

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Jinhai Medical Technology Limited

今海醫療科技股份有限公司

(Incorporated in the Cayman Islands with members’ limited liability)

(Stock Code: 2225)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the “**Board**” or “**Directors**”) of Jinhai Medical Technology Limited (the “**Company**”) and its subsidiaries (collectively referred to as “**the Group**” or “**our Group**” or “**we**”) announces the audited consolidated results of the Group for the year ended 31 December 2024 (the “**Year**” or “**FY2024**”). The issued shares of the Company (the “**Shares**”) were listed on the Main Board of the Stock Exchange on 17 October 2017 (the “**Listing Date**” and the “**Listing**”, respectively).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	2024 <i>S\$’000</i>	2023 <i>S\$’000</i>
Revenue	3	50,241	45,644
Cost of sales and services		(38,764)	(33,615)
Gross profit		11,477	12,029
Other income, gains and losses, net	4	2,635	1,598
Selling expenses		(11)	(13)
Administrative expenses		(31,942)	(15,941)
Reversal of provision/(provision) for expected credit losses on trade and other receivables		387	(669)
Finance costs	5	(773)	(221)
Loss before tax		(18,227)	(3,217)
Income tax expense	6	(28)	(895)
Loss for the year	7	(18,255)	(4,112)

	<i>Note</i>	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Other comprehensive (expense)/income after tax:			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value changes of equity investment at fair value through other comprehensive income		(2)	–
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(854)	(120)
Realisation of foreign currency translation reserves from disposal of a subsidiary		–	133
		(854)	13
Other comprehensive (expense)/income for the year, net of tax		(856)	13
Total comprehensive expense for the year		(19,111)	(4,099)
Loss for the year attributable to:			
– Owners of the Company		(17,965)	(3,141)
– Non-controlling interests		(290)	(971)
		(18,255)	(4,112)
Total comprehensive expense for the year attributable to:			
– Owners of the Company		(18,820)	(3,060)
– Non-controlling interests		(291)	(1,039)
		(19,111)	(4,099)
		<i>Singapore cents</i>	<i>Singapore cents</i> (Restated)
Loss per share			
– Basic and diluted	9	(0.35)	(0.06)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		2,756	2,085
Right-of-use assets		3,540	4,344
Investment properties		21,308	12,512
Goodwill		522	–
Equity investment at fair value through other comprehensive income		556	558
Deferred tax assets		21	39
		<u>28,703</u>	<u>19,538</u>
Current assets			
Inventories		2,769	2,097
Trade receivables	<i>10</i>	4,856	5,531
Other receivables, deposits and prepayments		7,472	8,294
Investments at fair value through profit or loss		4,479	6,564
Current tax assets		142	–
Bank and cash balances		10,446	20,196
		<u>30,164</u>	<u>42,682</u>
TOTAL ASSETS		<u>58,867</u>	<u>62,220</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	<i>12</i>	2,252	2,252
Reserves		29,554	35,222
		<u>31,806</u>	<u>37,474</u>
Equity attributable to owners of the Company		31,806	37,474
Non-controlling interests		973	16
		<u>32,779</u>	<u>37,490</u>
Total equity		<u>32,779</u>	<u>37,490</u>

	<i>Note</i>	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Liabilities			
Non-current liabilities			
Lease liabilities		<u>2,731</u>	<u>3,478</u>
Current liabilities			
Trade and other payables	<i>11</i>	10,207	13,230
Contract liabilities		1,359	534
Borrowings		10,800	4,717
Lease liabilities		991	1,886
Current tax liabilities		<u>–</u>	<u>885</u>
		<u>23,357</u>	<u>21,252</u>
Total liabilities		<u>26,088</u>	<u>24,730</u>
Net current assets		<u>6,807</u>	<u>21,430</u>
Total assets less current liabilities		<u>35,510</u>	<u>40,968</u>
NET ASSETS		<u>32,779</u>	<u>37,490</u>
TOTAL EQUITY AND LIABILITIES		<u>58,867</u>	<u>62,220</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of its registered office is P.O. Box 31119, Grand Pavillion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The address of the headquarters and principal place of business in the People's Republic of China (the "PRC") is 3rd Floor, Block East, 1275 Meichuan Road, Putuo District, Shanghai, the PRC. The address of its principal place of business in Hong Kong is 3rd Floor, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong. The address of its principal place of business in the Republic of Singapore ("Singapore") is 31 Sungei Kadut Avenue, Singapore 729660. The Company's shares are listed on the Main Board of the Stock Exchange.

The Company is an investment holding company and the principal activities of its operating subsidiaries are provision of minimally invasive surgery solution and medical products and related services, manpower outsourcing and ancillary services, dormitory services, information technology ("IT") services, and construction ancillary services for the building and construction industry.

In the opinion of the directors of the Company, as at 31 December 2024, Full Fortune International Co., Limited, a company incorporated in the Republic of Seychelles, is the immediate and ultimate parent and Mr. CHEN Guobao is the ultimate controlling party of the Company.

2. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards issued by the International Accounting Standards Board that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. IFRS Accounting Standards comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards; and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRS Accounting Standards but is not yet in a position to state whether these new and revised IFRS Accounting Standards would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the consideration specified in contracts with customers for the provision of minimally invasive surgery solution and medical products and relative service in the PRC, and provision of manpower outsourcing and ancillary services, dormitory services, IT services and construction ancillary services in Singapore.

