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

INTERIM REPORT 2023

CONTENTS

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Wang Xiaomin *(Chairman, Chief Executive Officer)*
Ms. Zheng Man *(General Manager)*

Independent Non-executive Directors

Mr. Ng Ming Chee
Ms. Tam Hon Shan Celia
Dr. Zhou Jian

Company Secretary

Mr. Lee Chung Shing (HKICPA, ACCA)

Authorised Representatives Under the Listing Rules

Mr. Wang Xiaomin
Mr. Lee Chung Shing

Audit Committee

Mr. Ng Ming Chee *(Chairman)*
Dr. Zhou Jian
Ms. Tam Hon Shan Celia

Remuneration Committee

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

Nomination Committee

Mr. Wang Xiaomin *(Chairman)*
Dr. Zhou Jian
Ms. Tam Hon Shan Celia

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 Adviser

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

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

Compliance Adviser

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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

46th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Stock Code

1947

Website

www.meihaomedical.com

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

We are an established private dental service provider in Wenzhou City (溫州市), Zhejiang Province, PRC. We generate our 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 2023, we owned and operated a network of five private dental hospitals in Wenzhou, namely Wenzhou Hospital, Lucheng Hospital and Wenzhou Oral Care in Wenzhou City Area, Rui'an Branch Hospital in Rui'an City and Longgang Hospital in Longgang City.

Our business during the Reporting Period was affected by the COVID-19 pandemic. After the nationwide loosening of COVID-19 restrictions, Wenzhou had experienced a temporary outbreak of infected cases. Such outbreak adversely affected our number of visits. As a result, our revenue decreased from RMB57.2 million to RMB35.0 million for the six months ended 30 June 2022 and 2023, respectively.

As the COVID-19 pandemic gradually alleviated, our number of visits has been gradually rebounded. With the diminishing impact of the COVID-19 pandemic on the PRC economy, support of government policies and our well-established reputation and brand, we are full of confidence in the prospects of our future development.

General Dentistry

Our general dentistry sector 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

Our orthodontics and cosmetic dentistry sector 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

Our reparative dentistry sector 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 are generally related to the respective material and number of tooth subject.

Implant Dentistry

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

Number of Total Active Patients by Five Private Dental Hospitals

The number of the Group's total active patients decreased from 39,680 to 30,366 for the six months ended 30 June 2022 and 2023, respectively, representing a decrease of approximately 23.5%. The following table sets forth the breakdown of the number of active patients by the Group's five private dental hospitals:

	For the six months ended	
	30 June 2023 No. of active patients	30 June 2022 No. of active patients
Wenzhou Hospital	**18,908**	23,811
Longgang Hospital	**2,657**	3,654
Lucheng Hospital	**4,896**	7,482
Rui'an Branch Hospital	**1,668**	2,002
Wenzhou Oral Care	**2,237**	2,731
Total	**30,366**	39,680

Revenue by Five Private Dental Hospitals

	For the six months ended			
	30 June 2023		30 June 2022	
	Revenue RMB'000	**Approx. % %**	Revenue RMB'000	Approx. % %
Wenzhou Hospital	**22,762**	**65.1**	32,499	56.8
Longgang Hospital	**2,109**	**6.0**	2,722	4.8
Lucheng Hospital	**5,053**	**14.4**	13,040	22.8
Rui'an Branch Hospital	**1,394**	**4.0**	1,401	2.4
Wenzhou Oral Care	**3,667**	**10.5**	7,528	13.2
Total	**34,985**	**100.0**	57,190	100.0

Wenzhou Hospital, which commenced operations in March 2011, contributed the largest share of our revenue during the Reporting Period, representing approximately 65.1% of our total revenue for the six months ended 30 June 2023.

Prospects

The business environment of dental service provider in the first half of 2023 was challenging due to the temporary outbreak of COVID-19 infected cases and the relevant policies on the collective procurement dental implants in the PRC were implemented since late March 2023, which lowered the price of implant services that could be charged by public hospitals. Accordingly, both the number of visits and average spending per visit of our implant dentistry decreased. Although the collective procurement dental implants policy resulted a temporary adverse impact to our implant dentistry service, we believe that offering a more affordable price to the society will promote the public awareness on dental health, therefore benefits the industry penetration in a long run.

With the gradual ease of the impact of COVID-19 pandemic on the society, and the rising public awareness of dental health, the Company is confident that the industry of dental service remains prosperous. Leveraging on our years of experience, well-established reputation and loyalty and trust from our patients, the Company is well positioned, especially with its listing status, to capture the market opportunities to further strengthen our market position and expand our market share in the industry as detailed in the Prospectus.

