Vincent Medical Holdings Limited

永勝醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1612)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2018 ("**1H2018**" or the "**Period**") increased by 10.6% to HK$227.1 million as compared to that of HK$205.4 million for the six months ended 30 June 2017 ("**1H2017**").

- Gross profit for 1H2018 increased by 2.7% to HK$72.8 million (1H2017: HK$70.9 million). Gross profit margin for 1H2018 decreased by 2.4 percentage points from 34.5% to 32.1%.

- Profit attributable to owners of the Company for 1H2018 increased by 4.4% to HK$12.9 million (1H2017: HK$12.4 million).

- Basic earnings per share of the Company for 1H2018 increased by 4.1% to HK2.02 cents (1H2017: HK1.94 cents).

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Vincent Medical Holdings Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2018, together with the comparative figures for the previous corresponding period as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Note	Six months ended 30 June **2018** ***HK$'000*** **(unaudited)**	 2017 *HK$'000* (unaudited)
Revenue	4	**227,088**	205,401
Cost of sales		**(154,298)**	(134,526)
Gross profit		**72,790**	70,875
Other income		**893**	296
Selling and distribution expenses		**(12,499)**	(7,137)
Administrative expenses		**(41,817)**	(45,920)
Profit from operations		**19,367**	18,114
Finance costs – interest on borrowings		**(344)**	(78)
Share of losses of associates		**(932)**	(419)
Share of (losses)/profits of joint ventures		**(689)**	121
Profit before tax		**17,402**	17,738
Income tax expense	5	**(4,167)**	(4,555)
Profit for the period	6	**13,235**	13,183
Attributable to:			
Owners of the Company		**12,905**	12,365
Non-controlling interests		**330**	818
		13,235	13,183
Earnings per share	8		
Basic		**HK2.02 cents**	HK1.94 cents
Diluted		**n/a**	HK1.93 cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**13,235**	13,183
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Fair value changes of equity investments at fair value through other comprehensive income (FVTOCI)	**1,816**	–
Items that will be reclassified to profit or loss:		
Share of other comprehensive income of joint ventures	**(47)**	–
Exchange differences on translating foreign operations	**(2,056)**	5,570
	(2,103)	5,570
Other comprehensive income for the period, net of tax	**(287)**	5,570
Total comprehensive income for the period	**12,948**	18,753
Attributable to:		
Owners of the Company	**13,080**	16,985
Non-controlling interests	**(132)**	1,768
	12,948	18,753

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2018

	Note	**30 June 2018** **HK$'000** **(unaudited)**	31 December 2017 HK$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**51,782**	47,190
Goodwill		**4,270**	4,270
Other intangible assets		**35,243**	26,333
Investments in associates		**13,885**	4,760
Investments in joint ventures		**22,167**	22,988
Available-for-sale financial assets		**–**	48,640
Equity investments at FVTOCI		**77,341**	–
Total non-current assets		**204,688**	154,181
Current assets			
Inventories		**88,005**	97,439
Contract assets		**17,973**	–
Trade receivables	9	**97,321**	115,443
Prepayments, deposits and other receivables		**42,116**	41,826
Current tax assets		**669**	3,277
Bank and cash balances		**65,095**	112,993
Total current assets		**311,179**	370,978
TOTAL ASSETS		**515,867**	525,159
EQUITY AND LIABILITIES			
Share capital	11	**6,377**	6,380
Reserves		**375,060**	358,805
Equity attributable to owners of the Company		**381,437**	365,185
Non-controlling interests		**55,822**	49,766
Total equity		**437,259**	414,951

	Note	30 June 2018 HK$'000 (unaudited)	31 December 2017 HK$'000 (audited)
Non-current liabilities			
Deferred tax liabilities		**2,644**	2,395
Current liabilities			
Trade payables	10	**27,960**	43,276
Other payables and accruals		**28,831**	46,156
Borrowings		**9,709**	9,824
Current tax liabilities		**9,464**	8,557
Total current liabilities		**75,964**	107,813
TOTAL EQUITY AND LIABILITIES		**515,867**	525,159
Net current assets		**235,215**	263,165
Total assets less current liabilities		**439,903**	417,346

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2018

1. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosures required by the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

These condensed consolidated financial statements should be read in conjunction with the 2017 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2017 except as stated below.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the Period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2018. HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"), Hong Kong Accounting Standards ("**HKAS**") and Interpretations.

The Group has initially adopted HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers from 1 January 2018. A number of other new standards are effective from 1 January 2018 but they do not have a material effect on the Group's consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. As permitted by the transitional provisions of HKFRS 9, the Group was elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings of the Period.

The adoption of HKFRS 9 resulted in the following changes to the Group's accounting policies.

