美皓醫療集團有限公司
MEIHAO MEDICAL GROUP CO., LTD

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1947

2025 INTERIM REPORT

CONTENTS

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Wang Xiaomin *(Chairman, Chief Executive Officer)*
Ms. Zheng Man*Note 1* *(General Manager)*
(retired on 18 June 2025)
Dr. Zhou Jian

Independent Non-executive Directors

Mr. Ng Ming Chee
Ms. Tam Hon Shan Celia
Mr. Zhang Yongcun

Company Secretary

Ms. Chan Yuk Wing

Authorised Representatives Under the Listing Rules

Mr. Wang Xiaomin
Ms. Chan Yuk Wing

Audit Committee

Mr. Ng Ming Chee *(Chairman)*
Ms. Tam Hon Shan Celia
Mr. Zhang Yongcun

Remuneration Committee

Ms. Tam Hon Shan Celia *(Chairperson)*
Mr. Ng Ming Chee
Mr. Wang Xiaomin

Nomination Committee

Mr. Wang Xiaomin *(Chairman)*
Ms. Tam Hon Shan Celia
Mr. Zhang Yongcun

Principal Share Registrar

Ogier Global (Cayman) Limited
89 Nexus Way
Camana Bay
Grand Cayman KY1-9009
Cayman Islands

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre, 183 Queen's Road East
Wan Chai
Hong Kong

Principal Banks

Bank of Wenzhou, Huihai Branch
1st, 2nd Yinlong Building
Shishuiliao
Wenzhou City
Zhejiang Province
PRC

Legal Advisers

As to Hong Kong law:
Jingtian & Gongcheng LLP
Suites 3203–3207, 32/F
Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law:
Commerce & Finance Law Offices
12–14th Floor, China World Office 2
No. 1 Jianguomenwai Avenue
Beijing 100004
PRC

As to Cayman Islands law:
Ogier
11th Floor, Central Tower
28 Queen's Road Central
Hong Kong

Auditor

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
24/F, Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

Registered Office

89 Nexus Way
Camana Bay
Grand Cayman KY1-9009
Cayman Islands

Headquarters and Principal Place of Business in China

197 Fuqian Street
Lucheng District
Wenzhou City
Zhejiang Province
PRC

Principal Place of Business in Hong Kong

Unit 11, 5/F
Bedford Factory Building
No. 51 Bedford Road
Tai Kok Tsui
Kowloon, Hong Kong

Stock Code

1947

Company Website

www.meihaomedical.com

Note:

1. *Upon the conclusion of the annual general meeting held on 18 June 2025 (the "**2025 AGM**"), Ms. Zheng Man ("**Ms. Zheng**") was not re-elected at the 2025 AGM. Ms. Zheng retired as an executive Director and ceased to act as the general manager of the Company with effect from the conclusion of the 2025 AGM.*

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 Jielaiya 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 No. of active patients	2024 No. of active patients
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 Jielaiya 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 Revenue RMB'000	**%**	2024 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, 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 bloodline. 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 increased by approximately 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 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.

Compliance with 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 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.

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 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.

Independent Advices

The Directors and their committees shall have access to independent professional advisers' advices if considered necessary. The Directors may also seek independent professional advices on matters related to the Company to fulfill their responsibilities at the Company's expense after obtaining the approval of the Board.

Board of Directors

During the Reporting Period and up to the Latest Practicable Date of this interim report, the Board comprised of the following Directors:

Executive Directors

Mr. Wang Xiaomin *(Chairman, Chief Executive Officer)*
Dr. Zhou Jian

Independent non-executive Directors

Mr. Ng Ming Chee
Ms. Tam Hon Shan Celia
Mr. Zhang Yongcun

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 Reporting Period.

Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company in any of the Shares, underlying Shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the SFO, which were required to be (i) 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 are taken or deemed to have under such provisions of the SFO), or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in Shares and underlying Shares

Name of Director or Chief Executive	Nature of Interest	Number of Shares	Approximately Percentage[1]
Mr. Wang Xiaomin[2][3][4]	Interest in controlled corporation Interest of spouse	372,110,000 (L)	62%

Notes:

(L) denotes long position

(1) The calculation is based on the total number of 600,154,350 issued Shares as at 30 June 2025.

(2) Each of JTC BVI and Ricon BVI is directly and wholly owned by Mr. Wang Xiaomin. Mr. Wang Xiaomin is therefore deemed to be interested in all the Shares held by each of JTC BVI and Ricon BVI.

(3) Mr. Wang Xiaomin and Ms. Zheng Man are the spouse of one another, and are therefore deemed to be interested in any Shares in which one another is interested.

(4) Number of Shares held by Meihao BVI is 45,000,000 Share of the issued shares of the Company, which represented approximately 7.5% of the total number of Shares in issue of the Company during the the Reporting Period. Meihao BVI is directly and wholly owned by Ms. Zheng Man. Ms. Zheng Man is deemed to be interested in all the Shares held by Meihao BVI. Mr. Wang Xiaomin is therefore deemed to be interested in all the Shares held by Meihao BVI.

Save as disclosed above, so far as the Directors are aware, as at 30 June 2025, none of the Directors or chief executive of the Company had any interest or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) 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 are taken or deemed to have under such provisions of the SFO), or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO, or (iii) notified to the Company and the Stock Exchange under the Model Code.

Substantial Shareholder's Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2025, so far as is known to Directors or chief executive of the Company are aware, the following persons (other than the Directors and chief executive of the Company) had or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name of Substantial Shareholders	Nature of Interest	Number of Shares	Approximately Percentage[1]
JTC BVI[2]	Beneficial owner	282,110,000 (L)	47.0%
Ricon BVI[2]	Beneficial owner	45,000,000 (L)	7.5%
Meihao BVI[3]	Beneficial owner	45,000,000 (L)	7.5%
Ze Tian Sen Hong Limited[4]	Interest in a controlled corporation	41,385,000 (L)	6.9%

Notes:

(L) denotes long position

(1) The calculation is based on the total number of 600,154,350 issued Shares as at 30 June 2025.

(2) Each of JTC BVI and Ricon BVI is directly and wholly owned by Mr. Wang Xiaomin.

(3) Meihao BVI is directly and wholly owned by Ms. Zheng Man.

(4) The underlying shares were held by Ze Tian Sen Hong Limited (擇天森宏有限公司) as a professional trustee, which is a professional entity licensed under the laws of Hong Kong to carry out the trustees services, a third party independent of and not connected with the Company and/or any of its connected persons, for the Share Award Scheme.

Save as disclosed herein, as at 30 June 2025, the Company had not been notified by any person (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or the underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme adopted by the Company on 8 November 2022.

1. Purpose

The purpose of the Share Option Scheme is to provide incentive or reward to Eligible Persons (as defined in paragraph 2 below) for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time.

2. Eligible Participants

The Board may, at its absolute discretion, offer eligible persons (being any director or employee (whether full time or part time), consultant or adviser of the Group who in the sole discretion of the Board has contributed to and/or will contribute to our Group) (the "**Eligible Persons**") to subscribe for such number of Shares in accordance with the terms of the Share Option Scheme.

3. Maximum number of Shares

The maximum aggregate number of Shares which may be issued upon exercise of all options pursuant to the Share Option Scheme is 60,000,000 Shares at the date of this interim report, which represents 10% of the issued share of the Company at the date of this interim report.

