

[For Immediate Release]



Vincent Medical Announces its First Interim Results after Successful Listing Underlying Profits Surge of 33.6% to HK\$29.4 Million

(Hong Kong, 25 August 2016) -- **Vincent Medical Holdings Limited** (“**Vincent Medical**” or together with its subsidiaries, the “**Group**”, stock code: 1612), the second largest¹ exporter of respiratory and anaesthesia disposables in China and a Hong Kong-headquartered medical device group, is pleased to announce its first unaudited interim results for the six months ended 30 June 2016 (the “**Period**”) since its successful listing on the Main Board of the Stock Exchange of Hong Kong Limited (“**HKSE**”) on 13 July 2016.

During the **Period**, Vincent Medical remained fully committed to growth through continuously developing innovative products that can address patients’ needs and have potential for future commercialisation to diversify its OBM product portfolio, in particular focusing on the respiratory and orthopedic and rehabilitation categories. The Group recorded revenue of approximately HK\$237.9 million, representing a growth of approximately 6.4% as compared to the corresponding period in 2015. Gross profit rose by 14.9% to approximately HK\$77.9 million, while gross profit margin for the **Period** was 32.7%. Excluding the one-off listing-related expenses and the share based compensation expenses of approximately HK\$17.3 million, the profit attributable to owners of the Company based on the underlying net profit for the **Period** was approximately HK\$29.4 million, representing an increase of approximately 33.6% as compared to that for the corresponding period in 2015. Basic earnings per share was 2.53 HK cents.

As at 30 June 2016, the Group maintained a strong financial position with bank and cash balances amounting to approximately HK\$94.4 million (31 December 2015: HK\$69.3 million).

Mr. Vincent Choi, Founder, Chairman and Executive Director of the Group, said, “The year 2016 has been a remarkable year for the Group as we have not only been able to deliver promising results, but we also successfully listed on HKSE in July, which is an important milestone for the Group. The listing provides a broader capital platform and also strengthens our market presence in the medical device sector. We are confident that our solid OEM and growing OBM businesses can boost our profitability in the burgeoning medical device industry, which has benefited from increasing government healthcare expenditure, a continuing ageing population and higher demand for better healthcare treatment.”

¹ According to the commissioned report prepared by China Insights Consulting Limited (“**CIC Report**”) based on export value in 2015

Business Review

The businesses of Vincent Medical can be categorized into two segments, specifically, the Original Equipment Manufacturing (“OEM”) business and the Original Brand Manufacturing (“OBM”) business.

OEM Business – A solid business foundation for the Group

The Group’s strong OEM capability and strategic ties with leading healthcare and medical device companies have served as key growth drivers of the OEM business. Segmental turnover from the OEM business increased by 6.0% to approximately HK\$206.8 million, representing 86.9% of total turnover for the Period, and was mainly attributed to an increase in demand for the imaging disposable products.

OBM Business – Expanding business with domestic and overseas distributorship network

The expanding OBM business generated sales of approximately HK\$31.1 million, representing an increase of approximately 9.2% as compared to the corresponding period in 2015. Upon acquiring a controlling interest in Rehab-Robotics Company Limited (“RRCL”) in December 2015, the developer of the “Hand of Hope” (“HOH”), an EMG-driven robotic hand training device for stroke patients – winner of the Grand Prix Award in the 2012 International Exhibition of Inventions of Geneva – the Group has consequently expanded its business portfolio to include robotic rehabilitation. During the Period, the Group opened more markets for the HOH by applying for product registration and distribution permits in countries including Germany, Switzerland, Romania, Korea and Singapore.

Prospects

Looking ahead, the Group will continue to strengthen its market position in the medical devices industry.

Correspondingly, the Group will further expand the OBM business by seeking new innovative technologies to enhance product offerings. Already there are a number of pipeline products that will be in advanced stages of development. The development of the bubble continuous positive airway pressure (“CPAP”) and oxygen blender systems are in good progress; the home use ultrasonic nebulizer, which is co-developed with the Guangzhou Institute of Respiratory Disease (廣州呼吸疾病研究所), and has shown a positive clinical testing result. All these products are expected to be launched in 2017 and sold under the Group’s “Inspired Medical” (“英仕醫療”) brand through its distribution network in the PRC and overseas. The Group believes that the products will be well-received by the market due to the increasing number of new born babies and respiratory disease patients in the PRC and the emerging markets.

To scope with the continuous demand of high technology medical devices in the PRC and the emerging markets, the Group is co-developing a home care CPAP equipment with Ventific Holdings Pty Ltd, an Australian technology company. The Group will be responsible for manufacturing the product and for selling the product in the PRC and Japan. This is in line with the Group's strategy to introduce innovative overseas technologies into the PRC through its established distribution network. The CPAP equipment functional prototype has been under testing and the product is expected to be launched in 2017. Meanwhile, the Group is expecting to conclude another important respiratory project with an American company, where the Group will be responsible for manufacturing and distributing the product in certain areas of the PRC through its distribution network. These initiatives will strengthen the Group's market position of manufacturing and sale of respiratory devices in the PRC.

On top of the above, the Group taps into the robotic rehabilitation business. The Group plans to launch the rehabilitative home care business in the Hong Kong market in the last quarter of 2016. As for the robotic rehabilitation product line, the Group expects that the product registration in the USA will be obtained by the end of 2016 and the sales of the HOH will pick up in 2017. The Group has also obtained licenses from a university-affiliated entity in Hong Kong to co-develop robotic ankle, knee and hip training equipment for stroke patients. With the new systems expected to be launched in 2018, the Group will be able to further strengthen its position in robotic rehabilitation products market.

Mr. Choi concluded, "In response to the high market demand for quality healthcare treatment, we will continue to explore opportunities and introduce innovative overseas medical technologies into the PRC through our established distribution network in the future. With an experienced and dedicated management team, we will strive to uphold our strong reputation and deliver optimal returns to our shareholders."

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About Vincent Medical Holdings Limited (永勝醫療控股有限公司) (Stock code: 1612)

Established in 1997, Vincent Medical Holdings Limited is a Hong Kong-headquartered medical device manufacturing group. The Group develops, manufactures and sells a wide range of medical devices, focusing on respiratory products, imaging contrast media power injector disposable products, and orthopaedic and rehabilitation products, which satisfy internationally-recognised quality assurance standards, to its customers in China and overseas markets. The Group has established its OEM business since its inception and its OBM business in 2003 with its "Inspired Medical" ("英仕醫療") brand. According to the CIC Report, Vincent Medical was the second largest exporter of respiratory and anaesthesia disposables in China based on export value in 2015. The Group has developed a domestic and overseas distributorship network for its OBM business, which currently has over 380 distributors and other customers in China, and approximately 42 overseas distributors and other customers in various countries such as Australia, Japan, Korea, Indonesia, India, Chile, Brazil and Saudi Arabia.

For more information about Vincent Medical, please visit: <http://www.vincentmedical.com/>

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