controlled corporation	230,248,500 (L)	37.06%
Tongfuzc Limited[2]	Interested in a controlled corporation	230,248,500 (L)	37.06%
WJJR Investment Limited[2]	Interested in a controlled corporation	230,248,500 (L)	37.06%
Jin Jun Ying Limited[2]	Interested in a controlled corporation	230,248,500 (L)	37.06%
Source Capital RW Limited[2]	Interested in a controlled corporation	230,248,500 (L)	37.06%
YK Development[1]	Beneficial owner	230,248,500 (L)	37.06%
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	199,156,500 (L)	32.06%
SPDB International Holdings Limited[4]	Interested in a controlled corporation	138,541,720 (L)	22.30%
SPDB International (Hong Kong) Limited[4]	Person having a security interest in shares	138,541,720 (L)	22.30%
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, 2026, YK Development Limited had pledged a total of 199,156,500 Shares, including (1) 138,541,720 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 64.04%, 23.47%, 6.95%, 3.04%, 0.50% and 2.00% by Huizekx Limited, 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. SPDB 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 SPDB Guangzhou Wuyang Branch. As at June 30, 2026, YK Development Limited had pledged a total of 199,156,500 Shares, including (1) 138,541,720 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, 2026.

Save as disclosed above, as at June 30, 2026, 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 52,276,330 Shares and 54,349,485 Shares (including RSUs that have lapsed and are available for re-granting) as at January 1, 2026 and June 30, 2026, respectively.

As of June 30, 2026, the Company had granted a total of 15,101,500 RSUs to Selected Participants under the 2022 RSU Scheme, of which 2,073,155 RSUs lapsed during the six months ended June 30, 2026. None of the grantees of the RSUs are Directors or core connected person(s) of the Company as at June 30, 2026.

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 six 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$)	Performance target	Unvested as at January 1, 2026	During the Reporting Period				Unvested as at June 30, 2026	Fair value of RSUs at the date of grant (Note (2)) (HK$)
								Granted	Vested	Lapsed	Cancelled		
Five highest paid individuals during the financial year in aggregate	January 23, 2024	11.22	6 years	N/A	0	Note (1)	3,188,020	0	0	556,050	0	2,631,970	11.22
Employees (other than five highest paid individuals) in aggregate	January 23, 2024	11.22	6 years	N/A	0	Note (1)	6,660,700	0	0	1,517,105	0	5,143,595	11.22
Total							**9,848,720**	**0**	**0**	**2,073,155**	**0**	**7,775,565**	

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, 2026, the Company did not hold any treasury shares.

CHANGES IN INFORMATION OF DIRECTORS

There has been no change in the information of the Directors as required to be disclosed pursuant to Rule 13.51B of the Listing Rules subsequent to the publication of the annual report of the Company for the year ended December 31, 2025.

INTERIM DIVIDEND

The Board did not declare any interim dividend for the six months ended June 30, 2026 (for the six months ended June 30, 2025: 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, 2026 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		Unutilized balance of Net Proceeds after re-allocation as at May 31, 2024	Net Proceeds utilized as at December 31, 2025	Net Proceeds utilized as at June 30, 2026	Amounts not yet utilized as at June 30, 2026	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%	184.0	356.3	**370.6**	**33.5**	By the end of 2026
Upgrading and enhancing our operational capabilities as a medical operation service provider	162.3	20.0%	59.4	177.2	**188.7**	**1.1**	By the end of 2026
Expanding our diagnostic capabilities and enriching our diagnostic testing portfolio	81.2	10.0%	22.0	53.7	**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%	36.3	58.6	**58.6**	**-**	N/A
Working capital and general corporate purposes	40.6	5.0%	10.0	50.6	**50.6**	**-**	N/A
Total	811.8	100.0%	366.7	696.4	**722.2**	**89.6**	

