

【 For Immediate Release 】

23 March 2022



## Vincent Medical Holdings Limited

Stock code : 1612. HK

### Announces 2021 Annual Results

**Agreements with Med-tech Conglomerates to Bring In-house Products Worldwide  
Steady Growth from Imaging Disposables + Orthopaedic and Rehabilitation Segments  
Final Dividend of HK\$2.5 cents per share to Drive Annual Payout Ratio to 48.5%**

#### Financial highlights

<i>HK\$ million</i>			
<b>For the year ended 31 December</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Revenue	<b>777.7</b>	1,155.4	502.2
Gross profit	<b>259.1</b>	494.2	162.0
Basic EPS (HK cents)	<b>9.28</b>	33.84	1.81
Final dividend (HK cents)	<b>2.5</b>	11.0	1.10
Interim dividend (HK cents)	<b>2.0</b>	-	-

(Hong Kong, 23 March 2022) – **Vincent Medical Holdings Limited** (“Vincent Medical” or together with its subsidiaries, the “Group”, stock code: 1612), is pleased to announce its annual results for the year ended 31 December 2021 (the “Year”).

Due to the high base of prior year and the decreasing rate of hospitalisation from COVID-19, revenue for the Year decreased by 32.7% year-on-year (“YoY”) to HK\$777.7 million (2020: HK\$1,155.4 million), in line with management expectation. Nonetheless, when compared to pre-pandemic figures in 2019, revenue for the Year actually grew by 54.9%, with respiratory products segment surged by 101.5%. Gross profit decreased by 47.6% YoY to HK\$259.1 million (2020: HK\$494.2 million), with gross profit margin dropped from 42.8% to 33.3%, due primarily to the changing product mix, sharp increase in raw material prices, appreciation of RMB and operational deleveraging. Profit attributable to owners of the Company decreased by 72.0% YoY to HK\$60.7 million (2020: HK\$216.9 million). If excluding one-off impairment losses, write off and loss on disposal of a subsidiary, net profit attributable to owners of the Company was HK\$89.6 million.

The Board declared the payment of a final dividend of HK\$2.5 cents per share for 2021. Along with the interim dividend of HK2.0 cents, total dividend of the Year reached HK\$4.5 cents per share (2020: HK\$11.0 cents), with dividend payout ratio increased to 48.5% (2020: 32.5%).

### **Signed multi-year agreements with med-tech conglomerates to bring inspired™ respiratory solutions worldwide**

One of the important milestones that the Group reached in 2021 was to successfully enter into long-term collaboration agreements with some of the world-leading medical and healthcare technology companies. In addition, the Group also entered into a global cooperation framework agreement with a subsidiary of Sinopharm Group in December 2021. The agreement would allow the Group to expand its sales channel to countries under the Belt-and-Road initiative through certain international organisations.

The Group is not only treating these collaborations as merely distribution of products to new markets, but rather as a vote of confidence from global established partners, as well as an opportunity to create more values for patients with its expanding R&D and product development capability through collaborations.

Revenue from the respiratory products segment declined by 47.8% YoY to HK\$427.9 million (2020: HK\$819.0 million), against a high base in the prior year driven by the extraordinary demand at the initial surge of COVID-19. Nonetheless, sales from the respiratory products segment was 101.5% higher than that of 2019, before the COVID-19 pandemic. For segment gross margin, it decreased from 47.9% to 38.3%, primarily due to the change in product mix and lower production volume.

### **Steady Growth from Imaging Disposables and Orthopaedic and Rehabilitation Products**

Regarding its Imaging Disposable Products segment, the Group continued to leverage its technological know-how and develop new products with its customer, and was seeing growing order intake across all product categories. In 2021, segment revenue continued to record a steady growth of 7.2% YoY to HK\$213.8 million (2020: HK\$199.5 million). Yet, segment gross margin decreased from 31.6% to 28.7%, primarily due to the increase in raw material costs that were yet to pass on to the customer during the Year.

Meanwhile, although COVID-19 continued to have a pronounced impact on all aspects of orthopaedic and rehabilitation care, the Group saw a recovery from its orthopaedic and rehabilitation products segment, with revenue increased by 25.3% to HK\$79.0 million (2020: HK\$63.1 million). Segment gross margin decreased from 34.2% to 31.6%, due to the increase in raw material costs that were yet to pass on to customers during the Year.

### **Outlook**

The COVID-19 pandemic has created an increasing recognition over high flow oxygen therapy, and its adoption has been on the rise in multiple areas of the hospital or out-of-hospital environment. To capture such opportunities, the Group will continue to pursue its “device + disposables” growth strategy, by actively expanding its installed base through collaborations, as well as pursuing relevant product registrations to fast-track market penetration. In addition, the Group will also focus on developing new

and integrated solutions to further solidify its market position.

**Mr. Choi Man Shing, Chairman of Vincent Medical, said,** “Vincent Medical has built a reputation in respiratory products over the years. We are becoming a collaborating partner of major global med-tech companies, and we are more than ready at the heart of the Greater Bay Area, we also see the possibilities of further collaborations, as there is a growing willingness among overseas med-tech companies to partner with qualified domestic manufacturers in device development and manufacturing.”

“2022 also marks the 25th anniversary of Vincent Medical. In January 2022, the Group has appointed Mr. Choi Cheung Tai Raymond as its first deputy Chief Executive Officer to accelerate the execution of our strategic priorities. Looking ahead, we vow to continue creating long term values for our stakeholders, and we will carry on with our efforts to become a leader in respiratory care in the future.”

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### **About Vincent Medical Holdings Limited (Stock code: 1612)**

Established in 1997, Vincent Medical Holdings Limited is a Hong Kong-headquartered medical technology company. We develop, manufacture and sell a wide range of medical devices to our customers around the globe, focusing on respiratory care, imaging disposable, and orthopaedic and rehabilitation products. Our products include a range of electronic medical devices such as high-flow oxygen therapy devices, respiratory humidification system, rehabilitation devices, as well as the related disposables in respiratory care and anesthesiology. With our major production base in Dongguan, China, along with the R&D, regulatory and manufacturing divisions in Dongguan Songshan Lake Technology Industrial Park, we are dedicated to bringing innovative, high-quality and reliable medical devices to the global market.

This press release is issued by DLK Advisory Limited on behalf of **Vincent Medical Holdings Limited.**

For enquiries, please contact:



**DLK Advisory** 金通策略

Tel: +852 2857 7101

Fax: +852 2857 7103