Cementing and extending our business footprints in PRC

Looking forward, the Group aspires to thrive on the growing market of dental service in Wenzhou, and continue with its plan to establish new private dental hospitals in Wenzhou to capture the rising demand in Wenzhou at strategic locations to create synergy with the existing dental hospitals, while looking for strategic potential acquisitions in Zhejiang Provinces. In particular, leveraging on the larger operation scale of Wenzhou Oral Care, the Group's flagship hospital, not only can the Group better serve the population particularly in Wenzhou City Area, it can also further tap into the orthodontics and cosmetic dentistry and implant dentistry markets by offering more comprehensive and advanced dental services in Wenzhou Oral Care. The Group believes it could enhance its presence, thereby strengthening its competitiveness by establishing new dental hospitals in the strategic area of Lucheng District. The Group will continue to penetrate into paediatric dentistry market as it believes that the demand from children patients will continue to be the key driver of growth for the dental service market.

Striving to serve our customers with supreme quality dental services

On the other hand, in this competitive industry, the Group is poised to provide high quality and satisfactory dental experiences to our customers. The Group plans to upgrade its business operational software system to connect the business operational software systems currently operating separately at each of the five dental hospitals, as well as to increase the efficiency and effectiveness of centralised management of the Group's dental hospitals and network maintenance at headquarters level. In addition, the Group plans to expand the children dental department by reallocating the existing resources of Wenzhou Hospital, including the renovation of certain part of the premises of Wenzhou Hospital, as well as to invest in advanced dental devices and introduce new technologies.

Nurturing our valuable assets of dentist talents

The Group believes that dentist talents are important, if not vital, assets to our Company. In 2023, the Group will continue to provide training to its medical staff, while carrying on the plan to establish a dentistry training centre so that it can have a centralised training centre for all of the dental hospitals and have the capacity to host, meeting and conferences for its dentists. Through cultivating our own pool of dentists, we believe that it could distinct the Group from other competitors and provide more professional services to its clients.

Financial Review

Revenue

During the Reporting Period, our revenue approximated to RMB35.0 million, decreased by approximately 38.8% from the six months ended 30 June 2022. The decrease in revenue was mainly driven by (i) the decrease in number of visits as a result of the increased number of infections due to the complete lifting of COVID-19 pandemic prevention measures and the general downturn in consumer market in the PRC; (ii) the decreased revenue generated from implant dentistry, mainly due to the Collective Procurement Dental Implants Policy (種植牙集採政策).

Revenue by types of dental services

General Dentistry

Our revenue for general dentistry for the six months ended 30 June 2023 was approximately RMB15.0 million (2022: RMB16.4 million), representing a decrease of approximately 8.5% as compared to the corresponding period in 2022. The decrease was mainly due to the decrease in the number of visits for general dentistry from 29.7 thousand for the six months ended 30 June 2022 to 23.7 thousand for the Reporting Period. Such decrease in the number of visits was mainly due to the increased number of infections during the first quarter of 2023. Revenue generated from general dentistry accounted for approximately 43.0% of our total revenue for the Reporting Period as compared to approximately 28.6% for the six months ended 30 June 2022.

Orthodontics and Cosmetic Dentistry

Our revenue for orthodontics and cosmetic dentistry for the six months ended 30 June 2023 was approximately RMB6.1 million (2022: RMB8.8 million), representing a decrease of approximately 30.7% as compared to the corresponding period in 2022. The decrease was mainly due to the decrease in the number of visits from 5.2 thousand for the six months ended 30 June 2022 to 3.5 thousand for the Reporting Period. Such decrease in the number of visits was mainly due to the increase in the number of infections during the first quarter of 2023. Revenue generated from orthodontics and cosmetic dentistry accounted for approximately 17.6% of our total revenue as compared to approximately 15.4% for the six months ended 30 June 2022.

Reparative Dentistry

Our revenue for reparative dentistry for the six months ended 30 June 2023 was approximately RMB7.2 million (2022: RMB12.0 million), representing a decrease of 40.0% driven as by the decrease in the number of visits. It accounted for approximately 20.5% of our total revenue for the Reporting Period, similar to the six months ended 30 June 2022 of approximately 20.9%.

