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# Yunkang Group Limited
# 云康集团有限公司

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 2325)**

# DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 24.0508% EQUITY INTEREST IN CHONGQING LIANXIN

## THE CHONGQING LIANXIN ACQUISITION

The Board is pleased to announce that on October 29, 2026 (after trading hours), the Purchaser, a wholly-owned subsidiary of Yunkang Industry, entered into the Equity Transfer Agreement with (among others) the Seller, pursuant to which the Purchaser has conditionally agreed to acquire, and the Seller has conditionally agreed to sell, the Target Equity Interest (i.e. 24.0508% equity interest in Chongqing Lianxin) at a consideration of RMB65 million. Upon completion of the Chongqing Lianxin Acquisition, the Company will hold 24.0508% equity interest in Chongqing Lianxin.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Chongqing Lianxin Acquisition (whether on a standalone basis or when aggregated with the Zhejiang Lianxin Capital Increase pursuant to Rule 14.23(2) of the Listing Rules) exceeded 5% but all of them were less than 25%, the Chongqing Lianxin Acquisition constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## INTRODUCTION

The Board is pleased to announce that on October 29, 2026 (after trading hours), the Purchaser, a wholly-owned subsidiary of Yunkang Industry, entered into the Equity Transfer Agreement with (among others) the Seller, pursuant to which the Purchaser has conditionally agreed to acquire, and the Seller has conditionally agreed to sell, the Target Equity Interest (i.e. 24.0508% equity interest in Chongqing Lianxin) at a consideration of RMB65 million.

## THE EQUITY TRANSFER AGREEMENT

A summary of the principal terms of the Equity Transfer Agreement is set out as follows:

Date : October 29, 2026 (after trading hours)

Parties : (1) the Purchaser

(2) the Seller

(3) Chongqing Lianxin

(4) the Guarantor

(5) Zhejiang Lianxin

### Subject Matter

Pursuant to the Equity Transfer Agreement, the Purchaser has conditionally agreed to acquire, and the Seller has conditionally agreed to sell, the Target Equity Interest (i.e. 24.0508% equity interest in Chongqing Lianxin).

### Consideration

The consideration for the Chongqing Lianxin Acquisition is RMB65 million (the "**Consideration**"), which shall be settled in cash by the Purchaser to the Seller in installments in accordance with the payment schedule. The Consideration will be funded by internal resources of the Group and the proceeds from the Global Offering of the Company.

### Basis of the Consideration

The basis of the Consideration was determined after arm's length negotiations between the Purchaser and the Seller on normal commercial terms by taking into consideration various factors, including but not limited to:

(i) the appraised value of the Target Equity Interest of Chongqing Lianxin, as detailed in the section headed "Valuation" below;

(ii) the net asset value of Chongqing Lianxin;

(iii) the historical financial performance of Chongqing Lianxin;

(iv) the business and development prospect of Chongqing Lianxin; and

(v) the reasons and benefits as set out in the section headed "Reasons and Benefits of the Chongqing Lianxin Acquisition" below.

The Consideration represents a discount to the appraised value of the Target Equity Interest. The Board considers the Consideration to be fair and reasonable and that such discount is clearly in the interests of the Group and the Shareholders as a whole. Such discount was determined after taking into account the following factors: First, the Seller had been seeking potential purchasers for a period of time. The Seller considers that the disposal of its equity interest in Chongqing Lianxin at this juncture presents a favorable opportunity to realize its investment and reallocate its internal resources. Second, as the Group is acting as a strategic investor, the Consideration was not based solely on the valuation of the Target Equity Interest, but also fully took into account the significant strategic value and future synergies between the Group and Chongqing Lianxin. Based on the above commercial factors and the Group's bargaining advantage, such discount was ultimately secured by the Group.