Information is reported to executive directors, being the chief operating decision maker of the Group (“CODM”), for the purposes of resource allocation and performance assessment. The CODM reviews revenue by nature of services, comprising provision of manpower outsourcing and ancillary services to contractors of construction projects, provision of dormitory services, provision of IT services and provision of construction ancillary services, and products relating to provision of minimally invasive surgery solution and medical and related services fee and the respective profit or loss for the year as a whole. Accordingly, only entity-wide disclosures on Services and Products, major customers and geographical information are presented in accordance with IFRS 8 Operating Segments.

Disaggregation of revenue from contracts with customers:

	2024	2023
	S\$'000	S\$'000
Geographical markets		
– The PRC	25,927	20,431
– Singapore	15,895	16,598
	<hr/>	<hr/>
Revenue from contracts with customers	41,822	37,029
Rental income arising from provision of dormitory services	8,419	8,615
	<hr/>	<hr/>
Total revenue	50,241	45,644
	<hr/> <hr/>	<hr/> <hr/>
Timing of revenue recognised		
Recognised at a point in time		
– Products		
– Provision of minimally invasive surgery solution and medical products and related service fee	25,927	20,431
	<hr/>	<hr/>
Recognised over time		
– Services		
– Provision of manpower outsourcing and ancillary services	15,116	15,750
– Provision of IT services	500	476
– Provision of construction ancillary services	279	372
	<hr/>	<hr/>
	15,895	16,598
	<hr/>	<hr/>
Revenue from contracts with customers	41,822	37,029
Rental income arising from provision of dormitory services	8,419	8,615
	<hr/>	<hr/>
Total revenue	50,241	45,644
	<hr/> <hr/>	<hr/> <hr/>

Information about reportable segment profit or loss, assets and liabilities:

	Products <i>S\$'000</i>	Services <i>S\$'000</i>	Others <i>(Note (i))</i> <i>S\$'000</i>	Total <i>S\$'000</i>
Year ended 31 December 2024				
Revenue – external	<u>25,927</u>	<u>24,314</u>	<u>–</u>	<u>50,241</u>
Finance costs	(246)	(424)	(103)	(773)
Changes in fair value of investments at fair value through profit or loss, net	–	295	(25)	270
(Loss)/gain on disposal of investments at fair value through profit or loss	–	(62)	24	(38)
Reversal of provision/(provision) for expected credit losses (“ECL”) on trade and other receivables	16	375	(4)	387
Depreciation	(778)	(3,631)	(610)	(5,019)
Handling fee income	<u>–</u>	<u>–</u>	<u>561</u>	<u>561</u>
(Loss)/profit before tax	(3,645)	1,700	(16,282)	(18,227)
Income tax expense	<u>–</u>	<u>(28)</u>	<u>–</u>	<u>(28)</u>
(Loss)/profit for the year	<u>(3,645)</u>	<u>1,672</u>	<u>(16,282)</u>	<u>(18,255)</u>
Addition to segment non-current assets <i>(Note (ii))</i>				
– Property, plant and equipment	147	166	675	988
– Right-of-use assets	328	69	–	397
– Investment properties	<u>–</u>	<u>12,282</u>	<u>–</u>	<u>12,282</u>
At 31 December 2024				
Segment assets	19,780	34,867	4,220	58,867
Segment liabilities	<u>(7,199)</u>	<u>(16,552)</u>	<u>(2,337)</u>	<u>(26,088)</u>

	Products S\$'000	Services S\$'000	Others (Note (i)) S\$'000	Total S\$'000
Year ended 31 December 2023				
Revenue – external	20,431	25,213	–	45,644
Finance costs	(56)	(126)	(39)	(221)
Loss on disposal of property, plant and equipment, net	(235)	–	–	(235)
Changes in fair value of investments at fair value through profit or loss, net	–	(1,042)	2	(1,040)
Gain on disposal of investments at fair value through profit or loss	–	21	–	21
Provision for ECL on trade and other receivables	(542)	(127)	–	(669)
Depreciation	(651)	(3,112)	(339)	(4,102)
Handling fee income	–	–	2,169	2,169
(Loss)/profit before tax	(2,178)	1,912	(2,951)	(3,217)
Income tax expense	(28)	(867)	–	(895)
(Loss)/profit for the year	(2,206)	1,045	(2,951)	(4,112)
Addition to segment non-current assets (Note (ii))				
– Property, plant and equipment	1,056	–	196	1,252
– Right-of-use assets	2,402	–	1,059	3,461
– Investment properties	–	2,830	–	2,830
At 31 December 2023				
Segment assets	23,725	31,929	6,566	62,220
Segment liabilities	(7,772)	(14,852)	(2,106)	(24,730)

Notes:

- (i) Others relating to corporate office functions.
- (ii) Excluding financial instruments, goodwill and deferred tax assets.

Save for a customer whose revenue contributed approximately forty eight percents of total revenue for the year ended 31 December 2024 (2023: forty two percents), there was no other individual customer that contributed over 10% of total revenue of the Group during the years ended 31 December 2024 and 2023.

	2024 S\$'000	2023 S\$'000
Non-current assets (including property, plant and equipment, right-of-use assets, investment properties and goodwill) located at		
– Singapore	22,271	13,387
– The PRC	4,378	4,192
– Hong Kong	1,477	1,362

4. OTHER INCOME, GAINS AND LOSSES, NET

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Handling fee income	561	2,169
Government grant	71	182
Dividend income from listed investments	270	303
Interest revenue	18	56
Forfeiture of customer deposits	165	9
Work injury/workmen compensation claims	185	100
Sub-leasing income	411	188
Loss on disposal of property, plant and equipment, net	–	(235)
Changes in fair value of investments at fair value through profit or loss, net	270	(1,040)
(Loss)/gain on disposal of investments at fair value through profit or loss	(38)	21
Gain on lease termination	8	–
Gain on disposal of a subsidiary	17	220
Gain/(loss) on foreign exchange, net	284	(632)
Others	413	257
	<u>2,635</u>	<u>1,598</u>