Implant Dentistry

Our revenue for implant dentistry for the six months ended 30 June 2023 was approximately RMB3.9 million (2022: RMB17.3 million), indicating a decrease of RMB13.4 million or 77.5%. The significant decrease of our revenue of implant dentistry was due to both the number of visits and average spending per visit of our implant dentistry decreased, as a result of (i) the adversed impact of the increased number of infection cases of COVID-19 in the first quarter of 2023 and (ii) the implementation of collective procurement dental implants policy since late March 2023, which lowered the price of implant services that could be charged by public 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 decreased by approximately 20.4% to approximately RMB19.5 million (2022: RMB24.5 million). The decrease in our cost of sales had a relatively less significant as compared to the decrease in our revenue, as some of the costs within our cost of sales category are fixed costs.

Gross profit and gross profit margin

During the Reporting Period, our gross profit decreased by approximately 52.6% as compared to the corresponding period in 2022 to approximately RMB15.5 million (2022: approximately RMB32.7 million), mainly driven by the decrease in our revenue of approximately 38.8%. As part of our costs within our cost of sales category are fixed costs, our gross profit margin decreased to approximately 44.2% (2022: 57.2%).

Other income and gains

During the Reporting Period, the other income and gains increased by approximately 250.0% as compared to the corresponding period in 2022 to approximately RMB2.8 million (2022: approximately RMB0.8 million), mainly driven by the increase in bank interest income.

Selling expenses

During the Reporting Period, the selling expenses primarily comprised marketing and promotion expenses, and staff costs. During the Reporting Period, our selling expenses increased by approximately 63.3% as compared to the corresponding period in 2022 to RMB9.8 million (2022: approximately RMB6.0 million), mainly driven by the increase in headcounts of sales and marketing personnel to enhance the Group's marketing efforts.

Administrative expenses

Our administrative expenses decreased by approximately 9.0% or RMB1.0 million as compared to the corresponding period in 2022 to RMB10.1 million for the Reporting Period (2022: RMB11.1 million). The decrease in our administrative expenses was due to a combined effect of (i) the non-recurrence of the listing expenses of approximately RMB3.5 million for the six months ended 30 June 2022; and (ii) the increase in professional fee of approximately RMB1.9 million since our listing on the Main Board of the Stock Exchange in December 2022.

Income tax

During the Reporting Period, we recorded an income tax credit of approximately RMB0.6 million as compared to an income tax expense of RMB4.6 million for the six months ended 30 June 2022, mainly due to the decrease in revenue of our Group and the loss making position of certain subsidiaries for the Reporting Period.

Loss attributable to the owners of the Company

As a result of the foregoing, we recorded a loss attributable to owners of the Company for the Reporting Period of RMB2.1 million as compared to a profit attributable to owners of the Company of RMB10.9 million for the six months ended 30 June 2022.

Prepayments, other receivables and other assets

The current portion of our prepayments, other receivables and other assets decreased by approximately RMB61.3 million, from approximately RMB84.0 million to approximately RMB22.7 million as at 31 December 2022 and 30 June 2023, respectively. The decrease was mainly due to the settlement of IPO proceeds from the global offering of the Company's shares (the "**Global Offering**") of RMB67.1 million in the first quarter of 2023, which remained as receivable from the underwriters of the Global Offering as at 31 December 2022. For details, please refer to the announcement dated 5 May 2023 of the Company.

Liquidity, Financial Resources and Capital Structure

The Group financed its operations primarily through cash generated from the Group's operation and the net proceeds received from the Global Offering. As at 30 June 2023, the Group's net current assets amounted to approximately RMB135.4 million (as at 31 December 2022: RMB135.3 million), and its liquidity as represented by current ratio (total current assets/total current liabilities) was 4.5 times (as at 31 December 2022: 4.3 times). The Group's bank balances amounted to approximately RMB147.5 million (as at 31 December 2022: RMB89.5 million). As at 30 June 2023, the Group had no bank loans (as at 31 December 2022: Nil), and therefore the gearing ratio was not applicable (2022: 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 2023, the Group did not have any pledged assets (as at 31 December 2022: 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 did not have material exposure to fluctuations in foreign currency rates for cash generated from its operating activities. However, the net proceeds received by the Company for the Global Offering are denominated in Hong Kong dollars and the Company 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 and, if necessary, consider hedging any material potential foreign exchange risk.

Capital Commitments

As at 30 June 2023, the Group had capital commitments of approximately RMB2.0 million for leasehold improvements and addition of medical equipments (as at 31 December 2022: approximately RMB2.1 million).