4. Maximum number of options to any one individual

No option shall be granted to any Eligible Person if, at the relevant time of grant, the number of Shares issued and to be issued upon exercise of all Options (granted and proposed to be granted, whether exercised, cancelled or outstanding) to the Relevant Eligible Person in the 12-month period expiring on the date on which an offer of the grant of an option under the Share Option Scheme is made to the Relevant Eligible Person would exceed 1% of the total number of Shares in issue at the time, unless:

(1) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by ordinary resolution of the Shareholders in general meeting, at which the Relevant Eligible Person and his associates abstained from voting;

(2) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and

(3) the number and terms (including the subscription price) of such options are fixed before the general meeting of the Company at which the same are approved.

5. Time of exercise of option

Subject to the provisions of the Listing Rules and other applicable laws and regulations, the Board may in its absolute discretion when offering the grant of an option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the offer Letter) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by our Company and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period before the right to exercise the option in respect of all or any of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. For the avoidance of doubt, subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise) there is no minimum period for which an option must be held before it can be exercised and no performance target which need to be achieved by the grantee before the option can be exercised.

The date of grant of any particular option is the date on which the offer relating to such option is duly accepted by the grantee in accordance with the Share Option Scheme. An option may be exercised according to the terms of the Share Option Scheme and the offer in whole or in part by the grantee (or his personal representatives) before its expiry by giving notice in writing to our Company stating that the option is to be exercised and the number of Shares in respect of which it is exercised provided that the number of Shares shall be equal to the size of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. Such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by our Company in general meeting, the Share Option Scheme shall be valid and effective for a period of 9 years from the date of adoption of the Share Option Scheme by Shareholders by resolution at a general meeting.

6. Term of Share Option Scheme

Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the date of adoption.

As at 30 June 2025, the remaining term of Share Option Scheme was approximately 7 years and 4 months.

7. Price of Shares

The subscription price for a Share in respect of any particular option granted under the Share Option Scheme (which shall be payable upon exercise of the option) shall be a price solely determined by the Board and notified to all Eligible Person and shall be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer to grant option, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of offer to grant option (the "**Offer Date**") (provided that the new issue price shall be used as the closing price for any business day falling within the period before the listing of Shares where the Company has been listed for less than five business days as of the Offer Date); and (iii) the nominal value of the Share. A consideration of RMB1.0 is payable on acceptance of the offer of an option or options.

Details of the options granted under the Share Option Scheme, and their movement during the Reporting Period were as follows:

	Date of grant	Outstanding options as of 1 January 2025	Number of the Shares comprised in the options granted					Exercise/ Vesting period	Exercise price of the share option granted (per Share)	Outstanding options as of 30 June 2025
			Number of options granted	Number of options vested	Number of options exercised	Number of options cancelled	Number of options lapsed		HK$	
Employees (“**Group A Grantees**”)	16 January 2024	6,000,000	–	1,200,000	–	–	–	*Note 1* *Note 2*	0.45	6,000,000
Employees (“**Group B Grantees**”)	16 January 2024	24,000,000	–	1,680,000	–	–	–	*Note 1* *Note 3*	0.45	24,000,000
Employees (“**Group C Grantees**”)	16 January 2024	–	–	–	–	–	–	*Note 1* *Note 4*	0.45	–
		30,000,000	–	2,880,000	–	–	–			30,000,000

Notes:

1. *The weighted average fair value of the share options at the date of grant was 0.20HK$/option.*

2. *Subject to the vesting conditions as stated in the respective letters of grant to the Group A Grantees, the share options granted shall vest in accordance to the below schedules:*

   (i) *1,200,000 options shall be vested on the first anniversary of the Date of Grant;*

   (ii) *840,000 options shall vested on the second anniversary of the Date of Grant;*

   (iii) *600,000 Options shall vest on the third anniversary of the Date of Grant; and*

   (iv) *480,000 Options shall vest on each of the fourth, fifth, sixth, seventh, eighth, ninth and tenth anniversary of the Date of Grant.*

3. *Subject to the vesting conditions as stated in the respective letters of grant to the Group B Grantees, the share options granted shall vest in accordance to the below schedules:*

   (i) *420,000 Options shall vest on each of the first, second, third and fourth anniversary of the Date of Grant; and*

   (ii) *720,000 Options shall vest on each of the fifth, sixth, seventh, eighth, ninth and tenth anniversary of the Date of Grant.*

4. *Subject to the vesting conditions as stated in the respective letters of grant to the Group C Grantees, the share options granted shall vest in accordance to the below schedules:*

   (i) *6,000,000 Options shall vest on the first anniversary of the Date of Grant.*

The number of share options available for grant under the Share Option Scheme was 30,000,000 as at 1 January 2025 and 30 June 2025. As no options were granted under the Share Option Scheme during the Reporting Period, the number of shares that may be issued in respect of such options, divided by the weighted average number of shares in issue is nil.

Share Award Scheme

The Company adopted the Share Award Scheme with effect from 16 January 2024. The principal terms of the Share Award Scheme are set out as follows:

Purposes and objectives of the Share Aware Scheme

(i) To recognize 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.

Eligible Participants

As set out in the Scheme Rules, Eligible Participants include: (i) any employees of the Group; (ii) any employees of the holding companies, fellow subsidiaries or associated companies of the Company; and (iii) any persons who provide services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, provided any such person is not a connected person of the Group. Although the Scheme Rules allows the granting of Awards to non-employees, the Company currently has no intention to grant any Award to non-employee participants.

Duration

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of ten years commencing on the adoption date, after which no further awards will be granted. Therefore, the remaining term of the Share Award Scheme is approximately 9 years as at 30 June 2025.

Administration

The Share Award Scheme is subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed.

To the extent permissible under the Listing Rules and other applicable laws and regulations, the Board may resolve to delegate to another committee of the Board or to one or more officers of the Company any or all of the authority and responsibility of the Board under the Scheme Rules and the Trust Deed.

The Board may from time to time cause to be paid a contributed amount to the Trust which shall constitute part of the trust fund, for the purchase of Shares and other purposes set out in the Scheme Rules and the Trust Deed. The grant of awards would not cause any dilution of shareholding to any Shareholders.

Scheme Limit and Individual Sublimit

The Board shall not make any further grant of award such that the total number of Shares granted under the Share Award Scheme will exceed 10% of the total number of issued Shares as of the adoption Date. On the basis that the total number of issued Shares as of the adoption Date is 600,000,000 Shares, the aforesaid 10% limit represents a total of 60,000,000 Shares.

The maximum number of options or awards to the Grantees and a selected participant under the Share Option Scheme and Share Award Scheme of the Company, which would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the respective scheme(s), shall not exceed 1% of the issued share capital of the Company in any 12-month period.

The aforesaid limits shall always be subject to the compliance with the Listing Rules that are in-force from time-to-time, including the requirement on maintaining a minimum public float.

Vesting and Lapse

Subject to the terms and conditions of the Scheme Rules and the fulfillment of all vesting conditions to the vesting of the Awarded Shares on such Selected Participant as specified in the Share Award Scheme and the relevant grant instrument, the Awarded Shares held by the Trustee on behalf of the Selected Participant shall vest in such Selected Participant in accordance with the applicable vesting schedule, and the Trustee shall cause the Awarded Shares to be transferred to such Selected Participant in accordance with the terms of Scheme Rules.