5. FINANCE COSTS

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Interest on:		
– Lease liabilities	402	202
– Bank borrowings	371	19
	<u>773</u>	<u>221</u>

6. INCOME TAX EXPENSE

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Current tax		
– Enterprise income tax of the PRC		
– Provision for the year	–	28
– Singapore corporate income tax		
– Provision for the year	10	741
– Under provision in prior years	–	7
	<u>10</u>	<u>748</u>
Total current tax	<u>10</u>	<u>776</u>
Deferred tax		
– Current	18	1
– Under provision in prior years	–	118
	<u>18</u>	<u>119</u>
Total deferred tax	<u>18</u>	<u>119</u>
Total income tax expense	<u><u>28</u></u>	<u><u>895</u></u>

7. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Depreciation of property, plant and equipment	316	297
Depreciation of right-of-use assets	1,217	833
Depreciation of investment properties	3,486	2,972
Gross rental income from investment properties	(8,419)	(8,615)
Direct operating expenses of investment properties that		
– generated rental income	3,486	2,894
– did not generate rental income	2,293	982
Research and development expenditure	850	633
Auditor's remuneration		
– auditor of the Company	189	180
– other auditors	135	109
	<u>324</u>	<u>289</u>
Cost of inventories sold	24,768	19,390
Staff costs including directors' emoluments		
– Salaries, wages and other benefits	13,333	13,854
– Contributions to defined contribution plans	696	628
– Foreign worker levy	3,364	3,842
– Equity-settled share-based payments	13,152	–
	<u>30,545</u>	<u>18,324</u>

8. DIVIDEND

No dividend was paid or declared by the Company for the years ended 31 December 2024 and 2023.

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following:

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Loss		
Loss for the purpose of calculating basic and diluted loss per share	<u>(17,965)</u>	<u>(3,141)</u>
	2024 <i>'000</i>	2023 <i>'000</i> (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>5,170,000</u>	<u>4,971,370</u>

The calculation of basic loss per share attributable to owners of the Company for the year ended 31 December 2024 is based on the loss for the year attributable to owners of the Company of approximately S\$17,965,000 (2023: approximately S\$3,141,000) and the weighted average number of ordinary shares of 5,170,000,000, adjusted by the share subdivision completed on 12 December 2024 (2023 (restated): 4,971,370,000 ordinary shares, adjusted by the share subdivision completed on 12 December 2024) in issue during the year.

The effects of all potential ordinary shares are anti-dilutive for the years ended 31 December 2024 and 2023.

10. TRADE RECEIVABLES

The credit terms to customers range from 3 to 30 days from the invoice date for trade receivables.

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Trade receivables	6,124	7,213
Less: provision for loss allowance	<u>(1,268)</u>	<u>(1,682)</u>
	<u>4,856</u>	<u>5,531</u>

The ageing analysis of trade receivables, based on due date, and net of provision for loss allowance is as follows:

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Not due	2,460	3,458
1 day to 30 days	1,944	785
31 days to 60 days	131	1,272
Over 60 days	321	16
	<u>4,856</u>	<u>5,531</u>

11. TRADE AND OTHER PAYABLES

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Trade payables	5,129	5,462
Accrued operating expenses	2,543	2,371
GST and VAT payables	828	2,073
Customer deposits received	1,231	2,717
Accrued directors' emoluments	168	130
Other payables	308	477
	<u>10,207</u>	<u>13,230</u>

The ageing analysis of trade payables, based on the invoice date, is as follows:

	2024	2023
	<i>S\$'000</i>	<i>S\$'000</i>
Within 30 days	1,872	5,068
31 days to 90 days	3,134	145
91 days to 365 days	92	249
Over 365 days	31	–
	<u>5,129</u>	<u>5,462</u>

12. SHARE CAPITAL

Ordinary shares of HK\$0.0025 (2023: HK\$0.01) each

	Number of ordinary shares '000	Amount HK\$'000
Authorised:		
At 1 January 2023, 31 December 2023 and 1 January 2024	2,000,000	20,000
Subdivision of shares (<i>Note (i)</i>)	<u>6,000,000</u>	<u>–</u>
At 31 December 2024	<u>8,000,000</u>	<u>20,000</u>
	<i>'000</i>	<i>S\$'000</i>
Issued and fully paid:		
At 1 January 2023	1,230,000	2,142
Issue of shares (<i>Note (ii)</i>)	<u>62,500</u>	<u>110</u>
At 31 December 2023 and 1 January 2024	1,292,500	2,252
Subdivision of shares (<i>Note (i)</i>)	<u>3,877,500</u>	<u>–</u>
At 31 December 2024	<u>5,170,000</u>	<u>2,252</u>

Notes:

- (i) On 12 December 2024, every one (1) existing issued and unissued Share of par value of HK\$0.01 each in the share capital of the Company into four (4) Subdivided Shares of par value of HK\$0.0025 each in the share capital of the Company.
- (ii) On 18 October 2023, the Company issued 62,500,000 ordinary new shares at a subscription price of HK\$1.6 per share for a total cash consideration of HK\$100,000,000 (equivalent to S\$17,470,000).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group started to generate revenue from the sale of medical equipment in 2019. During the Year, the Group relocated its headquarters and principal place of business to Shanghai, the PRC, owing to, amongst others, the possible business downturn and contraction in the Republic of Singapore (“**Singapore**”), as compared with the business growth of providing minimally invasive surgical solutions, medical products and related services in the Chinese Mainland.

