CLARITY MEDICAL GROUP HOLDING LIMITED
清晰醫療集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1406)

(1) QUARTERLY UPDATE ON BUSINESS OPERATIONS AND RESUMPTION STATUS; AND (2) CONTINUED SUSPENSION OF TRADING

This announcement is made by Clarity Medical Group Holding Limited (the "**Company**", which together with its subsidiaries are collectively referred to the "**Group**") pursuant to Rules 13.09(2)(a) and 13.24A of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571, Laws of Hong Kong).

References are made to (i) the announcement of the Company dated 30 May 2025 in relation to the resumption guidance issued by the Stock Exchange (the "**First Resumption Guidance**"); (ii) the announcement of the Company dated 30 June 2025 in relation to the additional resumption guidance given by the Stock Exchange (together with the First Resumption Guidance, the "**Resumption Guidance**"); (iii) the announcements of the Company dated 14 July 2025, 14 October 2025, 14 January 2026 and 14 April 2026 providing quarterly updates on its business operations and resumption status; and (iv) the announcements of the Company dated 25 June 2025, 11 November 2025, 12 November 2025, 6 January 2026, 13 January 2026, 5 March 2026, 2 April 2026, and 11 May 2026 respectively; and (v) the announcement of the Company dated 7 April 2026 in respect of, among other things, the key findings of independent investigation on Corporate Governance Allegations (the "**FTI Findings Announcement**"). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the above-mentioned announcements.

Unless otherwise stated, all references to Rules and Chapters in this announcement are references to the rules and chapters of the Listing Rules.

Pursuant to Rule 13.24A, an update on the business operations of the Group and the current status of fulfilment of the Resumption Guidance is set out below.

BUSINESS OPERATIONS

The Group continues to provide high-quality ophthalmic healthcare services in recent months. The Company maintains its technology and market leadership in Hong Kong as it continues to be the only provider offering a comprehensive portfolio of advanced refractive treatments – SMILE, SMILE Pro, LASIK, SILK, and ICL. The Group also reinforced its technology leadership by acquiring the Alcon Unity VCS platform, making it one of the first in Hong Kong to bring this next-generation surgical system into clinical use.

The Group's business has shown a clear rebound as the impact of the earlier allegations has gradually subsided, enabling the management to refocus on core operations. The Group's monthly revenue consistently grew approximately 30% year-on-year during the past quarter (i.e. April 2026 to June 2026). In the midst of soft market demand and intensified industry competition in Hong Kong, the Group has strengthened its market position. Based on market information available to the Company and its internal statistics, the Group continues to deliver more ICL surgeries than any competitor in Hong Kong and further acquired market share in the laser vision correction procedures.

The Group is determined to further strengthen its cost management discipline. Following the dismissal of the legal proceedings initiated by a former director, as disclosed in the announcement of the Company dated 2 April 2026, the Group expects professional fees to decline materially in the period ahead, and will also exercise greater prudence in incurring any additional professional expenses going forward. At the same time, the Group plans to further enhance the day-to-day operational efficiency of its Hong Kong business and optimise its overall cost structure.

The Group remains committed to using its best endeavours to expedite the resumption of trading in the Company's shares, and enabling management to devote its full attention and to direct the Company's resources to support the execution of its long-term strategic priorities.

As at the date of this announcement, the Group has continued its business operations as usual in all material respects and maintains adequate cash reserves and liquidity to meet its current ordinary course business needs, notwithstanding that trading in the shares of the Company on the Stock Exchange has been suspended since 15 April 2025.

RESUMPTION GUIDANCE

The latest Resumption Guidance for the Company as at the date of this announcement is as follows:

(i) the Allegations Investigation and Remedial Guidance;

(ii) the Integrity Guidance;

(iii) the Internal Control Guidance;

(iv) the Corporate Governance Guidance;

(v) the Disclosure Guidance;

(vi) the Financial Reporting Guidance; and

(vii) the Rule 13.24 Guidance.

RESUMPTION STATUS

The current status of fulfilment of the Resumption Guidance as at the date of this announcement is summarised below:

Allegations Investigation and Remedial Guidance

<u>Corporate Governance Allegations</u>

As disclosed by the Company on 7 April 2026, nothing was brought to the attention of the Special Committee from the FTI Investigation Report which would suggest that any current Directors or senior management of the Company engaged in any fraudulent or dishonest acts with regard to the relevant matters under the FTI Investigation that might pose a risk to Shareholders and potential investors of the Company and/or damage market confidence.