**Payment Schedule**

The Purchaser shall pay the Consideration to the Seller in the following manner:

(i) the Purchaser shall pay RMB6 million, corresponding to 9.23% of the Target Equity Interest, to the Seller on or before October 31, 2026;

(ii) the Purchaser shall pay no less than 50% of the Consideration in the amount of RMB32.5 million (inclusive of RMB6 million set out in paragraph (i) above), corresponding to 50% of the Target Equity Interest, to the Seller on or before December 31, 2026; and

(iii) the Purchaser shall pay the remaining Consideration in the amount of RMB32.5 million, corresponding to 50% of the Target Equity Interest, to the Seller on or before June 30, 2027. The Purchaser shall pay the interest to the Seller on the remaining Consideration at an annual interest rate of 5%, accruing from January 1, 2027 to the date on which the remaining Consideration is fully paid.

**Guarantee**

The Guarantor has agreed to guarantee the payment obligations of the Purchaser under the Equity Transfer Agreement.

**Completion**

In accordance with the payment schedule for the Consideration set out above, within 30 business days after each payment of the Consideration made by the Purchaser, Chongqing Lianxin shall

(i) register the name of the Purchaser and the shareholding corresponding to each payment in the register of members of Chongqing Lianxin, which shall be duly signed and sealed;

(ii) provide to the Purchaser an original copy (or a copy with Chongqing Lianxin's chop) of the register of members and the capital contribution certificate corresponding to each payment of the Consideration; and

(iii) submit the relevant documents to the local market supervision and administration authority to complete the industrial and commercial registration of changes for the equity interest corresponding to each payment of the Consideration.

## INFORMATION OF CHONGQING LIANXIN

Chongqing Lianxin is a limited liability company established in the PRC and principally engaged in research and development, manufacture and sales of medical devices in the PRC.

As of the date of this announcement, Chongqing Lianxin is owned as to 24.0508% by the Seller and 75.9492% by Zhejiang Lianxin. Zhejiang Lianxin is a limited liability company established in the PRC and principally engaged in investment holding. The Guarantor is the actual controller of Chongqing Lianxin and Zhejiang Lianxin.

Set out below is the audited consolidated financial information of Chongqing Lianxin for the two financial years ended 31 December 2025, respectively:

| | **For the year ended December 31, 2024** *RMB'000 (Audited)* | **For the year ended December 31, 2025** *RMB'000 (Audited)* |
|---|---|---|
| Revenue | 5 | Nil |
| Net profit (loss) before taxation | (4,852) | (17,386) |
| Net profit (loss) after taxation | (4,852) | (19,225) |

As of June 30, 2026, the unaudited consolidated net asset value of Chongqing Lianxin is RMB26,814,342.

## VALUATION

According to the valuation report issued by the Valuer on October 22, 2026 (the "**Valuation Report**"), the appraised value of the Target Equity Interest of Chongqing Lianxin amounted to RMB118,618,000, which was valued based on income approach with a valuation base date of June 30, 2026.

For the avoidance of doubt, although the Valuation Report is prepared based on an income approach (which constitutes a profit forecast under Rule 14.61 of the Listing Rules), as Chongqing Lianxin is not proposed to become a subsidiary of the Company, the relevant disclosure requirements under Rule 14.60A are not applicable.

### Selection of Valuation Approaches

In arrival at the conclusion of value of Chongqing Lianxin, the Valuer has considered three generally accepted approaches, namely (i) the market approach; (ii) the cost approach; and (iii) the income approach. Given the following reasons, the Valuer adopted the income approach to determine the fair value of the Target Equity Interest of Chongqing Lianxin:

(i) The market approach refers to a valuation approach that determines the value of the subject asset by referencing the value of identical or similar assets for which price information is available. The Valuer identified an insufficient number of companies similar to Chongqing Lianxin that are to be transacted or exchanged in an active market, while the found companies illustrate a wide variance of data that a meaningful direct comparison with Chongqing Lianxin could not be made. Therefore, the market approach was not adopted by the Valuer.