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, 2026

Interim Condensed Consolidated Statement of Comprehensive Income

	Notes	For the six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	5	**252,764**	313,217
Cost of revenue		**(174,559)**	(206,848)
Gross profit		**78,205**	106,369
Selling expenses		**(46,057)**	(53,096)
Administrative expenses		**(59,923)**	(78,272)
Reversal of impairment losses (Impairment losses) on financial assets, net		**44,226**	(8,352)
Other income		**2,269**	331
Other (losses) gains, net	6	**(2,145)**	31,822
Fair value changes on financial assets at fair value through profit or loss	16(b)	**(3,758)**	(39,065)
Operating profit (loss)		**12,817**	(40,263)
Finance income		**1,340**	4,445
Finance costs		**(11,470)**	(19,591)
Finance costs, net	7	**(10,130)**	(15,146)
Profit (Loss) before income tax	8	**2,687**	(55,409)
Income tax (expenses) credit	9	**(225)**	50
Profit (Loss) for the period		**2,462**	(55,359)
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 income (loss) for the period		**2,462**	(55,359)

Interim Condensed Consolidated Statement of Comprehensive Income

	Notes	For the six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Profit (Loss) attributable to:			
– Owners of the Company		**2,444**	(55,340)
– Non-controlling interests		**18**	(19)
		2,462	(55,359)
Total comprehensive income (loss) attributable to:			
– Owners of the Company		**2,444**	(55,340)
– Non-controlling interests		**18**	(19)
		2,462	(55,359)
Profit (Loss) per share for profit (loss) attributable to the owners of the Company			
– Basic (in RMB)	10	**0.004**	(0.095)
– Diluted (in RMB)	10	**0.004**	(0.095)

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

Interim Condensed Consolidated Statement of Financial Position

	Notes	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Non-current assets			
Investment properties		**44,288**	44,288
Property and equipment	11	**288,325**	258,332
Intangible assets		**6,531**	6,874
Interest in an associate		**4,000**	4,000
Prepayments and other receivables	15	**39,590**	45,921
Financial assets at fair value through other comprehensive income ("**FVOCI**")	16(a)	**50,352**	50,352
Financial assets at fair value through profit or loss ("**FVTPL**")	16(b)	**70,195**	70,195
Deferred income tax assets		**38,040**	37,794
		541,321	517,756
Current assets			
Inventories	13	**14,710**	13,930
Trade and bills receivables	14	**330,731**	348,524
Prepayments and other receivables	15	**136,770**	86,221
Financial assets at FVTPL	16(b)	**178,102**	181,860
Restricted cash	17	**29,929**	64,211
Cash and cash equivalents	17	**1,459,738**	1,522,169
		2,149,980	2,216,915
Total assets		**2,691,301**	2,734,671
Current liabilities			
Borrowings	20	**414,716**	511,336
Trade and other payables	21	**798,838**	839,676
Current income tax liabilities		**34,825**	34,762
Lease liabilities	12	**7,491**	7,015
		1,255,870	1,392,789

Interim Condensed Consolidated Statement of Financial Position

	Notes	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Non-current liabilities			
Borrowings	20	**259,804**	172,308
Lease liabilities	12	**6,163**	1,649
Deferred income tax liabilities		**6,032**	5,565
		271,999	179,522
Total liabilities		**1,527,869**	1,572,311
Equity			
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	**946,475**	946,119
Accumulated losses		**(36,648)**	(39,092)
		1,157,944	1,155,144
Non-controlling interests		**5,488**	7,216
Total equity		**1,163,432**	1,162,360
Total equity and liabilities		**2,691,301**	2,734,671

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

The interim condensed consolidated financial statements on pages 40 to 72 were approved by the Board of Directors of the Company on August 28, 2026 and were signed on its behalf by:

Zhang Yong
Director

Xie Shaohua
Director

Interim Condensed Consolidated Statement of Changes in Equity

	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	Accumulated losses RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
Balance as at January 1, 2026		610,358	(362,241)	946,119	(39,092)	1,155,144	7,216	1,162,360
Profit for the period		–	–	–	2,444	2,444	18	2,462
Total comprehensive income for the period		–	–	–	2,444	2,444	18	2,462
Transactions with owners:		–	–	–	–	–	–	–
Share award expenses		–	–	356	–	356	–	356
Deregistration of subsidiaries		–	–	–	–	–	(1,746)	(1,746)
Total transactions with owners		–	–	356	–	356	(1,746)	(1,390)
(Unaudited) Balance as at June 30, 2026		610,358	(362,241)	946,475	(36,648)	1,157,944	5,488	1,163,432

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)
Total comprehensive loss for the period		–	–	–	(55,340)	(55,340)	(19)	(55,359)
Transactions with owners:								
Share award expenses		–	–	7,969	–	7,969	–	7,969
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

