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UNIVERSAL HEALTH INTERNATIONAL GROUP HOLDING LIMITED
大健康國際集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2211)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders and the potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group and the current available information to the Board, the Group is expected to record a loss for the eighteen months ended 30 June 2018.

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

This announcement is made by Universal Health International Group Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 “**SFO**”).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders and the potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group and the current available information to the Board, the Group is expected to record a loss for the eighteen months ended 30 June 2018 (the “**Period**”), and the loss for the Period is expected to exceed the loss for the twelve months ended 31 December 2017 and the year ended 31 December 2016. Details will be disclosed in the results announcement to be issued soon.

The expected loss recorded for the Period was mainly due to the following factors:

- (i) the market remains at a very low point as a result of the continuous downturn of regional real economy with the Northeastern region in the People's Republic of China (the "PRC") experiencing a transition of its second revitalization and the competition has intensified; meanwhile, some of the branches were closed in the Period due to structural adjustment, resulting in a decrease in overall sales of the Group.
- (ii) upstream suppliers were striking for the Certification of the Good Manufacture Practice of Medical Products and hence devoted in upgrading their supplies, leading to an increase in the cost of our purchase; meanwhile, during the Period, the Group has applied various promotion initiatives and organized more member events and different promotional campaigns with discounts offered to consumers in order to ease the significant decrease in sales and to maintain relative competitiveness, which resulted in a decrease in the gross margin of the Group for the Period.
- (iii) the Group has made an analysis on the impact of the macro and industrial economic environment and performed an impairment assessment on goodwill. Basing on the signs of impairment, the Group has performed an impairment assessment on goodwill and non-current assets. The Group is expected to make an impairment provision for goodwill and non-current assets.

Although the Group is expected to record a loss for the Period, the Board is of the view that the overall financial position of the Group remains healthy. The Group has proactively facilitated its strategic transformation, promoted the development of the partnership mechanism, constructed the "Universal Health+" platform and diversified its breakthrough models; implemented share option scheme for the sake of the management, key staff of technology and business of the Company to improve the cohesion and to maintain the competitiveness of the Group; stimulated spending on chain stores and social insurance medical card to boost the overall sales in the PRC, as well as diversified supplier channels in order to reduce the overall cost. Thus, the Board is optimistic with the long term outlook of the Group.

The information contained in this announcement is prepared only based on the Board's preliminary review of the consolidated management accounts of the Group which has not been audited by the auditors and the current available information to the Board. The audited results of the Company for the Period will be disclosed in the results announcement to be published in September 2018.

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

By Order of the Board
Universal Health International Group Holding Limited
Jin Dongtao
Chairman

Hong Kong, 27 July 2018

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Jin Dongtao, Mr. Jin Dongkun, Mr. Zhao Zehua and Mr. Sun Libo and three independent non-executive directors, namely, Mr. Cheng Sheung Hing, Ms. Chiang Su Hui Susie and Mr. Zou Haiyan.