(a) *Classification*

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income ("**FVTOCI**") or fair value through profit or loss ("**FVTPL**"); and

- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the Period, the Group changes its business model for managing financial assets.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

(b) *Measurement*

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, in the case of financial asset not at FVTPL, transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

(c) *Impairment*

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets.

Impairment on other receivables are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

Set out below is the impact of the adoption of HKFRS 9 on the Group.

The following table and the accompanying note below explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018.

Financial assets	**Classification under HKAS 39**	**Classification under HKFRS 9**	**Carrying amount under HKAS 39**	**Carrying amount under HKFRS 9**
			HK$'000	*HK$'000*
Equity investments *(Note)*	Available-for-sale	FVTOCI	48,640	61,398
Trade and other receivables	Loans and receivables	Amortised cost	236,812	236,812

The impact of these changes on the Group's equity is as follows:

	Effect on FVTOCI reserve *HK$'000*	Effect on retained earnings *HK$'000*
Opening balance – HKAS 39	–	179,779
Reclassify non-trading equity investments from available-for-sale to financial assets at FVTOCI *(Note)*	12,758	–
Opening balance – HKFRS 9	12,758	179,779

Note:

These unlisted equity investments represent investments that the Group intends to hold for the long term for strategic purposes. Before adoption of HKFRS 9, these equity investments were measured at cost less impairment loss. As permitted by HKFRS 9, the Group has designated these investments at the date of initial application as measured at FVTOCI. As a result, these equity investments were reclassified from available-for-sale financial assets to financial assets at FVTOCI with fair value gain of approximately HK$12,758,000 credited to the FVTOCI reserve on 1 January 2018. Unlike HKAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognsied. It replaced HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

The Group has adopted HKFRS 15 using the cumulative effect method with the effect of initially applying this standard recognised at the date of initial application. Accordingly, the information presented for 2017 has not been restated, i.e. it is presented, as previously reported, under HKAS 18, HKAS 11 and related interpretations.

Under HKFRS 15, revenue is recognised when or as the control of promised goods or services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of promised goods or services may be transferred over time or at a point in time. Control of the promised goods or services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer control as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the promised goods or services transfers over time, revenue is recognised over the Period of the contract by reference to the progress towards complete satisfaction of the performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the promised goods or services.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- the direct measurements of the value of assets transferred by the Group to customer; or

- The Group's efforts or inputs to the satisfaction of the performance obligations.

In prior reporting periods, revenue from the sales of original equipment manufacturing ("**OEM**") and the original brand manufacturing ("**OBM**") products is generally recognised when the risk and rewards of ownership have passed to the customers.

The adoption of HKFRS 15 resulted in the following changes to the Group's accounting policies on revenue recognition.

(a) *Revenue from the sales of OEM products*

Under HKFRS 15, OEM products that have no alternative use to the Group and when the Group has an enforceable right to payment from the customers for performance completed to date, the Group recognises revenue as the performance obligation is satisfied over time in accordance with the input method, by reference to the costs incurred to date over the total expected costs. Otherwise, sales are recognsied when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been delivered to the designated location prescribed by the customer.

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers goods to the customer, the Group presents the contract as a contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

(b) *Revenue from the sales of OBM products*

Under HKFRS 15, the sales of OBM products are recognsied when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Set out below is the impact of the adoption of HKFRS 15 on the Group.

The following table summarises the impact on the Group's opening retained earnings and non-controlling interests as at 1 January 2018 is as follows:

	HK$'000
Sales of OEM products transferred over time	5,560
Related tax	(596)
Adjustment to retained earnings and non-controlling interests from adoption of HKFRS 15 on 1 January 2018	4,964
Attributable to:	
Owners of the Company	3,976
Non-controlling interests	988
	4,964

The impact on the Group's financial position by the application of HKFRS 15 as compared to HKAS 18, HKAS 11 and related interpretations that was previously in effect before the adoption of HKFRS 15 is as follows:

Consolidated statement of financial position (extract)	**Previously stated as at 31 December 2017**	**Adjustments under HKFRS 15**	**Restated as at 1 January 2018**
	HK$'000	*HK$'000*	*HK$'000*
Inventories	97,439	(12,262)	85,177
Contract assets	–	17,822	17,822
Current tax assets	3,277	(596)	2,681
Retained earnings	179,779	3,976	183,755
Non-controlling interests	49,766	988	50,754

The amount by each financial statements line items affected in the Period and period to date by the application of HKFRS 15 as compared to HKAS 18, HKAS 11 and related interpretations that was previously in effect before the adoption of HKFRS 15 is as follows:

Consolidated statement of financial position as at 30 June 2018 (extract)	**As reported**	**Effect of the adoption of HKFRS 15**	**Amounts without adoption of HKFRS 15**
	HK$'000	*HK$'000*	*HK$'000*
Inventories	88,005	11,990	99,995
Contract assets	17,973	(17,973)	–
Current tax assets	669	642	1,311
Retained earnings	191,439	(4,278)	187,161
Non-controlling interests	55,822	(1,063)	54,759