In the event of the following matters, all relevant Award(s) made to such Selected Participant shall automatically lapse and the relevant Awarded Shares shall not vest on the relevant vesting date but shall remain part of the trust fund:

(i) Selected Participant is found to be an Excluded Participant;

(ii) where such person has committed any act of fraud or dishonesty or serious misconduct whether or not in connection with his employment or engagement by any member of the Group or Related Entities and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group or Related Entities;

(iii) where such person has been declared or adjudged to be bankrupt or has failed to pay his debts as they fall due or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his/her assets;

(iv) where such person has been convicted of any criminal offence;

(v) where such person has engaged in any act that has had or will have a material adverse effect on the reputation or interests of any member of the Group or Related Entities;

(vi) where such person has been convicted of or is being held liable for any offence under or any breach of the securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time; and

(vii) where such person ceased to be an employee of the Group (other than the circumstances provided in the Scheme Rules), a Related Entity Participant or ceased to provide service as a Service Provider.

In respect of a Selected Participant who dies or retires by agreement from all members of the Group at any time prior to the vesting date, and unless the Selected Participant has been disqualified pursuant to the terms of the Scheme Rules or the grant instrument of the relevant Selected Participant, all the Awarded Shares of the relevant Selected Participant shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement from all members of the Group.

Purchase Price

The purchase price shall be determined at the sole and absolute discretion of the Board, payable by a Selected Participant to the Company for acceptance of an Award.

Termination

The Share Award Scheme shall terminate on the earlier of:

1. the tenth anniversary of the Adoption Date; or

2. such date of early termination as determined by the Board by a resolution of the Board.

Voting Rights

No instructions shall be given by a selected participant (including, without limitation, voting rights) to the Trustee in respect of the awarded Shares that have not been vested, and such other properties of the Trust Fund managed by the Trustee. The Trustee shall abstain from exercising the voting rights in respect of any Shares held directly or indirectly by it under the Trust (if any) (including but not limited to the awarded Shares, any bonus Shares and scrip Shares derived therefrom).

Purchasing Shares Pursuant to the Share Award Scheme

The Trustee, which is a professional entity licensed under the laws of Hong Kong to carry out the trustees services, a third party independent of and not connected with the Company and/or any of its connected persons, may from time to time purchase shares according to the Board's directions in order to satisfy awards granted under the Share Award Scheme.

Details of movements of the awards granted under the Share Award Scheme during the Reporting Period are as follows:

Grantees	Date of grant	Purchase Price HK$/share	Closing price immediately prior to the grant HK$/share	Outstanding awards as of 1 January 2025	Granted	Vested	Cancelled	Lapsed	Outstanding awards as of 30 June 2025	Vesting period
Employee participants	16 January 2024	Nil	0.425	24,000,000	–	24,000,000 *(Note 1)*	–	–	–	16 January 2024 – 16 January 2025
Total					–	24,000,000	–	–	–	

Note:

1. *The fair value of the awards at the date of grant was 0.41HK$/share.*

The number of awards available for grant under the Share Award Scheme was 36,000,000 as at 1 January 2025 and 30 June 2025.

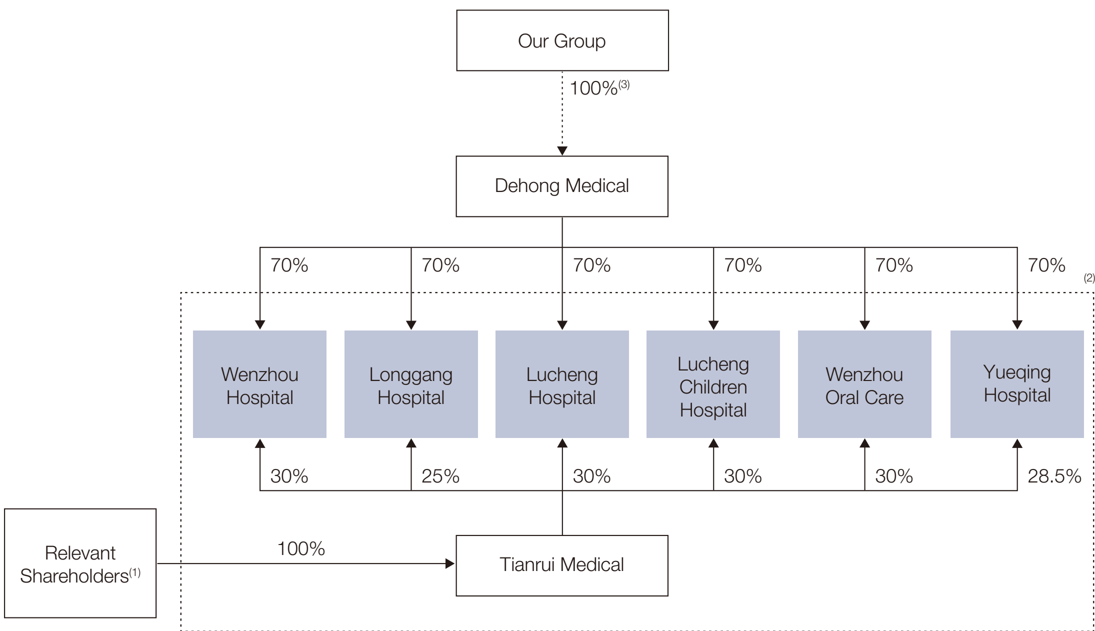
As no awards were granted under the Share Award Scheme during the Reporting Period, the number of shares that may be issued in respect of such awards, divided by the weighted average number of shares in issue is nil.

Contractual Arrangements

Background

The Company is principally engaged in the provision of dental medical services in the PRC. The medical institutions fall within the foreign investment restrictions under current PRC laws and regulations. The Company entered into Contractual Arrangements to enable to exercise control and enjoy substantially all economic benefits of each of the VIE Entities, namely, Wenzhou Hospital, Lucheng Hospital, Lucheng Children Hospital, Wenzhou Oral Care, Yueqing Hospital, and Longgang Hospital.

The following simplified diagram illustrates the flow of economic benefits from our VIE Entities to our Group as stipulated under the Contractual Arrangements:



denotes direct legal and beneficiary ownership in the equity interest

denotes contractual relationships under the Contractual Arrangements

denotes equity interest controlled by our Group under the Contractual Arrangements

denotes our VIE Entities

Notes:

(1) *The Relevant Shareholders are Mr. Wang Xiaomin and Ms. Zheng Man, who hold 90% and 10% equity interest in Tianrui Medical, respectively.*

(2) *The Exclusive Operation Services Agreements, the Exclusive Option Agreements, the Equity Pledge Agreements, the Shareholders' Rights Entrustment Agreements, the Powers of Attorney, the Spouse Undertakings and the Supplemental Agreement (each of which are defined below) together form the legal relationship under the Contractual Arrangements.*

(3) *Dehong Medical is an indirect wholly-owned subsidiary of our Group.*

The VIE Entities contributed a significant portion of our Group's financial positions and results of operations. The revenue of VIE Entities amounted to RMB43.6 million for the six months ended 30 June 2025, representing approximately 100% of the total revenue of our Group. The total assets of VIE Entities amounted to RMB92.8 million as at 30 June 2025, representing approximately 49% of the total assets of our Group.

Summary of the Material Terms of the Contractual Arrangements

A description of each of the specific agreements that comprise the Contractual Arrangements is set out below.

(1) Exclusive Operation Services Agreements

The Relevant Shareholders, Tianrui Medical and the VIE Entities have entered into exclusive operation services agreement with Dehong Medical on 16 January 2020 and 26 August 2021 (the "**Exclusive Operation Services Agreements**"), pursuant to which, Tianrui Medical and the VIE Entities agreed to engage Dehong Medical as their exclusive provider of technical support, consulting services and other services in exchange for services fees.