Since 2006, the Group has been engaged in the provision of labor dispatch services in Singapore. The Group also provides labor dispatch and ancillary services to local building and construction contractors, as well as (on a relatively small scale) dormitory services, information technology services and construction ancillary services (including warehousing services, cleaning services and building maintenance works) in Singapore. According to the FY2025 Budget Statement released by the Ministry of Finance on 18 February 2025, Singapore’s economy grew moderately by 4.4% in 2024. Singapore’s economic growth is expected to slow down by 1.0% to 3.0% in 2025. The Group expects the construction industry in Singapore to continue to face challenges in general in 2025.

Looking back to 2024, the Group recorded revenue of S\$50.2 million, an increase of 10% over the previous year, mainly due to the growth of the minimally invasive surgical solutions business in China in recent years bringing revenue growth to the Group for the year.

As part of the Board’s reassessment of our business focus and strategic direction, the Board recognizes our focus towards the business of provision of minimally surgery solution and medical products and related services in China, and the potential for growth that this area will bring to our Group in the long term. According to Mordor Intelligence, the China minimally invasive surgery devices market size is estimated at USD1.71 billion in 2025, and is expected to reach USD2.68 billion by 2030, growing at a CAGR of 9.45% during the forecast period (2024–2029)^{note}.

In addition to the growing market size of the China minimally invasive surgery solutions products, with aging population, the improved living standards and the economic growth of China, the demand of quality medical services, and in turn the relevant medical devices has steadily increased.

In view of the positive market feedback demonstrated by the significant increase in the segment revenue from the provision of minimally invasive surgery solutions, medical products and related services, the Group will continue to develop and enhance its competitiveness in the increasingly fierce market competition by (a) strengthening its development capabilities; (b) expanding its distribution network; (c) developing of new products; and (d) promoting resource integration so as to strengthen our position in the medical industry.

Note: Source: <https://www.mordorintelligence.com/industry-reports/china-minimally-invasive-surgery-devices-market>.

With the expanding ageing population, the improved living standards of the people and the economic growth of China, the demand for medical devices has steadily increased. The Group considers to seize the development opportunities and enhance the competitiveness in the increasingly fierce market competition, the Group will continue to strengthen its development since 2023 by broadening the product lines and advancing the research and development capabilities. We will also keep expanding our distribution network, continuously developing new products and promoting resource integration, so as to further consolidate and strengthen our position in the medical industry.

The Company will capitalize on the strengths of, in particular, the PRC, Hong Kong and Singapore and as external platforms to expand its existing businesses, venture into new industries and identify new investment opportunities to enhance its business prospects, thereby bringing long-term economic benefits to the Company and its shareholders.

In addition to diversification of businesses of the Group, the Board considers expanding its existing business into the Asia Pacific Region, and notably China. The Board also considers providing value-added services, such as skills training and quality improvement to the labour forces on top of the manpower outsourcing services.

At the extraordinary general meeting held on 10 December 2024, the shareholders voted in favor of resolution in connection with the Share Subdivision to sub-divide each and every one (1) existing issued and unissued share of HK1 cent each in the capital of the Group into four (4) Subdivided Shares of HK0.25 cent each in the capital of the Group so as to reduce the trading price of each share of the Company, which in turn will attract more investors accordingly. The Board believes that the Share Subdivision will enhance the trading liquidity of the Shares, which will enable the Company to attract more investors and broaden its shareholder base.

Under the premises of geo-political uncertainties with increasing global trade conflicts, the year of 2025 has become one of most economically challenging years, and the Group is taking proactive steps to conserve cash by implementing stricter cost management measures. In view of the financial resources required for the business development, the Board considers to explore different ways of funds raising in the capital market in Hong Kong and/or other places from time to time as necessary and appropriate.

FINANCIAL REVIEW

Revenue

The Group's revenue has been increased from S\$45.6 million in FY2023 to S\$50.2 million in FY2024. The following table sets forth a breakdown of the revenue for FY2024 and FY2023 as indicated:

	FY2024	FY2023	Increased/ (Decreased) by
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
Minimally invasive surgery solution and medical products and related service fee	25,927	20,431	5,496
Manpower outsourcing and ancillary services	15,116	15,750	(634)
Dormitory services	8,419	8,615	(196)
Construction ancillary services	279	372	(93)
IT services	500	476	24
	<u>50,241</u>	<u>45,644</u>	4,597

Revenue from minimally invasive surgery solution and medical products and related service fee increased from S\$20.4 million in FY2023 to S\$25.9 million in FY2024. The increase was mainly due to growth in minimally surgery solution business in China.

The slightly decrease in revenue from manpower outsourcing and ancillary services from S\$15.8 million in FY2023 to S\$15.1 million in FY2024 was mainly due to the downturn of the outsourcing and ancillary services business in Singapore.

Revenue from dormitory services decreased slightly from S\$8.6 million in FY2023 to S\$8.4 million in FY2024, mainly due to the end of the lease of the dormitory and there was minimal revenue generated in the last quarter of the year.

Revenue from construction ancillary services in FY2024 decreased by S\$0.1 million as compared to that in FY2023. This was mainly due to a decrease in sales from warehousing services attributable to less industrial space rented out.

There is no significant change in revenue from IT services.

Gross profit and gross profit margin

The Group's gross profit decreased from S\$12.0 million in FY2023 to S\$11.5 million in FY2024. This was mainly due to the downturn of the outsourcing and ancillary services business in Singapore as discussed above. The gross profit margin decreased from 26.4% in FY2023 to 22.8% in FY2024, due primarily to low profit margin of the Singapore business.