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, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cash flows of operating activities			
Cash generated from operations		**16,166**	8,199
PRC enterprise income tax paid		**(49)**	(5)
Net cash generated from operating activities		**16,117**	8,194
Cash flows of investing activities			
Purchases of property and equipment		**(51,824)**	(26,543)
Purchases of intangible assets		**(158)**	(378)
Payment of financial assets at FVOCI		**–**	(5,000)
Purchases of financial assets at FVTPL		**–**	(132,033)
Proceeds from disposal of property and equipment		**288**	133
Payments for note receivables		**(30,386)**	–
Decrease in pledged time deposits for bank loans		**30,000**	96,532
Net cash used in investing activities		**(52,080)**	(67,289)
Cash flows of financing activities			
Proceeds from borrowings		**337,103**	421,256
Repayments of borrowings		**(345,968)**	(473,434)
Interest paid		**(11,903)**	(18,109)
Principal elements and interest expenses of lease payments		**(3,182)**	(5,597)
Payments to non-controlling interest holders upon deregistration of subsidiaries		**(1,746)**	–
Net cash used in financing activities		**(25,696)**	(75,884)
Net decrease in cash and cash equivalents		**(61,659)**	(134,979)
Cash and cash equivalents at beginning of the period		**1,522,169**	1,321,355
Effect of exchange rate changes on cash and cash equivalents		**(772)**	(252)
Cash and cash equivalents at end of the period	17	**1,459,738**	1,186,124

The above interim condensed consolidated statement 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, 2026.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements of the Group for the six months ended June 30, 2026 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, 2025, 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, 2026. 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 HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11

(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, 2026 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	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, 2025.

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, 2025.

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
(Unaudited)					
As at June 30, 2026					
Borrowings	**432,934**	**123,690**	**59,324**	**95,261**	**711,209**
Lease liabilities	**7,798**	**3,816**	**2,523**	**–**	**14,137**
Trade and other payables (excluding accrued staff costs, other taxes payable and deferred revenue)	**752,195**	**–**	**–**	**–**	**752,195**
	1,192,927	**127,506**	**61,847**	**95,261**	**1,477,541**
As at December 31, 2025					
Borrowings	525,909	145,708	2,950	37,955	712,522
Lease liabilities	7,443	1,295	119	–	8,857
Trade and other payables (excluding accrued staff costs, other taxes payable and deferred revenue)	783,372	–	–	–	783,372
	1,316,724	147,003	3,069	37,955	1,504,751

As at June 30, 2026, trade payables to related parties of RMB548,779,000 were attributable to purchase of goods and services from related parties of the Group.

As at June 30, 2026, current and non-current borrowings of the Group amounted to RMB414,716,000 and RMB259,804,000, 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, 2026	**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	**–**	**178,102**	**–**	**178,102**
– Unlisted companies	**–**	**–**	**70,195**	**70,195**
Financial assets at FVOCI				
– Unlisted companies	**–**	**–**	**50,352**	**50,352**
Total financial assets	**–**	**178,102**	**120,547**	**298,649**

At December 31, 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	–	181,860	–	181,860
– Unlisted companies	–	–	70,195	70,195
Financial assets at FVOCI				
– Unlisted companies	–	–	50,352	50,352
Total financial assets	–	181,860	120,547	302,407

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, 2026 (2025: same).

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

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
At FVOCI		
Balance at beginning of the period/year	**50,352**	59,066
Changes in fair value	**–**	(8,714)
Balance at the end of the period/year	**50,352**	50,352
At FVTPL		
Balance at beginning of the period/year	**70,195**	133,243
Additions	**–**	65,000
Changes in fair value	**–**	1,952
Disposals	**–**	(130,000)
Balance at the end of the period/year	**70,195**	70,195

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.2 Fair value estimation *(Continued)*

(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.

There was no change to valuation techniques during the six months ended June 30, 2026 (2025: same).

If the fair value of the Group's financial assets at FVOCI had been 10% higher/lower, other comprehensive income before income tax for the six months ended June 30, 2026 would have been approximately RMB5,035,000 higher/lower (2025: RMB**5**,035,000).

If the fair value of the Group's financial assets at FVTPL had been 10% higher/lower, the profit before income tax for the six months ended June 30, 2026 would have been approximately RMB24,830,000 higher/lower (2025: RMB25,206,000).