In addition, in the absence of a prior written consent of Dehong Medical, during the term of the Exclusive Operation Services Agreements, the Relevant Shareholders, Tianrui Medical and the VIE Entities shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish similar corporation relationships with any third party. Dehong Medical has the right to appoint any third party to provide any or all of the services, or to fulfil its obligations under the Exclusive Operation Services Agreements.

The Exclusive Operation Services Agreements took effect from 29 October 2019 and 26 August 2021, and shall remain valid for three years from the respective dates of the Exclusive Operation Services Agreements and shall, subject to compliance with the Listing Rules, be automatically renewed for three years each time when its term ends, unless being terminated in accordance with the terms therein.

(2) Exclusive Option Agreements

On 16 January 2020 and 26 August 2021, Dehong Medical, the Relevant Shareholders, Tianrui Medical and the VIE Entities entered into exclusive option agreements (the "**Exclusive Option Agreements**").

The Relevant Shareholders and Tianrui Medical undertake to develop the business of the VIE Entities, to ensure the legal compliance of the business operations of the VIE Entities and not to take any action which may affect their asset value, goodwill and validity of business licenses. Furthermore, in the absence of prior written consent of Dehong Medical, (i) the Relevant Shareholders and Tianrui Medical shall not transfer or otherwise dispose of any option under the Exclusive Option Agreements, or create any encumbrances thereon; (ii) Tianrui Medical and the VIE Entities shall not assist in transferring or otherwise disposing of any option under the Exclusive Option Agreements, or creating any encumbrances thereon; and (iii) the Relevant Shareholders and Tianrui Medical (as applicable) directly or indirectly (by itself or through the entrustment of any other natural person or legal person entity) carry out, own or acquire any business compete with or likely compete with the business of Dehong Medical or our Group.

In addition, the Relevant Shareholders, Tianrui Medical and the VIE Entities undertake that, upon Dehong Medical issuing the notice to exercise the option in accordance with the Exclusive Option Agreements, they will implement necessary actions to affect the transfer and relinquish any pre-emptive right, if any. Each of the parties to the Exclusive Option Agreements confirms and agrees that (i) in the event of a dissolution or liquidation of Tianrui Medical and the VIE Entities (as applicable) under the PRC laws, all the residual assets which are attributable to the Relevant Shareholders and Tianrui Medical (as applicable) shall be transferred to Dehong Medical or its designated person(s) at the minimum purchase price permitted under the then applicable PRC law, and each of the Relevant Shareholders, Tianrui Medical and the VIE Entities undertakes that they will return in full the consideration received in relation to such transfer to Dehong Medical or its designated person(s), (ii) in the event of bankruptcy, reorganisation or merger of Tianrui Medical, death, incapacity, bankruptcy or divorce of the Relevant Shareholders or any other event which causes changes to the Relevant Shareholders' shareholding in Tianrui Medical and Tianrui Medical's shareholding in the VIE Entities, (a) the successor of the Relevant Shareholders' equity interest in Tianrui Medical and the successor of Tianrui Medical's equity interest in the VIE Entities shall be bound by the Contractual Arrangements, and (b) any disposal of shareholding in Tianrui Medical and the VIE Entities shall be governed by the Contractual Arrangements unless Dehong Medical consents otherwise in writing.

The Exclusive Option Agreements took effect from 29 October 2019 and 26 August 2021. Each of the Exclusive Option Agreements has an indefinite term and a termination provision which stipulates that unless otherwise required by the then applicable PRC laws and regulations, none of the parties to the agreements (except Dehong Medical) is entitled to unilaterally terminate the agreements.

(3) Shareholders' Rights Entrustment Agreements and the Powers of Attorney

On 16 January 2020 and 26 August 2021, Dehong Medical, the Relevant Shareholders, Tianrui Medical and the VIE Entities entered into shareholders' rights entrustment agreements (the "**Shareholders' Rights Entrustment Agreements**") and the powers of attorney executed by the Relevant Shareholders and Tianrui Medical (the "**Powers of Attorney**") in favour of Dehong Medical (and its successors or liquidators) or a natural person designated by Dehong Medical (the "**Attorney**").

Pursuant to the Shareholders' Rights Entrustment Agreements and the Powers of Attorney, (i) the Relevant Shareholders irrevocably agree to authorise the Attorney to exercise all of its rights and powers as shareholders of Tianrui Medical, (ii) Tianrui Medical irrevocably agrees to authorise the Attorney to exercise all of its rights and powers as a shareholder of the VIE Entities, including but not limited to, the rights to vote in a shareholders' meeting, sign minutes, and arrange all the filings required for the operations of Tianrui Medical and the VIE Entities with the relevant companies registry. As Dehong Medical is a wholly-owned subsidiary of our Company, the terms of the Shareholders' Rights Entrustment Agreements and the Powers of Attorney will effectively give our Company control over all corporate decisions of the VIE Entities, as well as 100% equity interests of Tianrui Medical, Wenzhou Hospital, Lucheng Hospital, Lucheng Children Hospital and Wenzhou Oral Care, 95% equity interests of Longgang Hospital and 98.5% equity interests of Yueqing Hospital.

The Shareholders' Rights Entrustment Agreements took effect from 29 October 2019 and 26 August 2021. Each of the Powers of Attorney has an indefinite term and a termination provision which stipulates that unless otherwise required by the then applicable PRC laws and regulations, none of the parties to the agreement (except Dehong Medical) is entitled to unilaterally terminate it.

(4) Equity Pledge Agreements

On 16 January 2020 and 26 August 2021, Dehong Medical, the Relevant Shareholders, Tianrui Medical and the VIE Entities entered into the equity pledge agreements (the "**Equity Pledge Agreements**"). Pursuant to the Equity Pledge Agreements, (i) the Relevant Shareholders agree to pledge all of their respective equity interests in Tianrui Medical, and (ii) Tianrui Medical agrees to pledge all of its equity interests in the VIE Entities, to Dehong Medical to secure performance of all their obligations and the obligations of the VIE Entities under the Contractual Arrangements.

In addition, pursuant to the Equity Pledge Agreements, the Relevant Shareholders and Tianrui Medical undertake to Dehong Medical, among other things, not to transfer their pledged equity interests, not to create or allow any pledge or encumbrance thereon and undertake or permit any action or behaviour that may adversely affect the rights and interest of Dehong Medical without its prior written consent. Tianrui Medical and the VIE Entities undertake to Dehong Medical, among other things, not to consent to any transfer the pledged equity interests or to create or allow any pledge or encumbrance thereon without Dehong Medical's prior written consent.

The Equity Pledge Agreements took effect from 29 October 2019 and 26 August 2021, while the equity pledges took effect on the date of completion of registration. Each of the Equity Pledge Agreements has an indefinite term and a termination provision which stipulates that unless otherwise required by the then applicable PRC laws and regulations, none of the parties to the agreement (except Dehong Medical) is entitled to unilaterally terminate it.

(5) Supplemental Agreement

On 26 August 2021, Dehong Medical, the Relevant Shareholders and Tianrui Medical entered into the supplemental agreement to the Exclusive Option Agreement, the Equity Pledge Agreement and the Shareholders' Rights Entrustment Agreement (the "**Supplemental Agreement**"), pursuant to which the parties thereto agreed to supplement certain terms and references of the aforesaid agreements to reflect the inclusion of Wenzhou Oral Care as one of the VIE Entities under the Contractual Arrangements.