Other income, gains and losses, net

Net other income and gains increased from S\$1.6 million in FY2023 to S\$2.6 million in FY2024 mainly due to:

- (i) change from net loss to gain in fair value of investments at fair value through profit or loss of S\$1.3 million;
- (ii) change from net loss to gain on foreign exchange of S\$0.9 million;
- (iii) no net loss on disposal of property, plant and equipment of S\$0.2 million in FY2024;
- (iv) increase in sub-leasing income of S\$0.2 million; and
- (v) increase in forfeiture of customer deposits of S\$0.2 million.

Administrative expenses

Administrative expenses increased by S\$16.0 million mainly due to incurrence of the equity-settled share-based payments of S\$13.2 million. In addition, relevant industry veterans and supporting employees were hired and additional places suitable for research and development was rented to support the new business.

Finance costs

Finance costs increased by S\$0.6 million in FY2024 mainly due to the additional facilities obtained during the year.

Income tax expense

The Group recorded an income tax expense of S\$0.03 million in FY2024 as compared to S\$0.9 million in FY2023.

Loss for the year

The Group recorded a loss of S\$18.3 million in FY2024 (FY2023: S\$4.1 million) largely attributed to the equity-settled share-based payments of S\$13.2 million and expenses incurred for expanding the minimally surgery solution business in China.

DIVIDEND

The Board did not recommend distribution of any dividend to the shareholders of the Company (the “**Shareholders**”) for FY2024 (FY2023: nil).

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

Liquidity

The Group generally meets its working capital requirements from its internally generated funds and maintained a healthy financial position. Upon the Listing, the source of funds of the Group had been a combination of internally generated funds and net proceeds from the Listing. In October 2023, the Group raised funds from issue of new shares under the general mandate.

Treasury policy

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy financial position throughout the Year. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Use of proceeds from Listing

The net proceeds from the Listing were HK\$82.6 million (equivalent to S\$14.1 million) (after deducting underwriting fees and Listing expenses). The table below sets out the proposed applications of the net proceeds from the Listing Date to December 2024:

Intended use of Net Proceeds	Original allocation <i>HK\$' million</i>	Revised	Revised	Utilised amount of	Unutilised amount	Unutilised amount	Expected timeline for fully utilising the Unutilised Net Proceeds
		allocation as at 16 October 2020 <i>HK\$' million</i>	allocation as at 2 March 2021 <i>HK\$' million</i>	Net Proceeds as at 31 December 2024 <i>HK\$' million</i>	of Net Proceeds as at 31 December 2024 <i>HK\$' million</i>	of Net Proceeds as at the date of Annual Results Announcement <i>HK\$' million</i>	
For partly financing the acquisition of an additional foreign worker dormitory at an estimated consideration of HK\$162.0 million	77.1	61.3	46.6	46.6	-	-	N/A
For financing the acquisition of 10 additional lorries	5.5	3.7	3.7	1.8	1.9	1.9	By the end of December 2025 (Note 4)
For financing the investment in securities	-	10.0 (Note 1)	10.0	10.0	-	-	N/A
For repayment the loan	-	5.8 (Note 2)	-	N/A	N/A	N/A	N/A
For injection of registered capital in Jinhai Medical	-	-	20.5 (Note 3)	20.5	-	-	N/A
Total	82.6	80.8	80.8	78.9	1.9	1.9	

Note 1:

Given the previous lockdown of Singapore due to the novel Coronavirus, the identification of the additional foreign worker dormitory has been delayed. In order to generate a better short term return and enhance the yield of the idle cash of the Company, the Company re-allocated HK\$10.0 million to acquire on the open market certain listed securities. For details, please refer to the announcement of the Company dated 16 October 2020 (the “**October 2020 Announcement**”).

Note 2:

Pursuant to the October 2020 Announcement, Mr. Chen Guobao, a controlling shareholder and chairman of the Company advanced the Loan to the Company for acquisition (the “**Acquisition**”) of Shanghai Yunzhichu Information Technology Company Limited* (上海雲之初信息科技有限公司). Pursuant to the announcement of the Company dated 12 November 2020, the Acquisition was terminated due to certain preconditions of the Acquisition could not be fulfilled, hence, the use of the Net Proceeds for repaying the Loan was delayed.

Note 3:

Despite actively exploring suitable dormitory for acquisition, the previous lockdown and market condition of Singapore due to novel Coronavirus, the identification of the additional foreign worker dormitory has been delayed. In order to generate a better return and enhance the long term growth of the Company, the Company re-allocated the unutilised Net Proceeds from (i) the acquisition of additional foreign worker dormitory and (ii) repaying the Loan in the amount of HK\$14.7 million and HK\$5.8 million, respectively, towards the formation of the joint venture company. For details, please refer to the announcement of the Company dated 2 March 2021 and 16 April 2021 (the “**Announcements**”).

Note 4:

As the business performance of the Group’s segment under provision of manpower outsourcing and ancillary services has been declining, the immediate need for additional lorries has decreased. Hence, the Group further postponed the expected time of utilisation of the remaining net proceeds for such use by the end of December 2025. The Group considers if it is necessary for further postponement of such investment in due course.