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 from the PRC during the six months ended June 30, 2026 (2025: same).

(b) Revenue by business line

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Recognized at a point in time:		
Diagnostic services	**252,764**	313,217

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, 2026 (2025: same).

(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 (LOSSES) GAINS – NET

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Gains on disposal of property and equipment	**520**	370
Exchange losses – net	**(1,182)**	(451)
Others	**(1,483)**	31,903
	(2,145)	31,822

7 FINANCE COSTS – NET

	Six months ended June 30	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income		
Interest income	**1,340**	4,445
Finance costs		
Interest on interest-bearing borrowings	**(10,311)**	(19,319)
Interest on lease liabilities	**(267)**	(272)
Other finance costs	**(892)**	–
	(11,470)	(19,591)
Finance costs – net	**(10,130)**	(15,146)

8 PROFIT/(LOSS) BEFORE INCOME TAX

The Group's profit/(loss) before income tax has been arrived at after charging/(crediting):

	Six months ended 30 June,	
	2026 **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Cost of services provided	**174,559**	206,848
Depreciation of property and equipment*	**11,078**	17,710
Depreciation of right-of-use assets*	**4,474**	4,975
Amortization of intangible assets*	**637**	577
Employee benefit expenses*	**94,473**	124,567
– Salaries, social security, provident fund and other benefits	**94,117**	116,598
– Share award expenses	**356**	7,969
Research and development costs*	**19,320**	21,084
Net fair value losses on financial assets at FVTPL	**3,758**	39,065
Gains on disposal of property and equipment	**(520)**	(370)
Exchange losses – net	**1,182**	451
(Reversal of impairment) impairment losses on financial assets under the expected credit loss model	**(44,226)**	8,352

* During the Reporting Period, depreciation of property and equipment, depreciation of right-of-use assets, amortization of intangible assets, employee benefit expenses and research and development costs were included in "cost of revenue", "selling expenses" and "administrative expenses" in the interim condensed consolidated statement of comprehensive income.

9 INCOME TAX (EXPENSES) CREDITS

	Six months ended June 30,	
	2026 **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Current income tax	**(4)**	–
Deferred income tax	**(221)**	50
	(225)	50

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, 2026 (2025: same).

9 INCOME TAX (EXPENSES) 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, 2026 (2025: 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, 2026 (2025: 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 is subject to a reduced CIT rate of 20%.

10 PROFIT (LOSS) PER SHARE

(a) Basic profit (loss) per share

The basic profit (loss) per share is calculated by dividing the profit (loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended June 30, 2026, 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 (2025: 35,905,846 shares).

	For the six months ended June 30,	
	2026 (Unaudited)	2025 (Unaudited)
Profit (Loss) attributable to owners of the Company (RMB'000)	**2,444**	(55,340)
Weighted average number of ordinary shares in issue less shares held under the 2022 RSU Scheme	**585,344,654**	585,344,654
Basic profit (loss) per share attributable to the owners of the Company (expressed in RMB per share)	**0.004**	(0.095)

(b) Diluted profit (loss) per share

Diluted profit (loss) per share is calculated by adjusting the weighted average number of ordinary shares in issue 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, 2026 and 2025. Therefore, the diluted profit (loss) per share for the six months ended June 30, 2026 and 2025 are the same as basic profit (loss) per share for each period.

11 PROPERTY AND EQUIPMENT

	Property and equipment RMB'000	Right-of-use assets RMB'000	Total RMB'000
As at January 1, 2026			
Cost	**473,512**	**186,385**	**659,897**
Accumulated depreciation	**(227,770)**	**(42,440)**	**(270,210)**
Impairment	**(110,716)**	**(20,639)**	**(131,355)**
Net book amount	**135,026**	**123,306**	**258,332**
(Unaudited)			
Six months ended June 30, 2026			
Opening net book amount	**135,026**	**123,306**	**258,332**
Additions	**39,549**	**9,449**	**48,998**
Write offs/disposals	**(509)**	**(1,220)**	**(1,729)**
Depreciation charge	**(11,078)**	**(6,198)**	**(17,276)**
Closing net book amount	**162,988**	**125,337**	**288,325**
As at June 30, 2026			
Cost	**419,177**	**186,695**	**605,872**
Accumulated depreciation	**(187,132)**	**(41,045)**	**(228,177)**
Impairment	**(69,057)**	**(20,313)**	**(89,370)**
Net book amount	**162,988**	**125,337**	**288,325**
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

(a) As at June 30, 2026, certain medical equipment and land-use-right assets with carrying amount of RMB246,000 and RMB115,192,000, respectively (December 31, 2025: certain medical equipment and land-use-right assets with carrying amount of RMB26,235,000 and RMB116,916,000, respectively) were pledged to secure the other borrowings of the Group.