(ii) The cost approach refers to a valuation approach that determines the value of the subject asset by calculating replacement cost and deducting depreciation to arrive at its appraised value. In principle, the price that a buyer in the market would pay for the assets being valued will not exceed the cost to purchase or construct an equivalent asset unless undue time, inconvenience, risk or other factors are involved. However, this approach does not reflect the economic benefits contributed by Chongqing Lianxin. It would be more appropriate to use the cost approach for valuation in the case of forced sale and in liquidation than in the case of a going concern. Accordingly, the cost approach was not adopted by the Valuer.

(iii) The income approach determines the value of the subject company by discounting its projected future cash flows to their present value. In this valuation, the Valuer has adopted a multi-period discounted cash flow method, under which projected free cash flows to the firm (FCFF) for the explicit forecast period and the terminal value are discounted to present value using the weighted average cost of capital (WACC) as the discount rate. The enterprise value so derived is then adjusted for net debt, non-operating assets, and liabilities to determine the value of the Target Equity Interest of Chongqing Lianxin. The Valuer considers this approach appropriate as it reflects Chongqing Lianxin's operational cash-generation capacity and future economic benefits.

**Methodologies, Key Assumptions and Valuation Parameters Adopted in the Valuation**

***Earning Base – Free Cash Flow to Firm***

For income approach, the Valuer employed free cash flow to firm method in the Valuation Report, as an expression of the net amount of cash which is generated from the enterprise's normal course of business, after deducting relevant expenses, taxes and changes in net working capital and investments. The free cash flow to firm is computed using the following formula:

$$FCFF = NOPAT + NCE - NCI - InvFA - InvNWC$$

Where:

| | |
|---|---|
| *FCFF* | *= free cash flow to firm* |
| *NOPAT* | *= net operating profit after tax* |
| *NCE* | *= non-cash expenses* |
| *NCI* | *= non-cash incomes* |
| *InvFA* | *= investment in fixed asset* |
| *InvNWC* | *= investment in net working capital* |

The present value of expected cash flow is calculated through the following formula:

$$PVFCF = FCFF_1 / (1 + r)^1 + FCFF_2 / (1 + r)^2 + \cdots + FCFF_n / (1 + r)^n$$

Where:

| | |
|---|---|
| *PVFCF* | *= present value of free cash flows* |
| *FCFF* | *= free cash flow to firm* |
| *r* | *= discount rate* |
| *n* | *= number of year of projections* |

***Key Assumptions for FCFF Projection***

Based on the Valuer's analysis and discussion with Chongqing Lianxin's management, the following key assumptions are adopted in the Valuation Report:

(i) **Cash Flow Projection Period.** The free cash flow to the firm projection is set at 9.5 years, which aligns with Chongqing Lianxin's management's assessment of the useful economic life of the core patents and proprietary medical devices as well as common market practices.

(ii) **Revenue Growth Rate.** Revenue of Chongqing Lianxin is derived from its main four product categories. For the initial forecast period (2026 – 2030), sale projections are grounded in third-party market and industry data. For the subsequent period (2031 – 2035), the year-on-year revenue growth rate is projected to reflect its earlier stage of market penetration and lower revenue base.

(iii) **Cost of Sales.** The cost of medical devices is primarily comprised of material, labor, production overhead, and depreciation. The total cost of sales is projected to vary with both the volume of units sold and the projected decline in unit costs, rather than varying purely with volume.

(iv) **Selling and Distribution Expenses.** Selling and distribution expenses (including market development and sales team costs) are projected to be at certain percentage range of revenue, reflecting the limited sales activity in the initial period, before peaking in 2029 as Chongqing Lianxin's main product lines are commercialised and market development expenditure is incurred. Thereafter, the ratio is projected to decline steadily from 2030 to 2035, reflecting operating leverage as revenue scales and the sales team matures.

(v) **Administrative Expenses.** As Chongqing Lianxin is in a pre-commercialisation phase during the half-year ending 31 December 2026, the administrative expense ratio for that period is not meaningful and has therefore not been presented. From 2027 onwards, the administrative expense ratio is projected to peak in 2027 and gradually decline by 2035, as revenue scales and operating leverage is realised.