Contingent liabilities and guarantees

As at 30 June 2023, the Group had no material contingent liabilities or guarantees (as at 31 December 2022: Nil).

Employees and Remuneration Policies

As at 30 June 2023, the Group had a total number of 310 employees (including executive Directors), all of which were located in the PRC (as at 31 December 2022: 304). 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 Company has also adopted a share option scheme on 8 November 2022 to create incentives to employees and to align their interest with that of the Company. Employee benefit expenses primarily consist of salaries, bonus and allowance as well as contributions to the central pension scheme for the employees of the Group in the PRC. Employee benefits expenses were approximately RMB20.2 million during the Reporting Period (2022: approximately RMB19.0 million), representing an increase of approximately RMB1.2 million as compared to the corresponding period in 2022.

Significant Investments

During the Reporting Period, the Group did not have any significant investments.

Future Plans for Material Investment and Capital Assets

The Group has utilised during the Reporting Period and intends to utilise the net proceeds received from the Global Offering for business expansion and working capital in the manner set out in the Prospectus. Save for the aforesaid, the Group did not have any future plans for material investments or capital assets as at 30 June 2023.

Material Acquisitions and Disposals of Subsidiaries, Associates or Joint Ventures

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

Significant Events after the Reporting Period

The Directors are not aware of other significant events affecting the Company and its subsidiaries which have occurred since the end of the Reporting Period and up to the date of this report.

Corporate Governance Code

The Company is committed to maintaining good corporate governance so as to deliver long-term and sustained value for the Shareholders.

The Company has adopted the principles and code provisions of the CG Code as set out in Part 2 of the Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices, and the CG Code has been applicable to the Company with effect from the Listing Date.

To the best knowledge of the Directors, save and except the deviation from code provision C.2.1 of CG Code as set out below, the Company has complied with all the applicable code provisions set out in the CG Code during the Reporting Period.

Code Provision C.2.1

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. The Company does not have a separate chairman and chief executive officer and Mr. Wang Xiaomin currently performs these two roles concurrently, and such practice deviates from the code provision C.2.1 of the CG code. 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 the 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.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in the Appendix 10 to the Listing Rules as its code of conduct governing Directors' securities transactions, and the Model Code has been applicable to the Company with effect from the Listing Date.

All Directors have confirmed, following specific enquiries made by the Company with each of the Directors, that they have complied with the Model Code during the Reporting Period.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor its subsidiaries purchased, sold or redeemed any of Company's securities listed on the Stock Exchange during the period for the six months ended 30 June 2023.

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

As at 30 June 2023, 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)
Wang Xiaomin(2)(4)	Interest in controlled corporation Interest of spouse	427,500,000 (L)	71.25%
Zheng Man(3)(4)	Interest in controlled corporation Interest of spouse	427,500,000 (L)	71.25%

Notes:

(L) denotes long position

(1) The calculation is based on the total number of 600,000,000 issued Shares as at 30 June 2023.

*(2) Each of JTC (China) Co., LTD (健齒康(中國)有限公司) ("**JTC BVI**") and Ricon (China) Co., LTD (瑞康(中國)有限公司) ("**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) Meihao (China) Co., LTD (美皓(中國)有限公司) ("**Meihao BVI**") is directly and wholly owned by Ms. Zheng Man. Ms. Zheng Man is therefore deemed to be interested in all the Shares held by Meihao BVI.*

(4) 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.

Save as disclosed above, so far as the Directors are aware, as at 30 June 2023, 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 2023, 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	337,500,000 (L)	56.25%
Ricon BVI(2)	Beneficial owner	45,000,000 (L)	7.5%
Meihao BVI(3)	Beneficial owner	45,000,000 (L)	7.5%

Notes:

(L) denotes long position

(1) The calculation is based on the total number of 600,000,000 issued Shares as at 30 June 2023.

(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.

Save as disclosed herein, as at 30 June 2023, 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 Share Option Scheme was adopted by the Company on 8 November 2022.

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

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

As at 30 June 2023, the remaining life of Share Option Scheme is approximately 9 years 4 months.

A summary of the principal terms of the Share Option Scheme is set out in the Prospectus.

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, which represents 10% of the issued shares of the Company as at the date of this interim report.

The number of share options available for grant under the Share Option Scheme was 60,000,000 as at the beginning and the end of the Reporting Period, respectively.