12 LEASES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Right-of-use assets included in "Property and equipment"		
– Leased properties	**10,145**	5,650
– Leased equipment and motor vehicles	**–**	740
– Land use rights	**115,192**	116,916
	125,337	123,306
Lease liabilities		
– Current	**7,491**	7,015
– Non-current	**6,163**	1,649
	13,654	8,664

13 INVENTORIES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Reagent and pharmaceuticals	**14,710**	13,930

14 TRADE AND BILLS RECEIVABLES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Trade receivables		
– Third parties	**843,681**	939,432
– Related parties (Note 22(d))	**664**	414
	844,345	939,846
Less: allowance for impairment of trade receivables	**(513,991)**	(593,345)
	330,354	346,501
Notes receivables	**377**	2,023
	330,731	348,524

(a) At June 30, 2026 and December 31, 2025, the aging analysis of the trade receivables (before provision for impairment) based on recognition date was as follows:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Up to 180 days	**164,006**	188,594
181 days to 1 year	**94,409**	96,747
1 to 2 years	**83,956**	90,026
2 to 3 years	**37,647**	43,893
More than 3 years	**464,327**	520,586
	844,345	939,846

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

(c) As at June 30, 2026, trade receivables with a carrying amount of RMB200,420,000 (December 31, 2025: same) were pledged to secure the bank borrowing of the Group.

15 PREPAYMENTS AND OTHER RECEIVABLES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Included in current assets		
Prepayments		
– Prepayments to third party suppliers	**34,460**	18,939
– Advance payments for potential investment projects (Note (b))	**25,000**	25,000
– Other tax recoverable	**9,531**	7,272
	68,991	51,211
Other receivables		
– Interest receivables (Note (b))	**773**	405
– Deposits with RSU Trustee	**219**	228
– Deposits receivables	**6,969**	7,831
– Cash advance to employees	**302**	65
– Amounts due from related parties (Note 22(d))	**1,714**	1,962
– Note receivable (Note (c))	**52,225**	22,731
– Others	**6,087**	2,306
	68,289	35,528
Less: allowance for impairment of other receivables	**(510)**	(518)
	67,779	35,010
	136,770	86,221
Included in non-current assets		
Prepayments		
– Prepayment for equipment to third party suppliers	**3,590**	9,921
– Advance payments for potential investment projects (Note (d))	**36,000**	36,000
	39,590	45,921
Total	**176,360**	132,142

(a) The Group's other receivables are denominated in RMB. The carrying amounts of other receivables approximated their fair values.

(b) The balance represented advance for an investment totaling RMB25,000,000 to a third party, along with related interest receivable of RMB773,000. The advance was provided to the third party and will be used as the cost for its research and development and production of related health inspection equipment. The Group will assess its research and development and operational performance and the Group will complete the investment in it when its products are successfully developed in the future.

The advance is secured by certain machinery owned by a subsidiary of the third party and is guaranteed by personal guarantees provided by its beneficial owner and his/her spouse, bearing interest at a fixed rate of 4.6% per annum, and the advance and interest shall be repayable in September 2026.

15 PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

(c) The note receivable represented fixed-income notes with an interest rate of 2% per annum, which can be early redeemed upon application by the Group.

(d) The balance represents advances for two potential investments which are non-interest bearing and unsecured.

The advance payment of RMB25,000,000 was made to the unrelated private company A for the acquisition of 3.13% of the equity of a private company in the healthcare industry. Upon completion of business registration, the advance payment will be recognized as a financial asset measured at fair value under non-current assets in the consolidated financial statements.

Another advance payment of RMB11,000,000 was made to a non-related third party for a potential investment in two private companies which are both in medical health industry. The final decision of investment in these private companies depends on whether the private companies can meet certain conditions imposed by the Group within two years. Upon fulfillment of such conditions to the satisfaction of the Group, the Group would consider investing in these private companies. The advance payment will be refunded if the investment is not completed within two years.