The Supplemental Agreement took effect from 26 August 2021. Save for the terms and references amended by the Supplemental Agreement, all other terms and conditions of the Exclusive Option Agreement, the Equity Pledge Agreement and the Shareholders' Rights Entrustment Agreement remain in full force and effect.

(6) Spouse Undertakings

The spouse of each of the Relevant Shareholders has signed an undertaking (the "**Spouse Undertakings**") to the effect that (i) the respective interests of the Relevant Shareholders in Tianrui Medical (together with any other interests therein) do not fall within the scope of joint possession; and (ii) each of the spouses has no right to or control over such interests of the respective persons and will not have any claim on such interests.

Save as disclosed above, there were no other new contractual arrangements entered into, renewed and/or reproduced between the Group and VIE Entities during the six months ended 30 June 2025. There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted during the six months ended 30 June 2025.

As at 30 June 2025, the Company had not encountered any interference or encumbrance from any PRC governing bodies in operating our businesses through Tianrui Medical and the VIE Entities under the Contractual Arrangements. The Directors believe that each of the agreements under the Contractual Arrangements is enforceable under the PRC laws and regulations except that (i) the Wenzhou Arbitration Commission (溫州仲裁委員會) has no power to grant injunctive relief, nor will it be able to order the winding up of Tianrui Medical and the VIE Entities pursuant to the current PRC laws; (ii) interim remedies or enforcement orders granted by overseas courts such as the courts of Hong Kong and the Cayman Islands may not be recognised or enforceable in the PRC; (iii) the exercise of the exclusive options by Dehong Medical in accordance with the Exclusive Option Agreements, shall be subject to the then effective PRC laws and regulations and relevant approval procedures (if applicable); (iv) there are substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations; and (v) the Equity Pledge Agreements are subject to registration requirements with the relevant Administration for Industry and Commerce (the registration for which had been completed).

Reasons for Adopting the Contractual Arrangements

The Special Administrative Measures for the Access of Foreign Investment (Negative List) (2019) (外商投資准入特別管理措施（負面清單）（2019年版）) (the "**2019 Negative List**") stipulate that foreign investors are permitted to invest only in Sino-foreign equity and cooperative joint venture medical institutions. However, the 2019 Negative List does not expressly stipulate the percentage of equity interest or interest indirectly held by a foreign investor in a medical institution by means of domestic investment by a foreign-invested enterprise. On 23 June 2020 and 27 December 2021, the NDRC and the MOFCOM have jointly promulgated the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2020) (外商投資准入特別管理措施（負面清單）（2020年版）) (the "**2020 Negative List**") and the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021) (外商投資准入特別管理措施（負面清單）（2021年版）) (the "**2021 Negative List**") respectively. The 2020 Negative List and the 2021 Negative List came into effect on 23 July 2020 and 1 January 2022, respectively, and the 2021 Negative List has replaced the 2019 Negative List and the 2020 Negative List. According to the 2021 Negative List, foreign investors are permitted to invest in medical institutions in the form of joint ventures.

Pursuant to the Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions (中外合資、合作醫療機構管理暫行辦法) (the "**Interim Administrative Measures on Sino-Foreign Equity Medical Institutions**"), foreign investors are allowed to partner with Chinese medical entities to establish a healthcare institution in China by means of equity joint venture or cooperative joint venture. Establishment of equity joint venture or cooperative joint venture are subject to certain requirements, including the minimum 30% equity percentage held by the Chinese partner in the joint venture. These investor qualification requirements and establishment criteria may be relaxed where the foreign-invested medical institution is to be established in Central and Western China or areas inhabited by more elderly, ethnic-minorities and poorer demographics.

The Company is primarily engaged in the provision of dental medical services in the PRC. According to the Negative Lists, medical institutions fall within the "restricted" investment category, and therefore may not be held 100% by foreign investments. Foreign investments are also restricted to the form of joint venture, except for investments by qualified service providers as defined under Notice of Expanding the Territorial Scope for Hong Kong and Macao Service Suppliers to Establish Wholly-Owned Hospitals in the Mainland (關於擴大香港和澳門服務提供者在內地設立獨資醫院地域範圍的通知), the Mainland and Hong Kong Closer Economic Partnership Arrangement and its supplemental Agreements (內地與香港關於建立更緊密經貿關係的安排及其補充協議), Interim Measures for the Administration of Hong Kong and Macao Service Providers' Establishment of Sole Proprietorship Hospitals in the Mainland (香港和澳門服務提供者在內地設立獨資醫院管理暫行辦法), and Notice Concerning Establishment of Medical Institutions in the Mainland by Hong Kong and Macao Service Providers (關於香港和澳門服務提供者在內地設立醫療機構有關問題的通知).

The Contractual Arrangements are narrowly tailored to address solely the Foreign Ownership Restriction as set forth in the above paragraph. The Contractual Arrangements are also narrowly tailored to achieve the business purposes of our Company and to minimise the potential for conflict with relevant PRC laws and regulations.

The Contractual Arrangements enable Dehong Medical to obtain substantially all economic benefits of the VIE Entities, except for the 5% equity interest in Longgang Hospital and 1.5% equity interest in Yueqing hospital which is held by an independent third party. Accordingly, our Company regards Wenzhou Hospital, Lucheng Hospital, Lucheng Children Hospital and Wenzhou Oral Care as wholly-owned subsidiaries and Longgang Hospital as a 95% owned subsidiary and Yueqing Hospital as a 98.5% owned subsidiary.

Risks Relating to the Contractual Arrangements

There are certain risks associated with the Contractual Arrangements, including:

(1) If the PRC government deems that the Contractual Arrangements in relation to the VIE Entities and their subsidiaries do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish the interests in those operations.

(2) The shareholders of VIE Entities may have conflict of interest with us, which may materially and adversely affect our business, financial condition and results of operations.

(3) Certain terms of Contractual Arrangements may not be enforceable under PRC laws.

(4) The Contractual Arrangements may be considered by the PRC tax authorities as requiring transfer pricing adjustment.

(5) If we exercise the option to acquire equity ownership and assets of the VIE Entities, the ownership or asset transfer may subject us to certain limitations and substantial costs.

(6) PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us from using the proceeds of the Global Offering to make loans to PRC subsidiaries, or to make additional capital contributions to PRC subsidiaries.

Please refer to “Risk Factors – Risks Relating to our Contractual Arrangements” in the Prospectus for details.

Actions Taken by the Group to Mitigate the Risks

The Group has adopted the following measures to ensure the effective operation of the Group with the implementation and compliance of the Contractual Arrangements:

(1) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;

(2) the Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;

(3) the Company will disclose the overall performance and compliance with the Contractual Arrangements in its annual reports and interim reports to update our Shareholders and potential investors; and

(4) the Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements and the legal compliance of Dehong Medical, Tianrui Medical and the VIE Entities to deal with specific issues or matters arising from the Contractual Arrangements.

Listing Rules Implications and Waiver from the Stock Exchange

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under the Listing Rules upon the Listing as certain parties to the Contractual Arrangements, including Mr. Wang Xiaomin, Ms. Zheng Man and Tianrui Medical are connected persons of the Group pursuant to Chapter 14A of the Listing Rules.