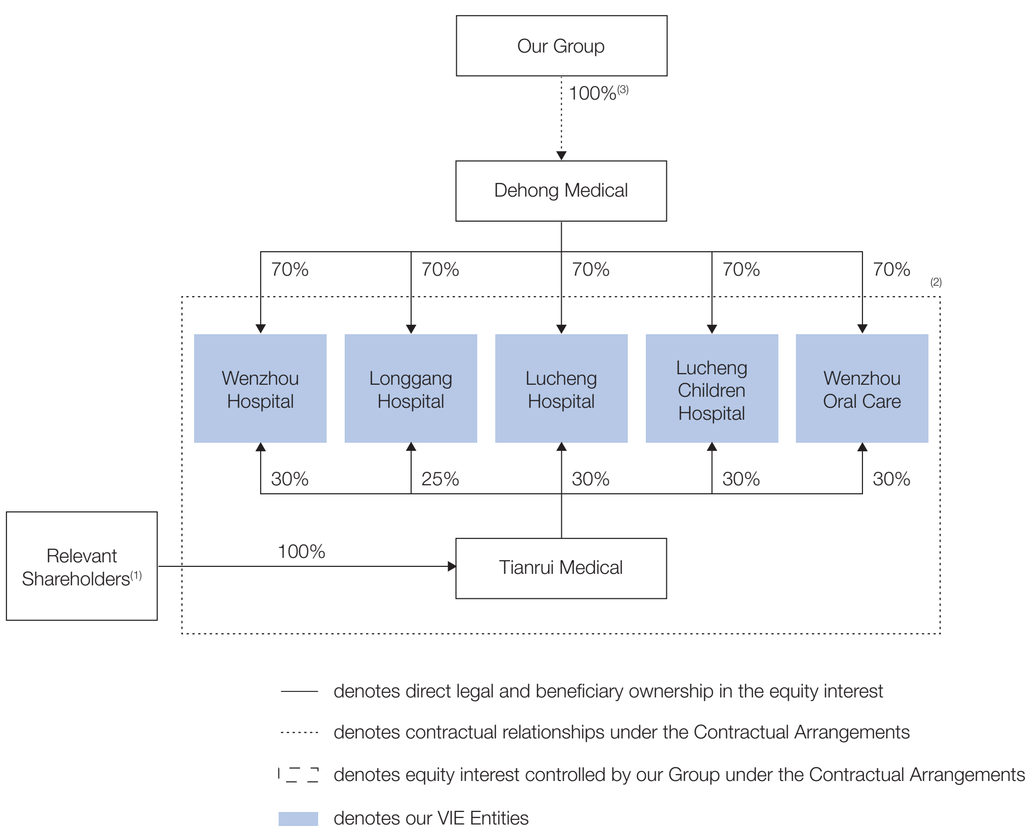
Since the adoption of the Share Option Scheme and up to the six months ended 30 June 2023, no option was granted, exercised, cancelled, expired or lapsed and there is no outstanding share option under the Share Option Scheme as at 30 June 2023. Therefore, the number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period 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, 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:



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 RMB35.0 million for the six months ended 30 June 2023, representing approximately 100.0% of the total revenue of our Group. The total assets of VIE Entities amounted to RMB122.7 million as at 30 June 2023, representing approximately 49.7% 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, and 95% equity interests of Longgang 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 2023. 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 2023.

As at 30 June 2023, 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**"), which allow foreign investors 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 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.

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

As at the date of this interim report, there is no change in information of the Directors or chief executives of the Company which shall 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 2023, approximately HK$5.6 million from the Global Offering has been utilised. The table below sets forth a detailed breakdown and description of the use of net proceed as at 30 June 2023:

Intended use of Net Proceeds	Allocation of Net Proceeds (HK$ million)	Approximate percentage of total Net Proceeds	Unutilised Net Proceeds as at 31 December 2022 (HK$ million)	Utilised Net Proceeds as at 30 June 2023 (HK$ million)	Unutilised Net Proceeds as at 30 June 2023 (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	6/2024
Funding the capital expenditure and initial operating costs for the development of Wenzhou Oral Care	20.2	27.0%	20.2	0.9	19.3	12/2023
Funding the capital expenditure and initial operating costs for establishing Lucheng Children Hospital in Wenzhou	10.6	14.1%	10.6	0.4	10.2	6/2024 *(Note 2)*
Working capital and other general corporate purposes	7.5	10.0%	7.5	2.1	5.4	12/2024
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	12/2024
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	12/2023
Acquiring new dental devices and consumables to improve the quality of our dental services offered	2.5	3.3%	2.5	—	2.5	3/2024
Renovating our Wenzhou Hospital in order to expand its children dental department	2.2	3.0%	2.2	2.2	—	N/A
Total	74.9	100%	74.9	5.6	69.3	

Note 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.

