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Meihao Medical Group Co., Ltd
美皓醫療集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1947)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2025	2024
	(RMB'000)	(RMB'000)
	(Unaudited)	(Unaudited)
Revenue	43,568	33,797
Cost of sales	(27,550)	(21,449)
Gross profit	16,018	12,348
Loss before tax	(8,719)	(14,432)
Loss for the period	(9,935)	(15,136)

The board (the “**Board**”) of directors (the “**Directors**”) of Meihao Medical Group Co., Ltd (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), together with the comparative figures for the six months ended 30 June 2024.

In this announcement, “we,” “us” and “our” refer to the Company and where the context otherwise requires, the Group.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	4	43,568	33,797
Cost of sales		<u>(27,550)</u>	<u>(21,449)</u>
Gross profit		16,018	12,348
Other income and gains		1,639	2,878
Selling expenses		(13,641)	(11,217)
Administrative expenses		(11,587)	(17,454)
Reversal of impairment losses on financial assets, net		–	4
Other expenses		(359)	(205)
Finance costs		<u>(789)</u>	<u>(786)</u>
LOSS BEFORE TAX	5	(8,719)	(14,432)
Income tax expense	6	<u>(1,216)</u>	<u>(704)</u>
LOSS FOR THE PERIOD		<u>(9,935)</u>	<u>(15,136)</u>
Attributable to:			
Owners of the parent		(10,007)	(15,074)
Non-controlling interests		<u>72</u>	<u>(62)</u>
		<u>(9,935)</u>	<u>(15,136)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	8	<u>RMB(1.79) cents</u>	<u>RMB(2.51) cents</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
LOSS FOR THE PERIOD	(9,935)	(15,136)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(1,095)	(5)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements into presentation currency	1,089	675
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	(6)	670
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(9,941)	(14,466)
Attributable to:		
Owners of the parent	(10,013)	(14,404)
Non-controlling interests	72	(62)
	(9,941)	(14,466)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		24,240	26,119
Right-of-use assets		30,047	32,378
Goodwill		11,486	11,486
Intangible assets		396	494
Deferred tax assets		234	234
Prepayments, other receivables and other assets		11,035	11,178
Financial assets at fair value through profit or loss		10,000	10,000
Total non-current assets		87,438	91,889
CURRENT ASSETS			
Inventories		2,724	2,395
Trade receivables	9	1,029	693
Prepayments, other receivables and other assets		20,381	16,683
Cash and cash equivalents		73,026	78,494
Total current assets		97,160	98,265
CURRENT LIABILITIES			
Trade payables	10	9,208	6,557
Other payables and accruals		23,341	19,768
Contract liabilities		3,601	3,976
Lease liabilities		7,992	8,251
Tax payable		1,763	1,557
Total current liabilities		45,905	40,109
NET CURRENT ASSETS		51,255	58,156
TOTAL ASSETS LESS CURRENT LIABILITIES		138,693	150,045

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES	138,693	150,045
NON-CURRENT LIABILITIES		
Lease liabilities	23,113	25,180
Contract liabilities	4,503	4,459
Deferred tax liabilities	620	8
Total non-current liabilities	28,236	29,647
Net assets	110,457	120,398
EQUITY		
Equity attributable to owners of the parent		
Share capital	5,366	5,366
Reserves	103,959	113,972
	109,325	119,338
Non-controlling interests	1,132	1,060
Total equity	110,457	120,398

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s financial information.

Amendments to HKAS 21 *Lack of Exchangeability*

The nature and impact of the amended HKFRS Accounting Standard to the Group are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information of the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their services and only has one reportable operating segment. Management monitors the operating results of the Group’s operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	43,568	33,797

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Type of services		
Dental services	<u>43,568</u>	<u>33,797</u>
Geographical market		
Chinese Mainland	<u>43,568</u>	<u>33,797</u>
Timing of revenue recognition		
Services transferred over time	<u>43,568</u>	<u>33,797</u>

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cost of inventories, consumables and customised products	5,354	5,410
Reversal of impairment losses on financial assets, net	–	(4)
Share-based payment expense	–	6,216
Foreign exchange differences, net	<u>(707)</u>	<u>(46)</u>

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Company and its subsidiary incorporated in the British Virgin Islands are not subject to any income tax in the Cayman Islands or the British Virgin Islands.