Consolidated statement of profit of loss for the six months ended 30 June 2018 (extract)	**As reported**	**Effect of the adoption of HKFRS 15**	**Amounts without adoption of HKFRS 15**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	227,088	(151)	226,937
Cost of sales	154,298	271	154,569
Income tax expense	4,167	(45)	4,122

3. SEGMENT INFORMATION

Information about reportable segment profit or loss:

	OEM	**OBM**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)
Six months ended 30 June 2018			
Revenue from external customers	**183,974**	**43,114**	**227,088**
Segment profit/(loss)	**29,862**	**(7,430)**	**22,432**
Six months ended 30 June 2017			
Revenue from external customers	170,078	35,323	205,401
Segment profit/(loss)	27,651	(3,568)	24,083

Reconciliation of reportable segment profit or loss:

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Total profit or loss of reportable segments	**22,432**	24,083
Interest income	**21**	57
Interest expenses	**(344)**	(78)
Share-based payments	**(1,381)**	(2,405)
Share of losses of associates	**(932)**	(419)
Share of (losses)/profits of joint ventures	**(689)**	121
Unallocated corporate income	**872**	239
Unallocated corporate expenses	**(2,577)**	(3,860)
Consolidated profit before tax	**17,402**	17,738

Revenue from major customers:

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
OEM segment		
Customer A	**85,162**	80,949
Customer B	**39,571**	35,197

4. REVENUE

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

The nature and effect of initially applying HKFRS 15 on the Group's interim financial statements are disclosed in Note 2.

In the following table, revenue is disaggregated by product category, geographical market and timing of revenue recognition.

	Six months ended 30 June (unaudited)					
	OEM		OBM		Total	
	2018	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
By product category						
Respiratory products	**41,558**	44,102	**38,638**	29,792	**80,196**	73,894
Imaging disposable products	**81,729**	79,093	**–**	–	**81,729**	79,093
Orthopaedic and rehabilitation products	**31,402**	29,493	**4,476**	5,531	**35,878**	35,024
Other products	**29,285**	17,390	**–**	–	**29,285**	17,390
	183,974	170,078	**43,114**	35,323	**227,088**	205,401
By geographical market						
United States of America (the "**US**")	**145,532**	146,206	**1,888**	1,186	**147,420**	147,392
The People's Republic of China (the "**PRC**")	**–**	–	**23,887**	18,801	**23,887**	18,801
Australia	**13,225**	5,840	**430**	354	**13,655**	6,194
Netherlands	**8,380**	7,504	**–**	–	**8,380**	7,504
Japan	**6,163**	6,936	**1,320**	752	**7,483**	7,688
Others	**10,674**	3,592	**15,589**	14,230	**26,263**	17,822
	183,974	170,078	**43,114**	35,323	**227,088**	205,401
By timing of recognition						
Products transferred at a point in time	**98,812**	170,078	**43,114**	35,323	**141,926**	205,401
Products transferred over time	**85,162**	–	**–**	–	**85,162**	–
	183,974	170,078	**43,114**	35,323	**227,088**	205,401

The following table provides information about receivables and contract assets from contracts with customers:

	30 June 2018	1 January 2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Receivables, which included in "trade receivables"	**97,321**	115,443
Contract assets	**17,973**	17,822

Contract assets primarily consist of unbilled amount resulting from sales of OEM products transferred over time. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax		
– Hong Kong Profits Tax	**2,647**	2,727
– PRC Corporate Income Tax	**1,271**	1,824
Deferred tax	**249**	4
	4,167	4,555

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profits for the six months ended 30 June 2018 and 2017.

Under the Corporate Income Tax Law of the PRC which became effective from 1 January 2008, the standard corporate income tax rate is 25% except for Vincent Medical (Dongguan) Mfg. Co. Ltd.(東莞永勝醫療製品有限公司), a PRC subsidiary of the Company which is qualified as High and New Tech Enterprise and would be entitled to a reduced corporate income tax rate of 15%. The relevant tax rates of the Company's PRC subsidiaries range from 15% to 25%.

6. PROFIT FOR THE PERIOD

The Group's profit for the Period is arrived at after charging:

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Amortisation	**1,890**	821
Cost of inventories sold	**154,298**	134,526
Depreciation	**6,212**	5,299
Directors' emoluments	**3,098**	3,069
Equity-settled share-based payments	**1,381**	2,405
Exchange loss, net	**2,633**	2,938
Operating lease charges – land and buildings	**6,228**	4,280
Research and development expenditure	**9,746**	8,192
Staff costs including directors' emoluments	**57,185**	54,075

7. DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2018 (for the six months ended 30 June 2017: Nil).

The final dividend of HK1.5 cents amounting to approximately HK$9,565,000 for the year ended 31 December 2017 has been approved and paid on 20 June 2018.