Note 2: The establishment of Lucheng Children Hospital has experienced a delay due to the Group's contemplation to establish such hospital on different premises in view of the expected enhanced strategic advantages of such premises to be brought to the Group and the current market demand for children dental services. While the new premises have been identified, the Group is currently under negotiation with the local government of Wenzhou for the leasing of such premises and such plan is still subject to changes. Based on the Directors' current estimate taking into account of the negotiation progress with the local government and the latest market conditions, the net proceeds intended for the funding of the establishment of Lucheng Children Hospital is expected to be utilised by June 2024, and the Company will make further announcement should the plan to lease such new premises be confirmed to proceed.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Ng Ming Chee, Ms. Tam Hon Shan Celia, and Dr. Zhou Jian. Mr. Ng Ming Chee is the chairman of the Audit Committee.

The Audit Committee has, together with the management of the Company, reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2023 and the accounting principles and policies adopted by the Group.

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 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	**2023 (Unaudited) RMB'000**	2022 (Unaudited) RMB'000
REVENUE	*4*	**34,985**	57,190
Cost of sales		**(19,517)**	(24,456)
Gross profit		**15,468**	32,734
Other income and gains		**2,773**	793
Selling expenses		**(9,816)**	(6,022)
Administrative expenses		**(10,122)**	(11,109)
Impairment losses on financial assets, net		**(2)**	27
Other expenses		**(206)**	(13)
Finance costs		**(846)**	(987)
(LOSS)/PROFIT BEFORE TAX	*5*	**(2,751)**	15,423
Income tax credit/(expense)	*6*	**631**	(4,550)
(LOSS)/PROFIT FOR THE PERIOD		**(2,120)**	10,873
Attributable to:			
Owners of the parent		**(2,122)**	10,863
Non-controlling interests		**2**	10
		(2,120)	10,873
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	*8*	**RMB(0.35) cents**	RMB2.41 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
(LOSS)/PROFIT FOR THE PERIOD	**(2,120)**	10,873
OTHER COMPREHENSIVE INCOME		
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	**3,125**	—
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**3,125**	—
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,005**	10,873
Attributable to:		
Owners of the parent	**1,003**	10,863
Non-controlling interests	**2**	10
	1,005	10,873

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

	Notes	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**28,899**	28,076
Right-of-use assets		**33,943**	36,358
Intangible assets		**450**	528
Deferred tax assets		**6,772**	5,205
Prepayments, other receivables and other assets		**3,007**	6,044
Total non-current assets		**73,071**	76,211
CURRENT ASSETS			
Inventories		**2,344**	2,497
Trade receivables	*10*	**1,065**	523
Prepayments, other receivables and other assets		**22,715**	83,958
Cash and cash equivalents		**147,527**	89,529
Total current assets		**173,651**	176,507
CURRENT LIABILITIES			
Trade payables	*11*	**6,672**	5,475
Other payables and accruals		**11,364**	15,787
Contract liabilities		**6,632**	4,203
Lease liabilities		**7,213**	6,898
Tax payable		**6,407**	8,865
Total current liabilities		**38,288**	41,228
NET CURRENT ASSETS		**135,363**	135,279
TOTAL ASSETS LESS CURRENT LIABILITIES		**208,434**	211,490

	30 June 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES	**208,434**	211,490
NON-CURRENT LIABILITIES		
Lease liabilities	**25,848**	29,718
Contract liabilities	**3,830**	4,021
Total non-current liabilities	**29,678**	33,739
Net assets	**178,756**	177,751
EQUITY		
Equity attributable to owners of the parent		
Share capital	**5,365**	5,365
Reserves	**173,010**	172,007
	178,375	177,372
Non-controlling interests	**381**	379
Total equity	**178,756**	177,751

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to owners of the parent									
	Share capital RMB'000	Share premium* RMB'000	Merger reserve* RMB'000	Capital reserve* RMB'000	Statutory surplus 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 1 January 2023 (audited)	**5,365**	**93,354**	**12,016**	**8,450**	**10,715**	**(77)**	**47,549**	**177,372**	**379**	**177,751**
Loss for the period	**—**	**—**	**—**	**—**	**—**	**—**	**(2,122)**	**(2,122)**	**2**	**(2,120)**
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	**—**	**—**	**—**	**—**	**—**	**3,125**	**—**	**3,125**	**—**	**3,125**
Total comprehensive income for the period	**—**	**—**	**—**	**—**	**—**	**3,125**	**(2,122)**	**1,003**	**2**	**1,005**
At 30 June 2023 (unaudited)	**5,365**	**93,354**	**12,016**	**8,450**	**10,715**	**3,048**	**45,427**	**178,375**	**381**	**178,756**