The statutory tax rate for the subsidiary in Hong Kong is 16.5%. No Hong Kong profits tax on the Group's subsidiary has been provided as there was no assessable profit arising in Hong Kong during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

Except for certain subsidiaries of the Group which were entitled to a preferential income tax rate of 20% for small and micro enterprises during the period with the RMB3.0 million of annual taxable income eligible for 75% reduction, the provision for Chinese Mainland current income tax is based on the statutory rate of 25% of the assessable profits of the subsidiaries of Chinese Mainland as determined in accordance with the Corporate Income Tax Law.

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax – Chinese Mainland		
Charge for the period	604	1,141
Deferred tax	612	(437)
	<hr/>	<hr/>
Total tax charge for the period	1,216	704
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7. DIVIDENDS

The Board of the Company has resolved not to recommend the payment of interim dividend for the period of six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 558,769,350 (six months ended 30 June 2024: 599,799,204) in issue during the period. The number of shares for the current period has been arrived at after eliminating the shares of the Company held under the share award scheme.

The calculations of basic loss per share are based on:

	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	(10,007)	(15,074)
	<hr/> <hr/>	<hr/> <hr/>
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	558,769,350	599,799,204
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As the Group incurred losses, no adjustment has been made to the basic loss per share amounts presented for the period in respect of a dilution as the impact of the equity-settled share award and share option arrangements had an anti-dilutive effect on the basic loss per share amounts presented.

9. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the transaction dates and net of loss allowance, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	1,029	662
3 to 6 months	–	9
6 to 12 months	–	2
1 to 2 years	–	9
Over 2 years	–	11
	<hr/>	<hr/>
Total	1,029	693
	<hr/> <hr/>	<hr/> <hr/>

10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	4,218	1,422
3 to 6 months	1,547	779
6 to 12 months	249	852
Over 1 year	3,194	3,504
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Total	9,208	6,557
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11. EVENTS AFTER THE REPORTING PERIOD

On 18 July 2025, the Company entered into subscription agreement with the Deepcare Medical Holdings Limited “Deepcare Medical”, a company incorporated in the Cayman Islands with limited liability, pursuant to which the Company agreed to subscribe for, and the Deepcare Medical agreed to allot and issue 2,863,492 Class B ordinary shares (“**Subscription Shares**”) at the subscription consideration of US\$2,000,000. Upon Completion, the Company will hold approximately 2.0% of shares of Deepcare Medical on a fully diluted equity ratio. Up to the date of this announcement, the subscription has not been completed.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Group is an established private dental service provider in Wenzhou City (溫州市), Zhejiang Province, PRC. The Group generates its revenue primarily from providing comprehensive dental services to individuals, covering primarily four dental sectors namely, general dentistry (口腔綜合治療科), reparative dentistry (口腔修復科), implant dentistry (種植牙科) and orthodontics and cosmetic dentistry (牙齒正畸科). As at 30 June 2025, the Group owned and operated a network of six private dental hospitals and one clinic in Wenzhou, namely Wenzhou Hospital, Lucheng Hospital, Wenzhou Oral Care, Ouhai Jielaoya Oral Clinic, Rui'an Branch Hospital in Rui'an City, Longgang Hospital in Longgang City and Yueqing Hospital in Yueqing City.

During the Reporting Period, the Group was constrained by the “Collective Procurement Policy Dental Implants Policy” (the “**Collective Procurement Policy**”) and intense competition in the local market, which forced the Group to strengthen its advertising and marketing efforts, resulting in increased costs for attracting new customers. It is worth mentioning that these measures has indeed effectively increased the Group’s revenue, with a significant increase in the number of patients. As a result, the Group’s revenue increased to approximately RMB43.6 million for the six months ended 30 June 2025 from approximately RMB33.8 million for the six months ended 30 June 2024.