(vi) **Research and Development Costs.** Registration and certification fees are classified within research and development expenses in the forecast and represent a material component, particularly in the earlier years when Chongqing Lianxin's main products undergo regulatory approval.

(vii) **Valued-Added Tax and Surcharge.** Valued-Added tax for medical device sales in the PRC is applied at the standard rate of 13%. Management forecasts that input VAT credits will exceed output VAT liabilities in 2026, generating excess VAT credits. These credits are expected to be carried forward and fully utilized to offset future output VAT liabilities by the end of 2027. Positive VAT payable, together with the associated surcharges, is projected from 2028 onwards.

(viii) **Depreciation and Amortisation.** Depreciation and amortization expenses are calculated based on the straight-line method over the useful lives of the respective assets. The charge of each period is a function of the opening net book value of property, plant and equipment and intangible assets, adjusted for any projected capital expenditures, disposals, and the expiration of useful lives during the forecast period.

(ix) **Tax Rate.** It is expected to benefit from a preferential corporate income tax rate of 15% in the PRC, which is applicable to its core business of manufacturing and selling medical devices as a qualified high-tech enterprise.

(x) **Working Capital.** The working capital requirement is projected on the basis of a certain turnover period for both trade receivables and trade payables, reflecting management's expectation that revenue from device sales will be collected, and the associated costs (which are primarily material costs) will be paid, within such operating cycle.

(xi) **Capital Expenditures.** Management forecasts capital expenditure across the forecast period, with the most significant outlay in 2027, when an automated production line is placed in service, together with moulds for Chongqing Lianxin's main products. In addition, the model projects research and development equipment and moulds in 2026, and office equipment for new management, research and development, quality, production, and sales personnel in 2027-2030, as headcount grows in line with the business.

***Discount Rate – Weighted Average Cost of Capital***

As to the discount rate, the Valuer adopts the weighted average cost of capital (WACC) as the post-tax discount rate for the valuation. The WACC is computed using the following formula:

$$WACC = R_e\ (E/V) + R_d\ (D/V)\ (1 - T_e)$$

Where:

| | |
|---|---|
| $WACC$ | *= weighted average cost of capital* |
| $R_e$ | *= cost of equity* |
| $R_d$ | *= cost of debt* |
| $E$ | *= value of the firm's equity* |
| $D$ | *= value of the firm's debt* |
| $V$ | *= sum of values of the firm's equity and debt* |
| $T_e$ | *= corporate tax rate* |

Among them, the cost of equity is determined by using the Capital Asset Pricing Model (CAPM). The cost of equity under the modified CAPM is computed using the following formula:

$$R_e = R_f + \beta\ * MRP + RP_S + RP_U$$

Where:

| | |
|---|---|
| $R_e$ | *= cost of equity* |
| $R_f$ | *= risk-free rate* |
| $\beta$ | *= beta coefficient* |
| $MRP$ | *= market risk premium* |
| $RP_S$ | *= size premium* |
| $RP_U$ | *= company-specific idiosyncratic risk premium* |

The beta coefficient for Chongqing Lianxin is determined as an average of betas of certain companies comparable to it, with adjustment for differences in corporate tax rates and leverage compositions. To account for such differences, the unlevered beta is calculated to remove the effects of leverage on a firm's capital structure.

The unlevered beta is computed using the following formula:

$$\beta_{unlevered} = \beta_{levered} / [1 + (1 - T_c)\ (D/E)]$$

Where:

| | |
|---|---|
| $\beta_{unlevered}$ | *= unlevered beta* |
| $\beta_{levered}$ | *= levered beta* |
| $T_c$ | *= corporate tax rate* |
| *D* | *= value of the firm's debt* |
| *E* | *= value of the firm's equity* |
| *D/E* | *= debt-to-equity ratio* |

The average unlevered betas of the comparable companies are then being re-levered based on the specific corporate tax rate and the expected debt-to-equity ratio applied to Chongqing Lianxin.