In view of the Contractual Arrangements, in respect of transactions contemplated under the Structured Contracts and any New Intergroup Agreements, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (i) the announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules; (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares of the Company are listed on the Stock Exchange and Tianrui Medical and the VIE Entities will continue to be treated as the Company's subsidiaries subject to the following conditions:

(1) save as described in paragraph (4) below, no change to the Contractual Arrangements (including with respect to any fees payable to Dehong Medical thereunder) will be made without the approval of the independent non- executive Directors;

(2) save as described in paragraph (4) below, no change to the agreements governing the Contractual Arrangements will be made without the approval of our independent Shareholders;

(3) the Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by Tianrui Medical and the VIE Entities;

(4) on the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and its subsidiaries in which our Company has direct shareholding, on one hand, and Tianrui Medical, the VIE Entities and the Relevant Shareholders, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group might wish to establish when justified by business expediency, without obtaining the approval of our Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements; and

(5) the Group will disclose details relating to the Contractual Arrangements on an on-going basis.

Changes in the Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in Director's information subsequent to the 2024 annual report of the Company is as follows:

Ms. Tam Hon Shan Celia, an independent non-executive Director, retired as an independent non-executive director of Icon Culture Global Company Limited (stock code: 8500), with effect from 21 May 2025.

Mr. Wang's monthly director's remuneration was adjusted with effect from 18 June 2025. For further details, please refer to the announcement dated 18 June 2025.

Ms. Zheng was not re-elected at the 2025 AGM, she retired as an executive Director of the Company with effect from the conclusion of the 2025 AGM. For details, please refer to the announcement of the Company dated 18 June 2025. In addition, Ms. Zheng Man was ceased to act as the general manager of the Company with effect from the conclusion of the 2025 AGM.

Save as disclosed above, there is no change in information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Use of Net Proceeds

The Company's Shares were listed on the Stock Exchange on 14 December 2022 by way of Global Offering, raised total net proceeds of approximately HK$74.9 million (the "**Net Proceeds**") from the Global Offering after deduction of the underwriting fees and other estimated expenses payable by the Company in connection with the Global Offering. There was no change in the intended use of Net Proceeds as previously disclosed in the Prospectus and the Company intends to utilise the Net Proceeds for the purposes as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The Company will utilise the Net Proceeds in accordance with such intended purposes based on actual business needs.

As at 30 June 2025, approximately HK$13.8 million from the Global Offering has been utilised. The following table below sets forth a detailed breakdown and description of the use of Net Proceed as at 30 June 2025:

Intended use of Net Proceeds	Allocation of Net Proceeds (HK$ million)	Approximate percentage of total Net Proceeds	Unutilised Net Proceeds as at 31 December 2024 (HK$ million)	Utilised Net Proceeds as at 30 June 2025 (HK$ million)	Unutilised Net Proceeds as at 30 June 2025 (HK$ million)	Intended timetable for use of unutilised Net Proceeds *(Note 1)*
Potential strategic acquisition of two dental hospitals in the PRC	21.5	28.6%	21.5	–	21.5	12/2025 *(Note 2)*
Funding the capital expenditure and initial operating costs for the development of Wenzhou Oral Care	20.2	27.0%	19.1	1.2	19.0	12/2025 *(Note 3)*
Funding the capital expenditure and initial operating costs for establishing Lucheng Children Hospital in Wenzhou	10.6	14.1%	10.2	0.4	10.2	12/2025 *(Note 4)*
Working capital and other general corporate purposes	7.5	10.0%	–	7.5	–	N/A
Funding the capital expenditure and initial operating costs for establishing a dental clinic chain outside Wenzhou under a new trade name	6.4	8.6%	6.4	–	6.4	12/2025
Establishing a dentistry training centre to maintain our own dentists talent pool and improve the quality of our dental services	4.0	5.4%	4.0	–	4.0	12/2025
Acquiring new dental devices and consumables to improve the quality of our dental services offered	2.5	3.3%	0.5	2.5	–	N/A
Renovating our Wenzhou Hospital in order to expand its children dental department	2.2	3.0%	–	2.2	–	N/A
Total	74.9	100.0%	61.7	13.8	61.1	

Notes:

1. *The expected timeline for utilising the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.*

2. *Due to abnormal fluctuations in market acquisition prices, the Group has made extensive adjustments to its acquisition strategy to control risks. Since there is no suitable subject in the original area, it has been adjusted to other areas.*

3. *Due to the delay in the approval of the medical practice license of Wenzhou Children Stomatological Hospital in the second phase of Wenzhou Oral Care, its investment will also be delayed. The minor increase in expenditure is indeed the registration cost and administration fee of Wenzhou Children Stomatological Hospital.*

4. *With the negotiation with the government to identify new project locations, the use of raised funds is temporarily postponed.*

Public Float

Based on the information that is available to the Company and to the knowledge of the Directors, they confirm that the Company has maintained at least 25% of the Company's total issued share capital held by the public for the six months ended 30 June 2025 and as at the date of this interim report.

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).

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 has 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.

Communication with the Shareholders

The Company's 2025 AGM was held on 18 June 2025. The majority of resolutions at the 2025 AGM were passed by way of a poll and the poll results were posted on the websites of the Stock Exchange and the Company on the same day. The Chairman of the Board and the Chairpersons of the Board Committees of the Company or their delegates attended the 2025 AGM in order to answer Shareholders' questions and solicit and understand the views of Shareholders and stakeholders. The Auditor also attended the 2025 AGM with an aim to answering questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

Appreciation

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

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		**(27,550)**	(21,449)
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		**(789)**	(786)
LOSS BEFORE TAX	*5*	**(8,719)**	(14,432)
Income tax expense	*6*	**(1,216)**	(704)
LOSS FOR THE PERIOD		**(9,935)**	(15,136)
Attributable to:			
Owners of the parent		**(10,007)**	(15,074)
Non-controlling interests		**72**	(62)
		(9,935)	(15,136)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	*8*	**RMB(1.79) cents**	RMB(2.51) cents

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

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**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	*10*	**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	*11*	**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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent											
	Share capital RMB'000	Share premium* RMB'000	Merger reserve* RMB'000	Capital reserve* RMB'000	Treasury shares* RMB'000	Statutory surplus reserve* RMB'000	Share award reserve* RMB'000	Exchange fluctuation reserve* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2024 (audited)	**5,366**	**93,354**	**12,016**	**8,450**	**(19,252)**	**10,720**	**9,805**	**2,801**	**(3,922)**	**119,338**	**1,060**	**120,398**
Loss for the period	-	-	-	-	-	-	-	-	(10,007)	(10,007)	72	(9,935)
Other comprehensive income for the period:												
Exchange differences	-	-	-	-	-	-	-	(6)	-	(6)	-	(6)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(6)	(10,007)	(10,013)	72	(9,941)
At 30 June 2025 (unaudited)	**5,366**	**93,354**	**12,016**	**8,450**	**(19,252)**	**10,720**	**9,805**	**2,795**	**(13,929)**	**109,325**	**1,132**	**110,457**

	Attributable to owners of the parent											
	Share capital RMB'000	Share premium RMB'000	Merger reserve RMB'000	Capital reserve RMB'000	Treasury shares RMB'000	Statutory surplus reserve RMB'000	Share award reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2023 (audited)	5,365	93,354	12,016	8,450	–	10,715	–	1,323	33,955	165,178	367	165,545
Loss for the period	–	–	–	–	–	–	–	–	(15,074)	(15,074)	(62)	(15,136)
Other comprehensive income for the period:												
Exchange differences	–	–	–	–	–	–	–	670	–	670	–	670
Total comprehensive loss for the period	–	–	–	–	–	–	–	670	(15,074)	(14,404)	(62)	(14,466)
Acquisition of a subsidiary *(note 13)*	–	–	–	–	–	–	–	–	–	–	872	872
Final 2023 dividend declared	–	–	–	–	–	–	–	–	(5,398)	(5,398)	–	(5,398)
Shares repurchased	–	–	–	–	(88)	–	–	–	–	(88)	–	(88)
Share-based payments	–	–	–	–	–	–	6,216	–	–	6,216	–	6,216
At 30 June 2024 (unaudited)	5,365	93,354	12,016	8,450	(88)	10,715	6,216	1,993	13,483	151,504	1,177	152,681