To continue reducing the pressure of national policies and local dental market competition, the Group will enhance internal cost-effectiveness, reduce unnecessary expenses, promote the concept of sustainable development, optimize the supply chain to obtain to obtain more favorable raw material and research and development prices. At the same time, external expansion is also carried out to seek investment projects in other industries and businesses with profit potential. Under the measures of both internal and external improvement, the Group will soon demonstrate a situation of turning losses into profits.

Business Segments

General Dentistry

The general dentistry sector of the Group focuses on the examination, diagnosis, prevention and treatment of disorders of the orofacial region. The key dental services we offered under general dentistry includes (i) teeth filling; and (ii) root canal treatment. The treatments are priced based on the number of tooth subject to the treatment, the spending of each patient will vary significantly with the condition of each patient.

Orthodontics and Cosmetic Dentistry

The orthodontics and cosmetic dentistry sector of the Group focuses on diagnosis, prevention, interception, and correction of misalignment or incorrect relation between the teeth as well as skeletal abnormalities of developing or mature orofacial structures by different types of braces. The key dental services we offered under orthodontics and cosmetic dentistry include teeth orthodontics using (i) standard metal braces or metal wires; (ii) clear braces or ceramic braces; and (iii) transparent dental braces made of intelligent materials.

Reparative Dentistry

The reparative dentistry sector of the Group focuses on restoring the function, integrity and morphology of missing tooth structure. The key dental services we offered under reparative dentistry includes: (i) dental crowns; and (ii) removable dentures. The price for dental crowns and removable dentures is generally related to the respective material and number of tooth subject.

Implant Dentistry

The implant dentistry sector of the Group focuses on surgically placing fixture dental implants in the patient's jawbone as the foundation to replace the damaged or missing tooth with prosthetics.

Total Number of Active Patients by Six Private Dental Hospitals and One Clinic

The number of the Group's total active patients increased from 29,259 for the six months ended 30 June 2024 to 40,456 for the six months ended 30 June 2025, representing an increase of 38.3%. The following table sets forth the breakdown of the number of active patients by the Group's six private dental hospitals and one clinic:

	For the six months ended 30 June	
	2025	2024
	<i>No. of active patients</i>	<i>No. of active patients</i>
Wenzhou Hospital	14,168	14,545
Rui'an Branch Hospital	1,707	1,460
Longgang Hospital	3,347	1,669
Lucheng Hospital	7,165	5,318
Wenzhou Oral Care	5,207	4,238
Ouhai Jielaoya Oral Clinic	5,141	2,029
Yueqing Hospital	3,721	—
	40,456	29,259

Revenue by Six Private Dental Hospitals and One Clinic

	For the six months ended 30 June			
	2025		2024	
	Revenue RMB'000	%	Revenue RMB'000	%
Wenzhou Hospital	15,599	35.8	18,285	54.1
Rui'an Branch Hospital	1,982	4.5	1,474	4.4
Longgang Hospital	2,120	4.9	1,836	5.4
Lucheng Hospital	9,734	22.3	4,925	14.6
Wenzhou Oral Care	8,916	20.5	6,369	18.8
Ouhai Jielaiya Oral Clinic	2,791	6.4	908	2.7
Yueqing Hospital	2,426	5.6	—	—
Total	43,568	100.0	33,797	100.0

Wenzhou Dental Hospital, which commenced operations in March 2011, contributed the largest share of our revenue during the Reporting Period, representing approximately 35.8% of our total revenue for the six months ended 30 June 2025.