Use of proceeds from Placings

The net proceeds from the issue of new shares under the general mandate on 18 October 2023 (the “**Placing**”) were HK\$99 million (after deducting the relevant professional expenses) and a net issue price of HK\$1.584 per subscription share. The subscription price was HK\$1.60 per share, which represented (i) a discount of 19.60% to the closing price of HK\$1.99 per share as quoted on the Stock Exchange on the date of the subscription agreements; and (ii) a discount of 19.60% to the average of the closing prices of HK\$1.99 per share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the subscription agreements. Further details are set out in the announcements of the Company dated 25 September 2023 and 18 October 2023. The table below sets out the proposed applications of the net proceeds from the date of completion to December 2024:

Intended use of Net Proceeds	Original allocation <i>HK\$' million</i>	Utilised	Unutilised	Unutilised	Expected timeline for fully utilising the Unutilised Net Proceeds
		amount of Net Proceeds as at 31 December 2024 <i>HK\$' million</i>	amount of Net Proceeds as at 31 December 2024 <i>HK\$' million</i>	amount of Net Proceeds as at the date of Annual Results Announcement <i>HK\$' million</i>	
For the expansion of business in the medical industry	69.0	69.0	–	–	N/A
For the expansion of business in manpower outsourcing and ancillary services	15.0	3.0	12.0	12.0	By the end of December 2025 (Note)
For the general working capital of the Group	15.0	15.0	–	–	N/A
Total	99.0	87.0	12.0	12.0	

Note: The Group is preparing the expansion of the business in manpower outsourcing and ancillary services in the PRC in 2025. With the expected increase in such business in 2025, it is expected that the net proceeds will be further utilised during 2025.

Borrowings and gearing ratio

As at 31 December 2024, the Group had an aggregate of current and non-current borrowings and lease liabilities of S\$14.5 million as compared to borrowings and lease liabilities of S\$10.1 million as at 31 December 2023. The increase was mainly due to borrowings from acquisition of a property in FY2024 and for daily operation purpose.

The Group’s gearing ratio as at 31 December 2024 was 44.3% (as at 31 December 2023: 26.9%). Gearing ratio is calculated by dividing total borrowings (comprising borrowings and lease liabilities) by total equity as at the end of the respective year and multiplied by 100%.

As at 31 December 2024, the Group had unutilised banking facilities of S\$0.5 million available for cash drawdown (as at 31 December 2023: S\$2.5 million).

Cash and cash equivalents

As at 31 December 2024, the Group had bank and cash balances of S\$10.4 million, of which 12.3% was denominated in S\$, 82.7% denominated in RMB and 5.0% was denominated in HK\$ which were placed in major licensed banks in Singapore, China, and Hong Kong.

Foreign exchange exposure

In FY2024, the Group transacts mainly in RMB, in which the functional currency of all the entities is S\$ in the Group. The Group retains a large portion of the proceeds from the Listing in HK\$ which also contributed to an unrealised foreign exchange gain of S\$0.3 million as S\$ strengthen against HK\$ and RMB in FY2024.

Charges on the Group's assets and contingent liabilities

As at 31 December 2024, certain lease liabilities and bank borrowing were secured by the charge over leased assets with an aggregate net book value of S\$0.06 million and S\$9.9 million respectively (as at 31 December 2023: S\$0.01 million and S\$4.7 million respectively).

The Group did not have any material contingent liabilities as at 31 December 2024 and 2023.

Capital expenditures and capital commitments

The Group's capital expenditures principally consisted of expenditures on motor vehicles, computer and equipment, furniture and fittings. The Group recorded capital expenditures for the purchases of property, plant and equipment and additions to right-of-use assets in the amounts of S\$1.4 million and S\$4.7 million for FY2024 and FY2023, respectively.

The Group acquired a dormitory in Singapore in January 2024, with the consideration of S\$10.2 million. The Group did not have any capital commitments as at 31 December 2023.

Significant investments held, material acquisitions and disposal of subsidiaries, associates and joint ventures

On 20 October 2023, Nichefield Pte. Ltd. ("**Nichefield**"), a company established in Singapore with limited liability and an indirect wholly-owned subsidiary of the Company (as purchaser) entered into the share transfer agreement with three vendors, pursuant to which the vendors conditionally agreed to sell 40%, 35% and 25% of their respective interests in Neuhaus Engineering Pte. Ltd. (the "**Target Company**") (in aggregate representing the entire issued shares of the Target Company), and Nichefield conditionally agreed to acquire 100% interests of the Target Company. Prior to the completion, the entire issued shares of the Target Company were legally and beneficially owned by the vendors in aggregate. Upon completion as of 30 November 2023, the Target Company became an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company began to consolidate into the financial statements of the Group. For further details, please refer to the announcement of the Company dated 9 April 2024 and the circular of the Company dated 24 June 2024.

On 17 May 2023, KT&T Engineers and Constructors Pte. Ltd., a wholly owned subsidiary of the Company, entered into the property purchase agreement with Eng Lee Engineering Pte Ltd, a company incorporated in Singapore, which was under liquidation, in relation to the acquisition of 5 Neythal Road Singapore 628572 by KT&T Engineers and Constructors Pte. Ltd. for an aggregate consideration of S\$10,180,000 (equivalent to HK\$59,172,411) (excluding the goods and services tax payable). The aforementioned acquisition was completed on 31 January 2024. For further details, please refer to the announcement of the Company dated 9 April 2024 and the circular of the Company dated 24 June 2024.