* *These reserve accounts comprise the consolidated reserves of RMB103,959,000 in the condensed consolidated statement of financial position as at 30 June 2025.*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash used in operations	**(540)**	(8,283)
Bank interest received	**774**	2,254
Income tax paid	**(398)**	(717)
Net cash flows used in operating activities	**(164)**	(6,746)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(1,214)**	(812)
Purchase of intangible assets	**(8)**	–
Proceeds from disposals of property, plant and equipment	**29**	–
Decrease in time deposits with original maturity of over three months	**–**	26,302
Acquisition of a subsidiary, net of cash acquired	**–**	302
Net cash flows (used in)/generated from investing activities	**(1,193)**	25,792
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease payments	**(3,317)**	(4,737)
Interest paid	**(789)**	(786)
Shares repurchased	**–**	(88)
Net cash flows used in financing activities	**(4,105)**	(5,611)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(5,462)**	13,435
Cash and cash equivalents at beginning of period	**78,494**	86,827
Effect of foreign exchange rate changes, net	**(6)**	200
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**73,026**	100,462
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**73,026**	28,912
Non-pledged time deposits with original maturity of less than three months when acquired	**–**	71,550
Cash and cash equivalents as stated in the consolidated statement of cash flows and consolidated statement of financial position	**73,026**	100,462

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 HKFRS Accounting Standards 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	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Type of services		
Dental services	**43,568**	33,797
Geographical market		
Chinese Mainland	**43,568**	33,797
Timing of revenue recognition		
Services transferred over time	**43,568**	33,797

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	**(707)**	(46)

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 **RMB'000** **(Unaudited)**	2024 RMB'000 (Unaudited)
Current tax – Chinese Mainland		
Charge for the period	**604**	1,141
Deferred tax	**612**	(437)
Total tax charge for the period	**1,216**	704

7. Dividends

The Board did not recommend any payment of the dividend for the six months ended 30 June 2025, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2024: Nil).

8. Loss per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic loss 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 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent used in the basic loss per share calculation	**(10,007)**	(15,074)

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	**558,769,350**	599,799,204

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. Property, Plant and Equipment

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Carrying amount at beginning of period/year	**26,119**	27,799
Acquisition of subsidiaries	**–**	3,024
Additions	**1,214**	1,786
Depreciation provided during the period/year	**(2,914)**	(6,490)
Disposals	**(179)**	–
Carrying amount at end of period/year	**24,240**	26,119

10. 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
Total	**1,029**	693

11. 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
Total	**9,208**	6,557

12. Share-based Payments

The Company adopted the share option scheme on 8 November 2022. The purpose of the share option scheme is to provide incentive or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of the Group. On 16 January 2024, the Board granted a total of 60,000,000 share options to certain employees of the Group to subscribe for a total of 60,000,000 ordinary shares of HK$0.01 each in the capital of the Company pursuant to the share option scheme. The share options shall vest on the first to tenth anniversary of the date of grant.

The Company adopted the share award scheme with effect from 16 January 2024. The purpose of the share award scheme is (i) to recognize 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. The Board granted a total of 24,000,000 awarded shares to the eligible participants, which will be satisfied by existing shares purchased or to be purchased by the trustee from the open market by utilising the Company's internal resources provided to the trustee, to four selected employees of the Group, pursuant to the share award scheme at nil consideration and shall be 100% vested on the first anniversary of the date of grant.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these schemes. The Group accounts for the schemes as an equity-settled plan.

The schemes do not confer rights on the holders to dividends or to vote at shareholders' meetings.

12. Share-based Payments (Continued)

The following share option were outstanding under the share option scheme during the period:

	2025	
	Weighted average exercise price HK$ per share	Number of options '000
At 1 January and 30 June	**0.45**	**30,000**

The following awarded shares were outstanding under the share award scheme during the period:

	2025	
	Weighted average exercise price HK$ per share	Number of awarded shares '000
At 1 January and 30 June	**–**	**24,000**

During the period, no share-based payment expenses (six months ended 30 June 2024: RMB6,216,000) were charged to the interim condensed consolidated statement of profit or loss.

13. Business Combination

Pursuant to a share purchase agreement dated 19 December 2023, a wholly-owned subsidiary of the Group agreed to acquire a 51% interest in Wenzhou Ouhai Jielaiya Oral Clinic Co., Ltd. ("**Ouhai Jielaiya**") from its then shareholder at a cash consideration of RMB1,581,000. Ouhai Jielaiya is engaged in the provision of dental services in the Wenzhou City and the acquisition was made as part of the Group's strategy to expand its market share of dental service in this region.

The acquisition was completed on 19 March 2024 when the Group obtained control of the operating and financial activities of Ouhai Jielaiya.

The fair values of the identifiable assets and liabilities of Ouhai Jielaiya as at the date of acquisition were as follows:

	Fair value recognised on acquisition RMB'000 (Unaudited)
Non-current assets	5,049
Current assets	848
Current liabilities	(1,431)
Non-current liabilities	(2,687)
Total identifiable net assets at fair value	1,779
Non-controlling interests	(872)
Goodwill on acquisition	674
Purchase consideration	1,581

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration paid during the period*	–
Cash and bank balances acquired	302
Net outflow of cash and cash equivalents included in cash flows from investing activities	302

* *The cash consideration was paid in 2023 pursuant to the share purchase agreement and included in the non-current portion of prepayment as at 31 December 2023.*

13. Business Combination (Continued)

Reconciliation of the carrying amount of the Group's goodwill at the beginning and end of the reporting period is presented below:

	RMB'000 (Unaudited)
Gross carrying amount	
At 1 January 2025	–
Acquisition of a subsidiary	**674**
At 30 June 2025	**674**

The fair values of the trade receivables and other receivables as at the date of acquisition amounted to RMB74,000 and RMB181,000, respectively. The gross contractual amounts of trade receivables and other receivables were RMB74,000 and RMB181,000, respectively, of which the total amount is expected to be collectible.

The goodwill of RMB674,000 recognised above is due to the new market entered into by the Group to achieve business diversification. The above factor is neither separable nor contractual and therefore it does not meet the criteria for recognition as intangible assets under HKAS 38 *Intangible Assets*. None of the goodwill recognised is expected to be deductible for income tax purposes.

Since the acquisition, Ouhai Jielaiya contributed RMB908,000 to the Group's revenue and a loss of RMB81,000 to the consolidated loss for the six months ended 30 June 2024.

Had the combination taken place at 1 January 2024, the revenue from continuing operations of the Group and the loss of the Group for the six months ended 30 June 2024 would have been RMB34,864,000 and RMB15,158,000, respectively.

The assessment of the fair value of the identifiable assets and liabilities of Ouhai Jielaiya was still undergoing and the information of the fair values of the identifiable assets and liabilities is provisional at the date of the 2024 interim condensed consolidated financial information. The finalised information has been disclosed in the consolidated financial statements of the Group for the year ended 31 December 2024.