	Attributable to owners of the parent								
	Share capital RMB'000	Merger reserve RMB'000	Capital reserve RMB'000	Statutory surplus 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 1 January 2022 (audited)	—	12,016	8,450	8,844	4	20,964	50,278	265	50,543
Profit and total comprehensive income for the period	—	—	—	—	—	10,863	10,863	10	10,873
At 30 June 2022 (unaudited)	—	12,016	8,450	8,844	4	31,827	61,141	275	61,416

* *These reserve accounts comprise the consolidated reserves of RMB173,010,000 in the condensed consolidated statement of financial position as at 30 June 2023.*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Notes	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(2,751)**	15,423
Adjustments for:			
Finance costs		**846**	987
Bank interest income		**(2,273)**	(625)
Depreciation of property, plant and equipment		**4,340**	3,359
Depreciation of right-of-use assets		**3,376**	3,357
Amortisation of intangible assets		**78**	112
Impairment of trade receivables, net	*5*	**2**	(27)
Covid-19-related rent concessions from lessors		**—**	(212)
Gain on termination of a lease		**(114)**	—
Exchange differences, net	*5*	**(135)**	—
		3,369	22,374
Decrease in inventories		**153**	50
(Increase)/decrease in trade receivables		**(544)**	265
Increase in prepayments, other receivables and other assets		**(10,127)**	(2,117)
Increase in trade payables		**1,197**	338
Increase/(decrease) in contract liabilities		**2,238**	(80)
(Decrease)/increase in other payables and accruals		**(3,650)**	2,588
Cash (used in)/from operations		**(8,598)**	23,418
Bank interest received		**1,885**	625
Income tax paid		**(3,394)**	(6,986)
Net cash flows (used in)/from operating activities		**(10,107)**	17,057

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Net cash flows (used in)/from operating activities	**(10,107)**	17,057
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	**(3,791)**	(2,121)
Purchases of intangible assets	**—**	(95)
Net cash flows used in investing activities	**(3,791)**	(2,216)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares for the initial public offering	**76,417**	—
Share issue expenses	**(5,867)**	—
Principal portion of lease payments	**(3,510)**	(4,215)
Interest paid	**(846)**	(987)
Net cash flows from/(used in) financing activities	**66,194**	(5,202)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**52,296**	9,639
Cash and cash equivalents at beginning of period	**89,529**	41,283
Effect of foreign exchange rate changes, net	**5,702**	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**147,527**	50,922
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**147,527**	50,922

1. Basis of Preparation

The interim condensed consolidated financial information for the six months ended 30 June 2023 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 2022.

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 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

HKFRS 17	*Insurance Contracts*
Amendments to HKFRS 17	*Insurance Contracts*
Amendment to HKFRS 17	*Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform — Pillar Two Model Rules*

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below:

(a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

(b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

2. Changes in Accounting Policies and Disclosures (Continued)

(c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets as at 1 January 2022. The deferred tax asset and the deferred tax liability arising from lease contracts of the same subsidiary have been offset in the statement of financial position for presentation purposes.

The Group has applied the amendments on temporary differences related to leases as at 1 January 2022, there was no significant cumulative effect disrecognised as an adjustment to the balance of retained profits or other component of equity as appropriate at that date. The adoption of amendments to HKAS 12 did not have significant impact on the consolidated statement of financial position as at 31 December 2022 and the consolidated statement of profit or loss for the year end 31 December 2022. Therefore, retained earnings as at 1 January 2022 and the comparative information was not restated and continues to be reported under unrevised HKAS 12.

(d) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to 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	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**34,985**	57,190

Disaggregated revenue information for revenue from contracts with customers

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Type of services		
Dental services	**34,985**	57,190
Geographical market		
Mainland China	**34,985**	57,190
Timing of revenue recognition		
Services transferred over time	**34,985**	57,190

5. (Loss)/Profit Before Tax

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

	For the six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories, consumables and customised products	**5,066**	6,892
Impairment of trade receivables, net	**2**	(27)
Listing expenses	**—**	3,535
Foreign exchange differences, net	**(135)**	—

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 year (2022: 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 year with the RMB3.0 million of annual taxable income eligible for 75% reduction, the provision for Mainland China current income tax is based on the statutory rate of 25% of the assessable profits of the subsidiaries of Mainland China as determined in accordance with the Corporate Income Tax Law.