The relevered beta is computed using the following formula:

$$\beta_{relevered} = \beta_{unlevered} * [1 + (1 - T_c)\ (D/E)]$$

Where:

| | |
|---|---|
| $\beta_{relevered}$ | *= relevered beta* |
| $\beta_{unlevered}$ | *= unlevered beta* |
| $T_c$ | *= corporate tax rate* |
| *D* | *= value of the firm's debt* |
| *E* | *= value of the firm's equity* |
| *D/E* | *= debt-to-equity ratio* |

***Terminal Value***

The terminal value represents the value of Chongqing Lianxin's expected cash flows beyond the explicit ten-year forecast period (namely 2036 onwards). The terminal value has been calculated using the Gordon Growth Model (Perpetuity Growth Method), applying a long-term perpetual growth rate of 3.0%. This growth rate is anchored to the PRC's long-term macroeconomic fundamentals, specifically, the government's medium-to-long-term CPI target of around 2%, plus a modest 1% real growth assumption. It is also broadly consistent with the long-term steady-state growth expectations for the medical device industry, reflecting a mature, stable growth trajectory without assuming any above-market expansion in perpetuity.

***Valuation Parameters***

According to the Valuation Report, the adopted rates of the valuation parameters are as follows:

| Valuation Parameter | As of June 30, 2026, |
|---|---|
| Risk-free Rate | = 1.75% |
| Relevered Beta Coefficient | = 1.24 |
| Market Risk Premium | = 5.14% |
| Size Premium | = 2.91% |
| Company-specific Premium | = 25.00% |
| Cost of Equity | = 36.03% |
| After-tax Cost of Debt | = 2.48% |
| Tax Rate | = 15.00% |
| Weight of Debt | = 37.17% |
| Weight of Equity | = 62.83% |
| WACC | = 23.56% |
| Terminal Value Growth Rate | = 3.00% |

Set out below is further information of the valuation parameters:

(i) The risk-free rate of 1.75% is based on the yield to maturity on a 10-year Chinese government bond, sourced from Professor Aswath Damodaran's latest data as of the valuation date.

(ii) The market risk premium of 5.14% is based on a China-specific premium derived from the latest date as of the valuation date of Professor Aswath Damodaran (NYU Stern).

(iii) The size premium of 2.91% is based on the historical excess return for Micro-Cap companies as documented in the CRSP Deciles Size Premium data.

(iv) The company-specific risk premium of 25% reflects the significant, non-diversifiable risks inherent to pre-revenue status, complete dependence on securing regulatory approvals, and reliance on the successful commercialisation of a limited product portfolio.

(v) The cost of equity of 36.03% is determined using the CAPM.

(vi) The cost of debt adopted in the WACC calculation is derived from the financial data of the Company, the listed acquirer in the contemplated transaction. This is made on the basis that the acquisition financing will be arranged at the acquirer level or guaranteed by the acquirer, such that Chongqing Lianxin's borrowing cost is proxied by the acquirer's effective borrowing cost.

(vii) Since the interest paid on debts are tax-deductible expense for a company, the subject company's cost of obtaining debt funds is less than the required rate of return of the suppliers of the debt capital. The after-tax cost of debt was calculated by multiplying one minus the corporate tax rate by the cost of debt.

(viii) The weight of debt adopted in the WACC calculation is derived from the capital structure of the Company, the listed acquirer, consistent with the approach adopted for the weight of equity.

(ix) The weight of equity adopted in the WACC calculation is derived from the capital structure of the Company, the listed acquirer on the basis that the acquisition financing will be arranged at the acquirer level and that the acquirer's existing capital structure provides a reasonable proxy for Chongqing Lianxin's post-acquisition capital structure.