PROSPECTS

Given that China's nationwide dental collective procurement policy is expanding to include orthodontics, pediatric dentistry, and cosmetic dentistry, although this policy has a certain impact on the Group's revenue, the Group is actively responding to this challenge. As for dental services, while complying with policies, the Group is launching more attractive personalized packages, aiming to accurately grasp customer needs, optimize service combinations, maintain service quality, and achieve cost-effectiveness. In addition, the Group establishes long-term friendly strategic cooperation with suppliers, reducing raw material costs through centralized procurement and large-scale production. In aspect of investment management, the Group is actively exploring new businesses and attempting to engage in cross-border cooperation and ecological construction with the upstream and downstream of the industrial chain. In terms of internal management, the Group advocates the concept of sustainable development, reducing unnecessary emissions and consumption, and controlling basic costs. The Group encourages employees to develop in multiple environments, cultivate versatile talents, and collaborate across departments to enhance work efficiency. Overall, the Group is taking "cost reduction and efficiency improvement" as the cornerstone, focusing on cost optimization and market maintenance in the short term, and building ecological operations and diversified businesses to achieve sustainable growth in the long term. At the same time, the Group will flexibly respond to policy changes, consolidate the core competitiveness, and transform challenges into opportunities for transformation.

Optimize Services and Environment to Enhance Customer Appeal and Social Influence

Our Group always has the original intention of providing customers with better dental services, which is the key to maintaining an excellent reputation in the current fierce industry competition. Our understanding of customer needs and corresponding precise services come from our continuously optimized employee training. For oral problems that arise during the consultation process, on-site consultants and customer service staff will use more concise and clear language to help customers understand, and medical staff are also learning more efficient diagnosis and treatment techniques. The Cuban doctoral doctors introduced in collaboration with Wenzhou Science and Technology Bureau and Cuban Medical Bureau last year adapted perfectly in Wenzhou Oral Care, one of the Group's branch, and won the trust and love of customers due to the combination of diversified medical technologies at home and abroad. The arrival of Cuban doctors is not only a social promotion for the Group to attract transnational talents to Wenzhou, but also a cornerstone for the Group to create social influence.

In addition, each branch has upgraded the hospital environment without affecting normal operations, adding many entertainment equipment and children's interactive areas. This allows customers to enjoy hospital facilities more comfortably during their waiting period, and also helps children add fun to their visiting experience, reducing their instinctive fear of doctors. At the same time, in order to better help children adapt to the visiting experience, we have continued to pioneer our social welfare activities, especially our Little Dentist activity which is very popular in various educational institutions and schools, and gained excellent reputation.

Unleash the Momentum of Grand Ambitions

In addition to consolidating the dental business, the Group is also constantly exploring other industries and medical businesses. The Group has established stable cooperation with medical device companies, and the addition of these companies enabled the Group to better control the sources of raw materials, equipment and technology, and to engage in innovative technology and research and development. In the continuous competition among local peers, having a good supply chain is the foundation for the diversified development of the Group. The Group is attempting to expand the business in corporate venture capital which injects fresh perspectives for its future strategic investment. In addition, the Group is also involved in other industries upstream and downstream of healthcare, and plans to develop international cooperation. The Group believes that the future will become more stable and promising.

Strengthen the Concept of Sustainable Development

Starting from internal control, deeply integrating sustainable development into the operational bloodstream. Monitor the use of consumables, energy consumption fluctuations, and waste generation, and optimize procurement, diagnosis and treatment, and cleaning processes with the goal of “reducing consumption and improving efficiency”. To create a low-carbon workspace, from energy-saving equipment renovation to paperless office, so that every kilowatt hour of electricity and every piece of paper in the group carries the green commitment; At the same time, the Group will build a sustainable talent pool, cultivate composite talents, and engage in cross departmental collaboration to ensure that innovation is driven by a “resource recycling mindset” from management to employees, ultimately achieving resonance between hospital development and social responsibility, and allowing healthy smiles and a green future to coexist and prosper.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group’s revenue amounted to approximately RMB43.6 million, representing an increase of approximately 28.9% as compared to the six months ended 30 June 2024. The increase in revenue was mainly driven by (i) the effective advertising promotion attracting more customers; and (ii) the addition of financial data from Yueqing Hospital leading to an increase in the Group’s total revenue.