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Current tax — Mainland China		
Charge for the period	**936**	5,455
Deferred	**(1,567)**	(905)
Total tax (credit)/charge for the period	**(631)**	4,550

7. Dividends

The board of the Company has resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

8. (Loss)/Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings per share amounts is based on the (loss)/profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 600,000,000 (six months ended 30 June 2022: 450,000,000) in issue during the period, on the assumption that the capitalisation issue had been completed on 1 January 2022.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

The calculations of basic earnings per share are based on:

	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Earnings		
(Loss)/profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	**(2,122)**	10,863

	Number of shares	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**600,000,000**	450,000,000

9. Property, Plant and Equipment

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Carrying amount at beginning of period/year	**28,076**	27,679
Additions	**5,153**	6,713
Depreciation provided during the period/year	**(4,340)**	(6,128)
Disposals	**—**	(78)
Transfers	**—**	(110)
Carrying amount at end of period/year	**28,899**	28,076

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 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 3 months	**1,038**	413
3 to 6 months	**2**	52
6 to 12 months	**15**	40
1 to 2 years	**10**	16
Over 2 years	**—**	2
	1,065	523

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 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 3 months	**4,163**	2,569
3 to 6 months	**538**	1,385
6 to 12 months	**867**	554
Over 1 years	**1,104**	967
	6,672	5,475

12. Commitments

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

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Contracted, but not provided for:		
Leasehold improvements	**1,674**	1,763
Medical equipments	**301**	301
	1,975	2,064

13. 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 period, 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.

(b) Outstanding balance with a related party:

Prepayments, other receivables and other assets

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Ms. Zheng Man	**—**	892

The balance with a director was unsecured, interest-free and trade in nature.

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

	For the six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Short-term employee benefits	**1,027**	994
Post-employment benefits	**126**	123
Total compensation paid to key management personnel	**1,153**	1,117

DEFINITIONS

"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of directors of the Company
"BVI"	the British Virgin Islands
"CG Code"	the Corporate Governance Code as set out in Appendix 14 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
"COVID-19"	novel coronavirus (COVID-19), a coronavirus disease which has its outbreak in the PRC, Hong Kong and worldwide since around January 2020
"Dehong Medical"	Wenzhou Dehong Medical Management Co., Ltd. (溫州德鴻醫療管理有限公司), a limited liability company established in the PRC on 2 August 2019 and an indirect wholly-owned subsidiary of our Group
"Director(s)"	the director(s) of the Company from time to time
"Global Offering"	the offer of the Shares for subscription as described in the section headed "Structure of the Global Offering" in the Prospectus
"Group"	our Company and its subsidiaries or, where the context otherwise requires, in respect of the period before our Company becoming the holding company of our present subsidiaries, the present subsidiaries of our Company and the businesses carried on by them or their predecessors (as the case may be)
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"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
"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 10 to the Listing Rules
"Mr. Wang"	Mr. Wang Xiaomin (王曉敏), an executive Director, the spouse of Ms. Zheng, one of our Controlling Shareholders, and one of the Relevant Shareholders
"Ms. Zheng"	Ms. Zheng Man (鄭蠻), an executive Director, the spouse of Mr. Wang, one of our 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
"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
"Reporting Period"	the six months ended 30 June 2023
"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 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
"VIE Entities" or "VIE Entity"	the entities that we control certain percentages of their shareholdings through the Contractual Arrangements which comprised, as at the date of this interim report, Wenzhou Hospital, Lucheng Hospital, Longgang Hospital, Lucheng Children Hospital and Wenzhou Oral Care
"Wenzhou"	Wenzhou City (溫州市), a prefecture-level city in Zhejiang Province, the PRC
"Wenzhou Hospital"	Wenzhou Dental Hospital Co., Ltd. (溫州牙科醫院有限公司), a limited liability company established in the PRC on 8 March 2011, our indirect wholly-owned subsidiary, which is a private dental hospital
"Wenzhou Oral Care"	Wenzhou Stomatological Hospital Co., Ltd. (溫州口腔醫院有限公司), a limited liability company established in the PRC on 21 December 2015 and our indirect wholly-owned subsidiary, which is a private dental hospital
"%"	percent