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## **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)**

### **PROFIT WARNING**

This announcement is made by Jinhai Medical Technology Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to Rule 13.09(2) 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 of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the draft unaudited consolidated management accounts of the Group and other information currently available to the Board, the Group expects to record a net loss in the range of S\$3.5 million to S\$4.5 million for the year ended 31 December 2023 (the “**Reporting Period**”), as compared to a net profit of S\$0.12 million for the year ended 31 December 2022. The expected turnaround from net profit to net loss position was primarily attributable to, amongst others, the following reasons:

1. Following the Board’s previous reassessment of the business focus and strategic direction, the Group was actively pursuing the minimally surgery solution sector and related medical products and services in China. As such, certain early stage product development and test manufacturing costs were incurred. Such amount was approximately S\$1.15 million for the Reporting Period as compared to approximately S\$0.60 million for the year ended 31 December 2022.
2. During the Reporting Period and in relation to the minimally surgery solution business, the Group has incurred additional general and administrative expenses in support of the new business development, including the hiring of relevant industry veterans and other supporting employees, renting of additional places suitable for research and development, manufacturing and marketing of the minimally surgery solution related products. As such, general and administrative expenses for the Reporting Period amounted to S\$0.91 million, comparing to approximately S\$0.70 million incurred by the Group for the year ended 31 December 2022.
3. During the Reporting Period and in support of the new minimally surgery solution business, additional promotional and marketing expenses were incurred. Approximately S\$1.72 million was incurred for the Reporting Period, while S\$0.17 million was incurred for the year ended 31 December 2022.

4. Certain motivational performance bonus was paid to the management for the Group's overseas manpower resource and dormitory services business during the Reporting Period for recognition of improvement in the business. Such amount was approximately S\$2.5 million.

The Board wishes to remind the Shareholders and potential investors that the above is based on the draft unaudited consolidated management accounts of the Group for the Reporting Period and the information currently available to the Board. Such information has not been audited or reviewed by the auditors and the audit committee of the Company and is subject to adjustments upon further review. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the Reporting Period which is expected to be published in March 2024.

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

By order of the Board  
**Jinhai Medical Technology Limited**  
**Chen Guobao**  
Chairman of the Board and Executive Director

Hong Kong, 22 March 2024

*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. Wang Huasheng and Mr. Yu Mingyang; and three are independent non-executive Directors, namely Mr. Yan Jianjun, Mr. Fan Yimin and Ms. Yang Meihua.*