Revenue by types of dental services

General Dentistry

Our revenue for general dentistry for the six months ended 30 June 2025 was approximately RMB16.3 million (2024: RMB14.3 million), representing an increase of approximately 14.4% as compared to the corresponding period in 2024. The increase was mainly driven by the increase in number of active patients. Revenue generated from general dentistry accounted for approximately 37.5% of our total revenue for the Reporting Period as compared to approximately 42.2% for the six months ended 30 June 2024.

Orthodontics and Cosmetic Dentistry

Our revenue for orthodontics and cosmetic dentistry for the six months ended 30 June 2025 was approximately RMB8.2 million (2024: RMB5.7 million), representing an increase of approximately 42.5% as compared to the corresponding period in 2024. The increase was due to the high frequency occurrences where the estimated treatment period has expired but the patient has not yet completed the treatment. In response to the above situation, the auditor adjust the treatment period required for orthodontics and reconfirm the revenue according to the new treatment schedule. Revenue generated from orthodontics and cosmetic dentistry accounted for approximately 18.8% of our total revenue, as compared to approximately 17.0% for the six months ended 30 June 2024.

Reparative Dentistry

Our revenue for reparative dentistry for the six months ended 30 June 2025 was approximately RMB9.1 million (2024: RMB7.1 million), representing an increase of 28.5%, due to the increase in number of active patients. It accounted for approximately 20.9% of our total revenue for the Reporting Period, similar to approximately 21.0% of the six months ended 30 June 2024.

Implant Dentistry

Our revenue for implant dentistry for the six months ended 30 June 2025 was approximately RMB7.6 million (2024: RMB4.3 million), indicating an increase of RMB3.3 million or 75.6%. The increase in our revenue of implant dentistry was due to an influx of new customers, who were attracted by our enhanced advertising and promotional efforts for the implant dentistry at our hospitals.

Cost of Sales

Our cost of sales mainly included (i) staff costs; (ii) cost of inventories, consumables and customised products; and (iii) depreciation expenses of property, plant and equipment and right-of-use assets. During the Reporting Period, our cost of sales has increased by approximately 28.4% to approximately RMB27.6 million (2024: RMB21.4 million). The increase in cost of sales was attributable to (i) an increase in expenses for inventories; and (ii) an increase in depreciation expenses of property, plant and equipment and right-of-use assets.

Gross Profit and Gross Profit Margin

During the Reporting Period, our gross profit slightly increased by 29.7% as compared to the corresponding period in 2024 to approximately RMB16.0 million (2024: approximately RMB12.3 million), mainly driven by the increase in our revenue of approximately 28.9%. As part of our costs within our cost of sales category are fixed costs, our gross profit margin slightly increased to approximately 36.8% (2024: 36.5%).

Other Income and Gains

During the Reporting Period, the other income and gains decreased by approximately 43.1% as compared to the corresponding period in 2024 to approximately RMB1.6 million (2024: approximately RMB2.9 million), mainly due to a decrease in the bank interest income.

Selling Expenses

For the six months ended 30 June 2025, the selling expenses primarily comprised marketing and promotion expenses, and staff costs. During the Reporting Period, the Group's selling expenses increased by approximately 21.6% as compared to the corresponding period in 2024 to approximately RMB13.6 million (2024: approximately RMB11.2 million), mainly driven by the increase in marketing and promotion expenses.

Administrative Expenses

Our administrative expenses decreased by approximately 33.6% as compared to the corresponding period in 2024 to approximately RMB11.6 million (2024: RMB17.5 million). The decrease in our administrative expenses was due to a combined effect of (i) a decrease in staff costs due to the job transfer of senior personnel; and (ii) a decrease in staff costs by strict implement on effective human resource management expenditure.

Income Tax

During the Reporting Period, we recorded an income tax expense of approximately RMB1.2 million as compared to an income tax expense of approximately RMB0.7 million for the six months ended 30 June 2024, mainly due to the increase of revenue for the Reporting Period.