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, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Unlisted		
– Private company A (Note (i))	**46,830**	46,830
– Private company B (Note (ii))	**3,522**	3,522
	50,352	50,352

Notes:

(i) Private company A is engaged in investment activities and portfolio management, with a focus on healthcare industry. Private company A is also an associate of Daan Gene Co., Ltd. ("**Da An Gene**").

(ii) Private company B invested in an equity instrument, which is principally engaged in sales of medical imaging diagnostic equipment.

During the six months ended June 30, 2026, 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, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Included in current assets		
Investment in private funds		
– Managed by investment manager (Note (i))	**178,102**	181,860
	178,102	181,860
Included in non-current assets		
Unlisted companies (Note (ii))	**70,195**	70,195
	248,297	252,055

Notes:

(i) The investments represented portfolios managed by an investment manager. Investment objectives were to invest in cash or cash equivalents, national debt and other money market instruments.

(ii) Investments in unlisted companies included investments in four (as at December 31, 2025: same) private companies, which are principally engaged in research and sales of medical instruments, provision of consultancy services and investment management.

Amounts recognized in profit or loss

	Six months ended June 30,	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Fair value losses recognized in profit or loss	**(3,758)**	(39,065)

(c) Fair value, impairment and risk exposure

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

17 CASH AND CASH EQUIVALENTS

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Cash at banks and financial institution	**1,489,667**	1,586,380
	1,489,667	1,586,380
Less: restricted cash (Note (a))	**(29,929)**	(64,211)
Cash and cash equivalents	**1,459,738**	1,522,169

(a) As at June 30, 2026, the majority of the Group's restricted cash was deposits for land construction projects.

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

(a) Share capital and share premium

	Number of ordinary shares	Par value of each share USD	Share capital USD	Equity equivalents RMB'000	Share premium RMB'000	Total RMB'000
Authorized						
As at January 1, 2026 and June 30, 2026	25,000,000,000	0.000002	50,000	338		
Issued and paid						
Balance at January 1, 2025	621,250,500	0.000002	1,242	9	610,349	610,358
Balance at June 30, 2025 (unaudited)	621,250,500	0.000002	1,242	9	610,349	610,358
Balance at January 1, 2026	621,250,500	0.000002	1,242	9	610,349	610,358
Balance at June 30, 2026 (unaudited)	621,250,500	0.000002	1,242	9	610,349	610,358

(i) As at June 30, 2026, the total number of issued ordinary shares of the Company included 35,905,846 shares (December 31, 2025: 35,905,846 shares) held under the 2022 RSU Scheme (Note (b)).

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

(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

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, December 31, 2025 and January 1, 2026	**35,905,846**	**362,241**
Acquisition of shares by the Share Scheme Trust	**–**	**–**
(Unaudited) Balance at June 30, 2026	**35,905,846**	**362,241**

(ii) For the six months ended June 30, 2026, the Share Scheme Trust did not purchase any shares of the Company on the market (2025: 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 shares 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 (c)) RMB'000	Reserves for financial assets at FVOCI RMB'000	Capital reserves (Note (b)) RMB'000	Properties revaluation reserve (Note (d)) RMB'000	Total RMB'000
Balance at January 1, 2025	930,845	23,592	(16,882)	(19)	–	937,536
Changes in fair value of financial assets at FVOCI, net of tax	–	–	(8,745)	–	–	(8,745)
Gain on properties revaluation upon transfer to investment properties, net of tax	–	–	–	–	15,192	15,192
Share award expenses	–	2,136	–	–	–	2,136
Balance at December 31, 2025 and at January 1, 2026	930,845	25,728	(25,627)	(19)	15,192	946,119
Share award expenses	–	356	–	–	–	356
(Unaudited) Balance at June 30, 2026	930,845	26,084	(25,627)	(19)	15,192	946,475

Notes:

(a) Capitalization reserve represented the registered capital and capital premium of Yunkang Industry attributable to owners of the Company in aggregate of approximately RMB931 million as of 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) Capital reserve includes the difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received, on changes in the Group's interests in subsidiaries that do not result in the Group losing control.

