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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 the 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 six months ended 30 June 2024 (the “**Relevant Period**”), it is expected that the Group will record a net loss ranging from approximately RMB13.2 million to approximately RMB16.2 million (for the six months ended 30 June 2023: net loss of RMB2.1 million).

The expected loss was mainly due to the following reasons:

- (i) 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;
- (ii) the weak macro-economic condition of mainland China and reduction in consumption significantly affecting the Group’s revenue and gross profit margin from dentistry services, as the average spending per customer decreased;
- (iii) an increase in staff costs due to the recruitment of senior management personnel across departments to serve as the talent pool for our Group’s strategic development; and
- (iv) an increasing expenditure on advertising and internet platforms to promote the Group’s popularity and to launch different sales schemes to attract new clients.

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 condition 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 half year.

At the date of this announcement, the Group is still in the process of finalising its interim 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 information contained in the interim 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 interim results announcement to be issued by the end of August 2024.

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, 9 August 2024

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