Loss Attributable to the Owners of the Company

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company for the Reporting Period of RMB10.0 million as compared to a loss attributable to owners of the Company of RMB15.1 million for the six months ended 30 June 2024.

Prepayments, Other Receivables and Other Assets

The current portion of our prepayments, other receivables and other assets increased by approximately RMB3.7 million from approximately RMB16.7 million as at 31 December 2024 to approximately RMB20.4 million as at 30 June 2025.

Liquidity, Financial Resources and Capital Structure

The Group financed its operations primarily through cash generated from the Group's operations and the net proceeds received from the Global Offering. As at 30 June 2025, the Group's net current assets amounted to approximately RMB51.3 million (as at 31 December 2024: RMB58.2 million), and its liquidity as represented by current ratio (total current assets/total current liabilities) was 2.0 times (as at 31 December 2024: 2.4 times). The Group's bank balances amounted to approximately RMB73.0 million (as at 31 December 2024: RMB78.5 million). As at 30 June 2025, the Group had no bank loans (as at 31 December 2024: Nil), and therefore the gearing ratio was not applicable (2024: not applicable). On 14 December 2022, the ordinary shares of the Company were listed on the Main Board of the Stock Exchange by way of Global Offering and completed the share offer of its 150,000,000 ordinary shares, comprising 45,000,000 Hong Kong offer shares and 105,000,000 international placing shares, with a par value of HK\$0.01 each at an offer price of HK\$0.84 per share. The Company believes that the funding from the Global Offering on the Main Board would allow the Group to continue with its future business development to expanding our dental medical institutions network in the PRC and to gain access to capital market for raising funds in the future.

Pledge of Assets

As at 30 June 2025, the Group did not have any pledged assets (as at 31 December 2024: Nil).

Foreign Currency Exposure

The majority of the Group's revenue is denominated in Renminbi and the Group's accounts are prepared in Renminbi. As such, the Group maintained stable cashflow generated from its operating activities and did not have material exposure to fluctuations in foreign currency rates. The net proceeds received by the Group from the Global Offering are denominated in Hong Kong dollars and the Group is exposed to fluctuation of exchange rate between Renminbi and Hong Kong dollars.

The Group currently does not have any hedging policy for foreign currencies in place. However, the management will remain alert to any relevant risks as the financial position of the Company may be adversely affected due to any material fluctuations in foreign currency rates. Therefore, the management will closely monitor the market changes and may consider to adopt hedging policy to mitigate any material potential foreign exchange risk if necessary.

Capital Commitments

As at 30 June 2025, the Group had capital commitments of approximately RMB2.5 million for leasehold improvements and addition of medical equipment (as at 31 December 2024: approximately RMB2.7 million).

Contingent Liabilities and Guarantees

As at 30 June 2025, the Group had no material contingent liabilities or guarantees (as at 31 December 2024: Nil).

Employees and Remuneration Policies

As at 30 June 2025, the Group employed 412 staff (including executive Directors), all of which were located in the PRC (as at 31 December 2024: 372). Remuneration packages for the Group's employees mainly comprise basic salary and bonus. The Group annually reviews their performance. The results of such reviews are used in their salary determinations, bonus awards and promotion appraisals. Moreover, the Group provides comprehensive training programs to its employees to enhance the technical skills of medical professionals to further their career development. The Group provides both in-house and external trainings for its employees to improve their skills and knowledge. The Group adopted a share option scheme on 8 November 2022 to create incentives to employees and to align their interest with that of the Group. Moreover, the Group has adopted a share award scheme on 16 January 2024 with an aim to (i) recognition the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group. Employee benefit expenses primarily consist of wages, bonus, and allowances as well as central pension scheme contribution, which are provided by the Group to its employees in the PRC. Employee benefits expenses was approximately RMB21.8 million during the Reporting Period (2024: approximately RMB19.1 million), representing an increase of RMB2.7 million as compared to the corresponding period in 2024.

Significant Investments

The Group had no significant investments during the Reporting Period.