(c) The share award reserve comprises the fair value of share-based payment transactions. During the six months ended June 30, 2026, 2,073,155 share awards lapsed (for the year ended December 31, 2025: 2,605,780 share awards lapsed). As at June 30, 2026, none of the share awards were vested.

(d) Such property revaluation reserves represent the property revaluation arising from the transfer of buildings of the Group included in property and equipment to investment properties on July 1, 2025.

20 BORROWINGS

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Borrowings included in non-current liabilities:		
Bank borrowings		
– Secured and/or guaranteed	**378,420**	215,460
Other borrowings		
– Secured and/or guaranteed	**64,562**	82,890
Less: current portion of non-current borrowings	**(183,178)**	(126,042)
	259,804	172,308
Borrowings included in current liabilities:		
Bank borrowings		
– Secured and/or guaranteed	**231,426**	384,957
Other borrowings		
– Secured and/or guaranteed	**112**	337
Add: current portion of non-current borrowings	**183,178**	126,042
	414,716	511,336
Total borrowings	**674,520**	683,644

(a) As at June 30, 2026, the effective interest rate of borrowings was from 1.20% to 4.64% per annum (December 31, 2025: same).

21 TRADE AND OTHER PAYABLES

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Trade payables (Note (a))		
– Third parties	**148,139**	148,374
– Related parties (Note 22(d))	**548,779**	545,886
	696,918	694,260
Other payables		
– Related parties (Note 22(d))	**27,341**	28,339
– Marketing and promotion expenses payables	**6,757**	3,124
– Decoration expenses payables	**146**	15,040
– Accrued expenses	**12,859**	33,005
– Deferred revenue	**10,087**	10,220
– Others	**8,174**	9,604
	65,364	99,332
Accrued staff costs	**34,454**	41,522
Other taxes payable	**2,102**	4,562
	798,838	839,676

21 TRADE AND OTHER PAYABLES *(Continued)*

(a) The aging analysis of the trade payables based on goods and services received at the end of the periods indicated is as follows:

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Up to 180 days	**88,529**	136,174
181 days to 1 year	**57,958**	14,094
1 to 2 years	**47,312**	44,569
2 to 3 years	**14,296**	12,578
More than 3 years	**488,823**	486,845
	696,918	694,260

(b) As at June 30, 2026, the trade and other payables are denominated in RMB, and their carrying amounts approximated their fair values (December 31, 2025: 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, 2026 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 over the Group

22 RELATED PARTY TRANSACTIONS *(Continued)*

(b) Key management compensation

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, bonuses and other benefits	**1,877**	1,642
Expenses of contribution to pension scheme	**209**	183
Share award expenses	**109**	1,770
	2,195	3,595

(c) Transactions with related parties

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from		
— Da An Group	**250**	191
Purchase of goods and services		
— Da An Group	**12,170**	18,946
Commercial property management service fee to related parties		
— Da An Group	**1,848**	1,731
Right-of-use assets under leases		
— Da An Group	**9,449**	–
Interest expenses paid/payable to related parties in respect of lease liabilities		
— Da An Group	**162**	–

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.

22 RELATED PARTY TRANSACTIONS *(Continued)*

(d) Balances with related parties

	As at June 30, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Amounts due from related parties		
Trade		
Trade receivables		
– Da An Group	**664**	414
Other receivables		
– Da An Group	**1,714**	1,962
	2,378	2,376
Amounts due to related parties		
Trade		
Trade payables		
– Da An Group	**(548,779)**	(545,886)
Other payables		
– Da An Group	**(27,341)**	(28,339)
	(576,120)	(574,225)
Lease liabilities due to related parties		
– Da An Group	**(8,778)**	-

As at June 30, 2026 and December 31, 2025, the balances due from/to related parties are unsecured, interest-free, with 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, 2026, there were no guarantees or pledges provided to the related parties (December 31, 2025: 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 4.25% 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, 2026 (June 30, 2025: 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, 2026 RMB'000 (Unaudited)	As at December 31, 2025 RMB'000 (Audited)
Contracted but not provided for:		
— Property and equipment	**38,366**	34,453

As at June 30, 2026 and December 31, 2025, the Group's capital commitments mainly related to the construction on the land in Guangzhou acquired in 2019.

25 CONTINGENT LIABILITIES

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

26 SUBSEQUENT EVENTS

There were no material subsequent events during the period from July 1, 2026, to the approval date of the Interim Financial Information.