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Vincent Medical Holdings Limited

永勝醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1612)

PROFIT WARNING

This announcement is made by Vincent Medical Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2019 (“**FY2019**”) and information currently available to the Company, the Group is expected to record a decrease of about HK\$20 million or 65% in the profit attributable to owners of the Company for FY2019 as compared to that for the year ended 31 December 2018.

Despite the Group’s total revenue increased by HK\$14.2 million or 2.9%, the Board considers that the expected profit decrease was mainly attributable to the combined effects of the following factors:

- (i) the absence of one-off write back of other payables (2018: HK\$3.9 million) for FY2019;
- (ii) the increase in selling and distribution expenses by HK\$4.4 million or 15.9%, mainly due to an increase in demand in premium delivery services from clients and the increased marketing expenses for new products;

- (iii) the increase in administrative expenses by HK\$12.8 million or 14.3%, primarily due to an increase in research and development (“**R&D**”) expenses to progress the Group’s R&D product pipeline and support new launches of “Inspired Medical” products, the relocation of sales and R&D offices to Dongguan Songshan Lake Science and Technology Industrial Park and the general increase in average salary and number of staff; and
- (iv) the impairment loss of goodwill and investments of around HK\$10 million (2018: HK\$2.6 million) for FY2019 based on the preliminary assessment and the final amount is subject to further evaluation.

As at the date of this announcement, the Company is still in the process of finalising the annual results of the Group for FY2019. The information contained herein is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for FY2019 and the unaudited information currently available to the Company, which have not been confirmed or reviewed by the audit committee of the Company and have not been audited by the Company’s auditor. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for FY2019 which will be published before the end of March 2020 pursuant to the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Vincent Medical Holdings Limited
Choi Man Shing
Chairman and Executive Director

Hong Kong, 14 February 2020

As at the date of this announcement, the Board comprises Mr. Choi Man Shing, Mr. To Ki Cheung, Mr. Koh Ming Fai and Mr. Fu Kwok Fu as executive Directors, Mr. Guo Pengcheng as a non-executive Director, and Mr. Mok Kwok Cheung Rupert, Mr. Au Yu Chiu Steven and Prof. Yung Kai Leung as independent non-executive Directors.