On 22 July 2024 (after trading hours), Jinhai Technology Development (Shanghai) Company Limited* (今海科技發展(上海)有限公司) (an indirect wholly-owned subsidiary of the Company) (“**Jinhai SH**”), Mr. He Xiao (何曉先生) (“**Mr. He**”) and Shanghai Lichen Medical Technology Co., Ltd.* (上海立晨醫療科技有限公司) (currently known as Shanghai Jinhai Pioneer Medical Technology Limited (上海今海派力亞醫療科技有限公司) (“**Shanghai Pioneer**”) entered into the cooperation framework agreement (the “**Cooperation Framework Agreement**”), pursuant to which Jinhai SH agreed to inject in aggregate up to RMB16,500,000 by way of cash contribution into Shanghai Pioneer, subject to terms and conditions under the Cooperation Framework Agreement. Pursuant to the Cooperation Framework Agreement, prior to the capital injection of Jinhai SH to Shanghai Pioneer, Mr. He would pay up his first instalment of contribution to the registered capital of Shanghai Pioneer in the amount of not less than RMB2,250,000. After Mr. He completed his first instalment of capital contribution, Jinhai SH would complete its capital contribution obligation of not less than RMB8,250,000, i.e. 50% of the expected aggregate capital injection by Jinhai SH of RMB16,500,000. It was expected that upon completion of the increase in registered capital of Shanghai Pioneer, the shareholding proportion of Shanghai Pioneer would be adjusted to as to 55% by Jinhai SH and 45% by Mr. He, subject to the mechanism as provided in the Cooperation Framework Agreement (the “**Adjusted Shareholding**”). Pursuant to the relevant accounting policies adopted by the Group and based on the Adjusted Shareholding, Shanghai Pioneer would be accounted for as a subsidiary of the Company and its financial statements would be incorporated in the consolidated financial statements of the Group. For further details, please refer to the announcement of the Company dated 22 July 2024.

Save as disclosed above, there were no material acquisitions and disposal of subsidiaries, associates and joint ventures for FY2024.

The Group held investments in quoted equity shares at fair value of S\$4.5 million and S\$6.6 million, respectively as at 31 December 2024 and 2023.

In view of the global economic uncertainties and the existing market conditions, the Group decided to adopt a more effective approach to manage its internally generated funds to acquire on the open market certain listed securities. The investments in quoted equity securities offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

Off-balance sheet transactions

As at 31 December 2024, the Group did not enter into any material off-balance sheet transaction.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, the Group had 488 employees (as at 31 December 2023: 694), including foreign workers.

The Group determines employee salaries based on employee's qualifications, position and seniority. In order to attract and retain valuable employees, the Group reviews the performance of our employees, which will be taken into account in annual salary review and promotion appraisal. The Group has also adopted a sales incentive scheme, pursuant to which our sales managers are entitled to sales commission based on the number of hours of deployment in respect of any manpower outsourcing contracts obtained by them from customers.

The Group incurred workers and staff costs (including the Directors and chief executive's remuneration, and other staff's salaries, wages and other benefits) of S\$30.5 million and S\$18.3 million for FY2024 and FY2023 respectively.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Interest rate risk

The Group is exposed to cash flow interest rate risk on the variable rates of interest earned on the bank balances. The Group is also exposed to fair value interest rate risk in relation to fixed-rate finance lease obligations.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate risk exposure and will consider interest rate hedging should the need arise.

Foreign currency risk

The Group has certain bank balances, financial assets measured at fair value through profit or loss, trade receivables and payables denominated in US\$ and RMB other than the functional currency of respective group entities, which expose the Group to foreign currency risk.

The Group manages the risk by closely monitoring the movement of the foreign currency rate.

Credit risk

In order to minimise the credit risk, the Group has policies in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting any new customer, the Group carries out a research on the credit risk of the customer, assesses the customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed when necessary.

In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group recognises a loss allowance for ECL on trade and other receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument. In this regard, management of the Group considers that the Group's credit risk is significantly reduced.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Fair value risk

The Group is exposed to fair value risk arising from financial assets and financial liabilities that are measured at fair value on a recurring and non-recurring basis.

Equity price risk

The Group is exposed to equity price risks arising from equity instruments designated at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "**Share Option Scheme**") pursuant to an ordinary resolution passed by the shareholders at the extraordinary general meeting of the Company on 29 December 2023.

The purposes of the Share Option Scheme are (i) to provide Eligible Participants (as defined below) with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole; (ii) to motivate Eligible Participants to contribute to the success of the Group's operations; and (iii) to provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Participants.

Eligible participants of the Share Option Scheme include: (a) director(s) and employee(s) of the Company or any of its subsidiaries (including persons who are granted Options, share options or awards as an inducement to enter into employment contracts with the Company or any of its subsidiaries) (the "**Employee Participants**"); (b) person(s) who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to person(s) who work for the Company as independent contractors (including advisers, consultants, contractors, suppliers, agents, entities providing research, development or other technological support and service providers of any member of the Group) where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity (the "**Service Providers**"); and (c) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company objectivity (the "**Related Entity Participants**") (collectively "**Eligible Participants**").

The remaining life of the Share Option Scheme is 10 years.

When the Share Option Scheme was approved by the shareholders of the Company on 29 December 2023, it was also approved that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other Share Option Scheme adopted by the Group must not in aggregate exceed 10% of the Shares in issue as at the date of the extraordinary general meeting (the “**Scheme Mandate Limit**”). The Company may renew the Scheme Mandate Limit with shareholders’ approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the shareholders’ approval.

Unless approved by shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued Shares of the Company for the time being.

The vesting period for options shall not be less than 12 months.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each grantee, which period must expire no later than 10 years from the date of grant (subject to acceptance) of the option.

The right to exercise an option is not subject to or conditional upon the achievement of any performance target unless otherwise stated in the grant letter which is to be made by the Company to the participant of the Share Option Scheme upon granting of the option.

The subscription price for the Shares under the Share Option Scheme will be a price determined by the Board in its discretion on the date of grant, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange’s daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

Further details of the Share Option Scheme are set out in the circular of the Company dated 9 December 2023.