<u>Allegations concerning disclosures in the Prospectus</u>

Further to the Company's announcement dated 5 March 2026, GT Advisory has been actively carrying out the investigation into the Allegations on material misstatements in the Company's IPO Prospectus and has achieved significant progress in its work to date. The investigation work is directed and supervised by the legal adviser to the Separate Special Committee to preserve legal professional privilege. Further announcement(s) will be made by the Company as to the findings of the forensic investigation results by GT Advisory and the appropriate remedial actions taken.

Integrity Guidance

Based on the findings as disclosed in the FTI Findings Announcement, and with the remedial actions taken and/or implemented by the Group up to the date of this announcement, the Board believes that the integrity, competence, and/or character of the Group's current management and/or persons with significant influence over the Company's current management and operations do not pose any risk to investors and will not undermine market confidence.

The Company will provide the Stock Exchange with any additional details and supporting justifications, as required, to demonstrate compliance with the Integrity Guidance.

Internal Control Guidance

One of the Big Four accounting firms was appointed as the internal control adviser (the "**IC Adviser**") to conduct independent internal control review on the Company and to assist the Company in implementing and improving the internal control systems and procedures of the Group as far as reasonably practicable to ensure that the Company has in place adequate internal controls and procedures to meet its obligations under the applicable laws and regulations and the Listing Rules, and to prevent recurrence of events similar to the relevant matters covered by the FTI Investigation Report and the report by GT Advisory. As at the date of this announcement, the IC Adviser has substantially completed the internal control review.

The Company has also implemented extensive measures to enhance and strengthen its internal control policies, systems and procedures.

Further announcement(s) will be made by the Company as to any significant findings of the internal control review including, where necessary, any recommendation of reinforcement or remedial actions and their implementation status in due course.

Corporate Governance Guidance

As disclosed in the Company's announcement dated 14 April 2026, the Company has fully complied with the Corporate Governance Guidance.

Disclosure Guidance

The Company has complied with and will continue to comply with the Disclosure Guidance promptly as needed.

Financial Reporting Guidance

As disclosed in the announcement of the Company dated 25 June 2025, there was a delay in the publication of the FY2025 Audited Annual Results and the FY2025 Annual Report, and because of such delay, the publication of the interim results announcement and the interim report for the first six months ended 30 September 2025, and the publication of the annual results announcement and the annual report for the financial year ending 31 March 2026 will also be delayed.

As disclosed in the announcements of the Company dated 2 April 2026 and 11 May 2026, Crowe was appointed as the new auditor of the Company to fill the casual vacancy and to hold office until the conclusion of the next annual general meeting of the Company. Crowe has made substantial progress in the audit process.

The Company will publish the outstanding financial results as soon as possible. Nevertheless, the Board has reassessed that the above-mentioned delay would not have any material adverse effect to the Group's business and operations, which are continuing normally.

Rule 13.24 Guidance

As at the date of this announcement, the Group has continued its business operations as usual in all material respects notwithstanding the suspension of trading in the shares of the Company on the Stock Exchange. The Group's medical centre network, medical practitioners and employee base remain stable and its operational highlights are set out in the section headed "Business Operations" above.

The Group has all along been in compliance with Rule 13.24, in particular, given the Group's substantive business operations, as well as proactive cost-saving initiatives in reducing operating expenses without compromising the quality of its services. The audits of the Company's consolidated financial statements are in their final stages. The publication of the audited financial statements will provide further support for the Company's assessment of its compliance with Rule 13.24 of the Listing Rules. The Company will gather and provide the Stock Exchange with all required details and justifications to demonstrate compliance with the Rule 13.24 Guidance.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 15 April 2025 and will remain suspended until further notice.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares or other securities of the Company, and if they are in any doubt about their position, they should consult their independent professional adviser(s).

By order of the Board
CLARITY MEDICAL GROUP HOLDING LIMITED
JIANG Bo
Executive Director and Chief Executive Officer

Hong Kong, 14 July 2026

As at the date of this announcement, the Board comprises Mr. JIANG Bo as executive Director, Mr. CHEN Jiarong, Professor WANG Qinmei and Mr. SUN Peng as non-executive Directors, and Mr. WANG Can, Ms. CI Ying, Dr. CHEN Poujian and Mr. XU Anliang as independent non-executive Directors.