As to the above-mentioned adopted parameters, the WACC is calculated at 23.56%. On this basis, the Valuer estimates a value of RMB118,618,000 of the Target Equity Interest of Chongqing Lianxin as of 30 June 2026.

**Sensitivity Analysis**

The valuation of the Target Equity Interest is sensitive to the key assumptions adopted in the income approach, in particular the discount rate (WACC) and the terminal growth rate. The following sensitivity analysis illustrates the effect on the appraised value of the Target Equity Interest (i.e. 24.0508% equity interest in Chongqing Lianxin) as of 30 June 2026 of varying (i) the discount rate and (ii) the terminal growth rate, while holding all other assumptions constant.

Sensitivity analysis of the appraised value of the Target Equity Interest to changes in WACC and terminal growth rate is as follows:

| WACC/Terminal growth rate | 2.0% | 2.5% | 3.0% (base) | 3.5% | 4.0% |
|---|---|---|---|---|---|
| 21.56% (-2.0%) | 140,120 | 142,363 | 144,727 | 147,221 | 149,858 |
| 22.56% (-1.0%) | 126,993 | 128,891 | 130,887 | 132,988 | 135,202 |
| 23.56% (base) | 115,307 | 116,923 | 118,618 | 120,398 | 122,268 |
| 24.56% (+1.0%) | 104,860 | 106,243 | 107,690 | 109,205 | 110,794 |
| 25.56% (+2.0%) | 95,485 | 96,673 | 97,913 | 99,210 | 100,567 |

*Figures in RMB'000.*

The Directors consider that the range of values indicated above is reasonable and that the appraised value of the Target Equity Interest adopted for the purposes of the Chongqing Lianxin Acquisition (being RMB118,618,000) falls within a reasonable range, having regard to the nature of Chongqing Lianxin's business, its pre-commercialisation status, and the risks inherent in the medical device industry.

## INFORMATION OF THE PARTIES

### The Group and the Purchaser

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

The Purchaser is a limited liability company established in the PRC and a wholly-owned subsidiary of Yunkang Industry. The Purchaser is primarily engaged in equity investment.

### The Seller

The Seller is a limited partnership established in the PRC and it is principally engaged in equity investment.

As of the date of this announcement, the Seller is owned as to 50% by Chongqing Science City Investment Holdings Co., Ltd. (重慶科學城投資控股有限公司) and 49% by Chongqing Yuhua New Materials Co., Ltd. (重慶渝化新材料有限責任公司). Chongqing Science City Investment Holdings Co., Ltd. is ultimately controlled by Chongqing Xiyong Comprehensive Bonded Zone Management Committee (重慶西永綜合保稅區管理委員會), and Chongqing Yuhua New Materials Co., Ltd. is ultimately controlled by Chongqing State-owned Assets Supervision and Administration Commission (重慶市國有資產監督管理委員會).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Seller, Chongqing Lianxin, Zhejiang Lianxin, their ultimate beneficial owners and the Guarantor is an Independent Third Party of the Company.

## REASONS AND BENEFITS OF THE CHONGQING LIANXIN ACQUISITION

The Group is a leading medical operation service provider in China, primarily providing comprehensive diagnostic testing services to medical institutions. The Purchaser is a wholly-owned subsidiary of the Company, primarily engaged in investment holding. The Company has been actively seeking opportunities to create maximum returns for the Company and the Shareholders by investing in businesses or projects with promising prospects and potential, particularly those that can achieve operational complementarity and strategic synergy with the Group's principal business. The Board considers that the Chongqing Lianxin Acquisition will create significant synergies with the Group's existing business operations, which is beneficial to advancing the development of the Group's innovative business and aligns with the Group's overall strategic layout and future development planning. The terms of the Agreement were entered into after arm's length negotiations between the Purchaser and the Seller. In light of the above, the Directors consider that the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## ZHEJIANG LIANXIN CAPITAL INCREASE