Future Plans for Material Investment and Capital Assets

During the Reporting Period, the Group has utilized and intends to utilise the net proceeds raised from the Global Offering for business expansion and working capital in the manner set out in the Prospectus and the Annual Report for the year ended 31 December 2024. Save as disclosed above, the Group did not have any future plans for material investments or capital assets as at 30 June 2025.

Material Acquisitions and Disposals of Subsidiaries, Associates or Joint Ventures

There were no material acquisitions or disposals of subsidiaries, associates or joint ventures of the Group during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE GROUP

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2025.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the Reporting Period and up to the date of this announcement.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (“THE CG CODE”)

The Group is committed to preserving the high levels of corporate governance and business ethics and believes that conducting business in an ethical and reliable manner will optimize its long term interests and those of the Shareholders.

The Board has established and continuously strengthened the Group's purpose, values and strategies, and ensure alignment with the Group's culture. All Directors must act with integrity, lead by example, and promote the desired culture. Such culture should instill and continually reinforce across the organization values of acting lawfully, ethically and responsibly.

The core purpose of the Group is to create value for its Shareholders. The Group strives to become the leading pioneer in the industry of private dental services provider that is trusted by its patients, and a place where its employees are proud to work for. The mission of the Group is to lead the development of the industry and set the industry benchmarks. In this connection, the Group endeavours to provide to its employees, patients, Shareholders, the society, and the environment in a lawfully, ethically and responsibly way. These purpose and values shape the Group's strategy, which are geared towards building a trusted and top-hygiene private dental services provider whereby values for Shareholders are created.

The Group's purpose, values and strategies form the foundations of the Group's corporate culture. The Group's corporate culture is centered on adherence to high ethical standards and practices, and striving for sustainable development.

During the Reporting Period, the Company has applied and complied with all the code provisions of the CG Code as set out in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), except from the deviation of the code provision C.2.1 of the CG Code.

The Company does not have a separate chairman and chief executive officer and Mr. Wang Xiaomin currently performs these two roles concurrently. The Board believes that vesting the roles of both the chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group for more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority within the Group will not be impaired by the present arrangement and the current structure will enable our Company to make and implement decisions more promptly and effectively. The Board will from time to time review and consider whether separation the roles of chairman of the Board and the chief executive officer of the Company is necessary.

Further information of the corporate governance practices of the Company will be set out in the Corporate Governance and Other Information section in the interim report of the Company for the six months ended 30 June 2025.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in the Appendix C3 of the Listing Rules as its code of conduct governing regarding Directors’ securities transactions. The Company had received written confirmation from all the Directors, each Director confirmed that he/she had strictly complied with the required standards set out in the Model Code during the Reporting Period. No incident of non-compliance with the Model Code by the Company’s relevant employees has been noted during the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Mr. Ng Ming Chee (the chairman of the Audit Committee), Ms. Tam Hon Shan Celia and Mr. Zhang Yongcun. The Audit Committee is primarily responsible for reviewing and providing supervision over the financial reporting procedure and risk management and internal control system of the Company. The unaudited interim result of the Group for the six months ended 30 June 2025 and this announcement have been reviewed by the Audit Committee. The Audit Committee considers that appropriate accounting policies have been adopted, and the applicable requirements of Listing Rules have been complied with, in the preparation of relevant result, and sufficient disclosures have been made.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.meihaomedical.com). The Company's interim report for the six months ended 30 June 2025 will be dispatched to the Shareholders based on the means of receipt selected by the Shareholders and published on the aforementioned websites on or before 30 September 2025.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees and business partners for their continuous support and contribution to the Group.

By order of the Board
Meihao Medical Group Co., Ltd
Mr. Wang Xiaomin
Chairman and executive Director

Hong Kong, 28 August 2025

As at the date of this announcement, the executive Directors are Mr. Wang Xiaomin and Dr. Zhou Jian, and the independent non-executive Directors are Mr. Ng Ming Chee, Ms. Tam Hon Shan Celia and Mr. Zhang Yongcun.