14. Commitments

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Leasehold improvements	**1,890**	1,997
Medical equipments	**635**	655
Total	**2,525**	2,652

15. Related Party Transactions

Details of the Group's principal related party is as follows:

Name	Relationship with the Group
Ms. Zheng Man	Executive director

(a) During the year ended 31 December 2022, a subsidiary of the Group entered into an agreement to rent office premises from a director, Ms. Zheng Man, for a period of three years commencing from 1 January 2023 with an annual rental fee of RMB892,000. During the period, the rental fee was RMB446,000 (six months ended 30 June 2024: RMB446,000).

(b) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2025 **RMB'000** **(Unaudited)**	2024 RMB'000 (Unaudited)
Short-term employee benefits	**1,884**	1,715
Post-employment benefits	**166**	172
Share-based payment expense	**–**	129
Total compensation paid to key management personnel	**2,050**	2,016

16. Events after the Reporting Period

On 18 July 2025 (after trading hours), 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 Latest Practicable Date of this interim report, the subscription has not been completed.

On 19 December 2023, Dehong Medical and Tianrui Medical, wholly-owned subsidiaries of the Group, entered into share purchase agreements in relation to the acquisition of 98.5% equity interests in Yueqing Stomatological Hospital Co., Ltd, a private dental service provider, by way of acquisition of equity interests from its shareholders, Lin Chengyin and Wang Lianghua. On 1 August 2024, the acquisition is completed and Yueqing Stomatological Hospital Co., Ltd has become an indirect owned subsidiary of the Company.

17. Publication of Interim Report

This Interim Report in both English and Chinese is available in printed form and on the website of the Company at www.meihaomedical.com and the website of The Stock Exchange at www.hkexnews.hk. Shareholders may at any time change their means of receiving corporate communications of the Company (in hard copy or through electronic means) free of charge by giving reasonable notice in writing to the Company's Hong Kong Share Registrar or by email to meihaomedicalgroup.ecom@computershare.com.hk.

DEFINITIONS

"2025 AGM"	the annual general meeting of the Company held on 18 June 2025
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Awarded Shares"	in respect of a Selected Participant, such number of Shares as award to him by the Board
"Board"	the board of directors of the Company
"BVI"	the British Virgin Islands
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China and, except where the context requires otherwise and only for the purposes of this interim report, references to China or the PRC exclude Hong Kong, Macau and Taiwan
"Company"	Meihao Medical Group Co., Ltd (美皓醫療集團有限公司) (formerly known as China Dental Medical Group Co., Ltd (中國口腔醫療集團有限公司)), an exempted company incorporated in the Cayman Islands on 18 November 2019 with limited liability, and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 17 January 2020
"Contractual Arrangements"	a series of contractual arrangements entered into by Dehong Medical, Tianrui Medical, the VIE Entities, and the Relevant Shareholders, details of which are described in the section headed "Contractual Arrangements" in this report
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules, and unless the context otherwise requires, refers to Mr. Wang, Ms. Zheng, JTC BVI, Ricon BVI and Meihao BVI
"Director(s)"	the director(s) of the Company
"Eligible Participant"	any individual being an employee participant, related entity participant or service provider, provided such person is not a connected person of the Group
"Global Offering"	the offer of the Shares for subscription as described in the section headed "Structure of the Global Offering" in the Prospectus
"Grantee(s)"	certain employees of the Group to subscribe for a total 60,000,000 ordinary shares of HK$0.01 each of the Company under the Share Option Scheme or a Selected Participant who received and agrees to accept an award of shares under the Share Award Scheme
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"JTC BVI"	JTC (China) Co., LTD (健齒康(中國)有限公司), a business company incorporated in the BVI with limited liability on 8 November 2019, which is directly wholly owned by Mr. Wang, and one of our Controlling Shareholders
"Latest Practicable Date"	18 September 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this report prior to its publication
"Listing Date"	14 December 2022, on which the Shares were listed on the Stock Exchange and from which dealings in the Shares were permitted to commence on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Longgang Hospital"	Longgang Stomatological Hospital Co., Ltd. (龍港口腔醫院有限公司) (formerly known as Cangnan Dental Hospital Co., Ltd. (蒼南牙科醫院有限公司)), a limited liability company established in the PRC on 24 August 2015, our indirect non wholly-owned subsidiary, which is a private dental hospital
"Lucheng Children Hospital"	Wenzhou Lucheng Children Stomatological Hospital Co., Ltd. (溫州鹿城兒童口腔醫院有限公司), a limited liability company established in the PRC on 29 October 2019 and our indirect wholly-owned subsidiary
"Lucheng Hospital"	Wenzhou Lucheng Stomatological Hospital Co., Ltd. (溫州鹿城口腔醫院有限公司), a limited liability company established in the PRC on 7 June 2016, our indirect wholly-owned subsidiary, which is a private dental hospital
"Meihao BVI"	Meihao (China) Co., LTD (美皓(中國)有限公司), a business company incorporated in the BVI with limited liability on 8 November 2019, which is directly wholly owned by Ms. Zheng, and one of our Controlling Shareholders
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Mr. Wang"	Mr. Wang Xiaomin (王曉敏), an executive Director, the spouse of Ms. Zheng, one of the Controlling Shareholders, and one of the Relevant Shareholders
"Ms. Zheng"	Ms. Zheng Man (鄭鑾), the spouse of Mr. Wang, one of the Controlling Shareholders, and one of the Relevant Shareholders
"Prospectus"	the prospectus of the Company dated 30 November 2022
"Relevant Shareholder(s)"	Mr. Wang and Ms. Zheng, being the registered shareholders of Tianrui Medical
"Reporting Period"	the six months ended 30 June 2025
"Ricon BVI"	Ricon (China) Co., LTD (瑞康(中國)有限公司), a business company incorporated in the BVI with limited liability on 8 November 2019, which is directly wholly owned by Mr. Wang, and one of our Controlling Shareholders

"RMB"	Renminbi, the lawful currency of PRC
"Rui'an Branch Hospital"	Wenzhou Dental Hospital Co., Ltd. Rui'an Branch Company (溫州牙科醫院有限公司瑞安分公司), a branch company established in the PRC on 9 November 2017, and the operating branch (院區) (not an independent established medical institution) of Wenzhou Hospital in Rui'an City
"Scheme Rules"	the rule of the Share Award Scheme, as may amend from time to time
"Selected Participant"	Eligible Participant(s) selected by the Board pursuant to the Scheme Rules for participation in the Share Award Scheme (or his/her legal personal representative or lawful successor as the case may be)
"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 Company
"Share Award Scheme"	the share award scheme adopted by the Company on 16 January 2024
"Share Option Scheme"	the share option scheme adopted by the Company on 8 November 2022
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Tianrui Medical"	Wenzhou Tianrui Medical Management Co., Ltd. (溫州天睿醫療管理有限公司), a limited liability company established in the PRC on 2 August 2019 which is owned as to 90% by Mr. Wang and 10% by Ms. Zheng
"Trust"	the trust constituted by the Trust Deed
"Trust Deed"	a trust deed to be entered into between the Company as settlor and the Trustee as trustee of the Trust (as restated, supplemented and amended from time to time)
"Trustee"	the trustee as appointed under the Trust Deed to act as trustee of the Trust, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed
"Yueqing Hospital"	Yueqing Stomatological Hospital Co., Ltd. (樂清口腔醫院有限公司), a limited liability company established in the PRC on 21 October 2008, our indirect non wholly-owned subsidiary, which is a private dental hospital