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## **Meihao Medical Group Co., Ltd**

**美皓醫療集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1947)**

### **PROFIT WARNING**

This announcement is made by Meihao Medical Group Co., Ltd (the “**Company**”, together with its subsidiaries, 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the Board and a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 (the “**Relevant Period**”), it is expected that the Group will record a net loss ranging from approximately RMB29.4 million to approximately RMB35.9 million (for the year ended 31 December 2023: net loss of RMB13.6 million).

The expected loss was mainly due to the following reasons:

- (i) the significant decrease in the sales price resulting from the continuous impact of the collective procurement policy on dental implants (種植牙集採政策), which further reduced the profit margin from implant dentistry services;
- (ii) amidst the competitive local dental market, price wars and excessive competition within the industry have intensified profit pressure, resulting in higher costs for new customer development, absence of effective customer source channels and unstable conversion rates;

- (iii) in 2024, economic recovery fell short of expectations. Residents prefer to save money and reduce spending on non-essential medical expenses. The middle-class customer base has shifted to public hospitals or low-cost private clinics; and
- (iv) an increase in staff costs due to the grant of share options and share awards to retain senior management and attract more talents, in preparation for the strategic development of the Group.

Regardless of the current situation, the Group still manages to keep a healthy financial position with sufficient cash reserves for the Company. The Board will continue to assess the effect of a challenging economic environment on the Group's operation and financial performance, and explore new business and profit directions. The Board believes that the short-term financial performance is only a phase and will continue to focus on expanding the business in the coming year.

At the date of this announcement, the Group is still in the process of finalising its annual results for the Relevant Period. The information contained in this announcement is only based on the preliminary assessment by the Board based on the information currently available and the unaudited consolidated financial information of the Group, which has not been confirmed or reviewed by the auditor of the Company, nor reviewed by the audit committee of the Company. Therefore, the above information may be subject to adjustment, and may differ from the audited annual results for the Relevant Period of the Group. The relevant information of the Group's performance for the Relevant Period will be disclosed in the annual results announcement to be issued by the end of March 2025.

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

By order of the Board  
**Meihao Medical Group Co., Ltd**  
**Mr. Wang Xiaomin**  
*Chairman, Chief Executive Officer and Executive Director*

Wenzhou, 27 February 2025

*As at the date of this announcement, the Board of the Company includes the executive Directors Mr. Wang Xiaomin, Ms. Zheng Man and Dr. Zhou Jian; and the independent non-executive Directors Ms. Tam Hon Shan Celia, Mr. Ng Ming Chee and Mr. Zhang Yongcun.*