On 9 January 2024 (the “**Date of Grant**”), the Company granted a total of 128,603,750 share options (the “**Share Options**”) under the Share Option Scheme to entitle the holder(s) thereof to subscribe for a total of 128,603,750 Shares. The details of such grant of the Share Options are set out as follows:

Grantee: 71,087,500 Options were granted to Mr. Liu Lei (劉鏞), a director and general manager of Jinhai Medical and chief technical officer of the Group, 6,462,500 Options were granted to Mr. Wang Zhenfei (王振飛), an executive Director and chief executive officer of the Group and 51,053,750 Options were granted to eight other full-time employees of the Group.

Exercise price of Share Options granted: HK\$2.54 per Share, which represented the highest of (i) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days (as defined in the Listing Rules) immediately preceding the Date of Grant, being HK\$2.46; (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, being HK\$2.54; and (iii) the nominal value of HK\$0.01 per Share.

Note: Upon the Share Subdivision having become effective on 12 December 2024, pro-rata adjustments were made to the exercise prices and the number of outstanding Share Options. Further details of the Share Subdivision are set out in the announcement of the Company dated 1 November 2024 and the circular of the Company dated 22 November 2024. For disclosure purpose, the above denotes the number of Options and Exercise Price prior to the Share Subdivision having become effective.

Exercise period of the Share Options: The Share Options shall be valid for 10 years from the Date of Grant and lapse at the expiry of such period.

Vesting Period of Options: The Share Options shall be vested and become exercisable in three tranches as set out in the table below (upon fulfilment of any additional vesting condition(s), such as performance target as specified below).

Tranche	Vesting Date	Percentage of Options to be vested
First	30 April 2025	20%
Second	30 April 2026	30%
Third	30 April 2027	50%

Performance Target: The vesting of each tranche of the Share Options to the grantees is subject to satisfaction of the performance targets for the full fiscal year immediately before the vesting date of each tranche to be determined by the Board based on the internal assessment system of the Group.

Since the grantees are all full-time employees of the Group, the assessment will be based on the grantee's overall performance, performance of the team or department that the grantee belongs to and the performance of the Group.

Clawback Mechanism: As set out in the Share Option Scheme, the Options granted or conditionally granted are subject to, among others, (i) clawback mechanism at the discretion of the Board (and the Remuneration Committee, in the case of grant of Options to Directors and senior management of the Group) in the event of misconduct (such as: (a) any material misstatements or omissions in the Company's financial statements by a Grantee; (b) any violation by a Grantee of confidentiality or non-competition obligations owed to the Group, or any leakage by such Grantee of the Group's trade secrets, intellectual property or proprietary information; (c) any termination of employment contracts by a Grantee without notice or payment in lieu of notice; (d) any conviction of any criminal offence by a Grantee involving integrity or honesty; or (e) any conduct of a Grantee that has material adverse effect to the reputation or interests of the Group); and (ii) lapse of Options upon occurrence of certain events as stipulated in the Share Option Scheme, including but not limited to cessation of employment of the Grantees.

Financial Assistance: There is no arrangement for the Group to provide any financial assistance to the grantees to facilitate the subscription of Shares under the Share Option Scheme.

The below table sets forth the number of 509,245,000 Share Options which were outstanding as at 31 December 2024, having taken into account of the Share Subdivision having become effective on 12 December 2024 and pro-rata adjustments was made to the number of options.

Name of Grantee	Capacity	Number of Share Options granted which were outstanding as at 31 December 2024
Mr. Liu Lei	Director and general manager of Jinhai Medical and chief technical officer of the Group	284,350,000
Mr. Wang Zhenfei	Executive Director and chief executive officer of the Group	25,850,000
Seven full-time employees		<u>199,045,000</u>
Total		<u><u>509,245,000</u></u>

Note: During the Reporting Period, 5,170,000 Share Options (as adjusted by the share subdivision becoming effective on 12 December 2024) have been lapsed.

The number of Shares that may be issued in respect of the share options granted under the Scheme during the year ended 31 December 2024 divided by the weighted average number of shares in issue for the year ended 31 December 2024 is 0.1. For further details, please refer to the annual report for the Reporting Period to be published by the Company.

SIGNIFICANT EVENTS AFTER THE YEAR

Except as disclosed, the Directors confirm that no significant event occurred after 31 December 2024 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its code of conduct governing Directors’ securities transactions. In response to a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the Model Code during the Year. The Model Code also applies to other specified senior management of the Group in respect of their dealings in the Company’s securities.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

None of the Directors or the controlling shareholders (as defined under the Listing Rules) of the Company or their respective close associates (as defined under the Listing Rules) had interests in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group and any other conflicts of interest which any such person had or might have with the Group during the Year.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Year, the Company has applied the principles and adopted all code provisions, where applicable, of the Corporate Governance Code as contained in Appendix C1 to the Listing Rules (the "CG Code") as its own code of corporate governance.

The Company has complied with all applicable code provisions as set out in the CG Code during the Year.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the audited annual results for the Year and discussed with the management and the auditor of the Company and is of the view that the consolidated financial statements for the Year have been prepared in compliance with the applicable accounting standards, the Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the Listing Rules throughout the Year.

PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

The results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.jin-hai.com.hk. The annual report of the Company for the Year containing all information required by the Listing Rules will be made available to shareholders and published on above websites in due course.

APPRECIATION

The Board would like to express its gratitude to all the Group's customers, management and staff and business partners as well as the Shareholders for their continuous support.

By order of the Board
Jinhai Medical Technology Limited
Chen Guobao
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises eight Directors, of which three are executive Directors, namely Mr. Chen Guobao, Mr. Wang Zhenfei and Mr. Li Yunping; two are non-executive Directors, namely Mr. Jiang Jiangyu and Mr. Wang Huasheng; and three are independent non-executive Directors, namely Mr. Yan Jianjun, Mr. Fan Yimin and Ms. Yang Meihua.

* *For identification purpose only*