On October 20, 2026, the Purchaser subscribed for 1.3158% equity interest in Zhejiang Lianxin, a holding company of Chongqing Lianxin, at a consideration of RMB8 million (the "**Zhejiang Lianxin Capital Increase**"). The consideration for the Zhejiang Lianxin Capital Increase was funded by internal resources of the Group. As of the date of this announcement, Zhejiang Lianxin holds 75.9492% equity interest in Chongqing Lianxin. As the highest of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Zhejiang Lianxin Capital Increase is less than 5%, the Zhejiang Lianxin Capital Increase, on a standalone basis, does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Chongqing Lianxin Acquisition (whether on a standalone basis or when aggregated with the Zhejiang Lianxin Capital Increase pursuant to Rule 14.23(2) of the Listing Rules) exceeded 5% but all of them were less than 25%, the Chongqing Lianxin Acquisition constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

| | |
|---|---|
| "Board" | the board of directors of the Company |
| "Chongqing Lianxin" | Chongqing Lianxin Zhikang Biotechnology Co., Ltd. (重慶聯芯致康生物科技有限公司), a limited liability company established in the PRC |

| | |
|---|---|
| "Chongqing Lianxin Acquisition" | the acquisition by the Purchaser of the Target Equity Interest from the Seller for a consideration of RMB65 million as contemplated under the Equity Transfer Agreement |
| "Company" | Yunkang Group Limited 云康集团有限公司, an exempted company with limited liability incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange (stock code: 2325) |
| "Directors" | the directors of the Company |
| "Equity Transfer Agreement" | the equity transfer agreement entered into by and among the Purchaser, the Seller, Chongqing Lianxin, the Guarantor and Zhejiang Lianxin on October 29, 2026 |
| "Global Offering" | the offer for subscription of shares of the Company as described in the prospectus of the Company dated May 5, 2022 |
| "Group" | the Company and its subsidiaries and consolidated affiliated entities |
| "Guarantor" | Mr. Guo Jinhong (郭勁宏), the actual controller of Zhejiang Lianxin |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "Independent Third Party(ies)" | third party(ies) independent of the Company and not connected with its connected persons (as defined under the Listing Rules) |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| "Purchaser" | Guangzhou Yunkang Yunzhi Medical Health Industry Investment Co., Ltd. (廣州雲康雲智醫療健康產業投資有限公司), a limited liability company established in the PRC and controlled by the Company |
| "PRC" | the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| "RMB" | Renminbi, the lawful currency of the PRC |

| | |
|---|---|
| "Shareholder(s)" | holder(s) of the ordinary share(s) of US$0.000002 each in the issued share capital of the Company |
| "Seller" | Chongqing Lianxin Private Equity Investment Fund Partnership (Limited Partnership) (重慶聯芯私募股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC and an Independent Third Party |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Target Equity Interest" | 24.0508% equity interest in Chongqing Lianxin to be transferred by the Seller to the Purchaser |
| "Valuer" | Sinno Appraisals Limited, a valuation firm engaged by the Company for the valuation of Chongqing Lianxin |
| "Yunkang Industry" | Yunkang Health Industry Investment Co., Ltd. (雲康健康產業投資股份有限公司), a company established in the PRC and controlled by the Company through the Contractual Arrangements (as defined in the prospectus of the Company dated May 5, 2022) |
| "Zhejiang Lianxin" | Zhejiang Lianxin Zhikang Biotechnology Co., Ltd. (浙江聯芯致康生物科技有限公司), a limited liability company established in the PRC |
| "%" | Per cent |

By Order of the Board
**Yunkang Group Limited**
**Zhang Yong**
*Chairman*

Guangzhou, the PRC
October 29, 2026

*As of the date of this announcement, the Board comprises Mr. Zhang Yong as chairman of the Company and executive Director; Mr. Zhang Weijie, Dr. Wang Pinghui, and Dr. Wang Ruihua as non-executive Directors; and Mr. Yu Shiyou, Mr. Xie Shaohua, and Dr. Dong Min as independent non-executive Directors.*