8. EARNINGS PER SHARE

	Six months ended 30 June	
	2018	2017
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Earnings		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	**12,905**	12,365
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	**637,656**	638,000
Effect of dilutive potential ordinary shares arising from share options issued by the Company *(Note)*	**n/a**	3,373
Weighted average number of ordinary shares used in calculating diluted earnings per share	**n/a**	641,373

Note:

The effects of all potential ordinary shares are anti-dilutive for the six months ended 30 June 2018.

9. TRADE RECEIVABLES

The general credit terms of the Group granted to its customers range from 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

The ageing analysis of trade receivables, based on the invoice date, is as follows:

	30 June 2018	31 December 2017
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 to 30 days	**48,452**	39,925
31 to 60 days	**19,567**	27,348
61 to 90 days	**15,993**	22,249
Over 90 days	**13,309**	25,921
	97,321	115,443

10. TRADE PAYABLES

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	30 June 2018	31 December 2017
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 to 30 days	**17,814**	20,784
31 to 60 days	**2,584**	7,134
Over 60 days	**7,562**	15,358
	27,960	43,276

11. SHARE CAPITAL

	30 June 2018	31 December 2017
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Authorised:		
10,000,000,000 ordinary shares of HK$0.01 each	**100,000**	100,000
Issued and fully paid:		
637,650,000 (At 31 December 2017: 638,000,000) ordinary shares at HK$0.01 each	**6,377**	6,380

A summary of the movements in the issued share capital of the Company is as follows:

	Number of shares issued	**Nominal value of shares issued**
		HK$'000
At 1 January 2017, 31 December 2017 and 1 January 2018	638,000,000	6,380
Repurchase of shares	(350,000)	(3)
At 30 June 2018	**637,650,000**	**6,377**

On 3 January 2018, the Company repurchased 350,000 ordinary shares at approximately HK$228,000 and these shares were cancelled on 16 January 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

For 1H2018, the Group's revenue increased by 10.6% to HK$227.1 million (1H2017: HK$205.4 million). Gross profit margin decreased by 2.4 percentage points to 32.1% (1H2017: 34.5%). Profit attributable to owners of the Company increased by 4.4% to HK$12.9 million (1H2017: HK$12.4 million). Basic earnings per share of the Company (the "**Share(s)**") was HK2.02 cents (1H2017: HK1.94 cents). The Directors do not recommend the payment of interim dividend to the shareholders of the Company (the "**Shareholders**") for 1H2018 (1H2017: Nil).

REVIEW OF OPERATIONS

During 1H2018, the Group has continued to focus on its core strategies of expanding its product offerings and to promote its existing products in both OEM and OBM segments by reaching out to new customers and increasing market penetration. Sales of the Group has restored growth thanks to increased marketing efforts, scheduled new products roll-out in the OBM segment and increased orders from our existing OEM customers.

Despite our continued efforts to drive cost efficiency through our entire value chain, overall operating costs was higher as compared to same period last year. This was mainly due to increasing wages and labour costs in the PRC, the scale up of our research and development ("**R&D**"), regulatory assurance and marketing setup to support the expanding product portfolio (e.g. the new Hypnus™ CPAP (continuous positive airway pressure) machine and the new humidification system were first launched in the second half of 2017).

We are leveraging our strengths through collaborating with medical technology partners and internal R&D to expand our portfolio, to enter into new medical specialty areas and expedite our regulatory approval process. During the Period, our Inspired Bubble CPAP system has been granted the CE (Conformité Européenne) marking certificate and we have completed the development of the high flow oxygen therapy machine.

Bubble CPAP system is a non-invasive positive airway pressure system that is particularly popular in countries where resources for neonatal ventilators are limited thus allowing hospitals to use bubble CPAP system on neonate, infant and paediatric patients where breathing support is required. Major markets for bubble CPAP will be in the less developed Asia Pacific countries, India, Africa, Latin America and selected markets in Europe and the US.

During the Period, development of the high flow oxygen therapy machine was completed. Non-invasive ventilation like high flow oxygen therapy is becoming an integral tool for the treatment of both acute and chronic respiratory failure in both home setting and critical care unit. As such, we expect strong market interest of our high flow oxygen therapy machines when it is ready for market towards the end of 2018.

In April 2018, we received a gold medal at the 46th International Exhibition of Inventions Geneva 2018 for our germ-repellent and moisture dissipating medical breathing tube which was co-developed with Nano and Advanced Materials Institute Limited. With built-in germ-repellent and moisture dissipating technology, the non-toxic, leach-free, biocompatible germ-repellent plastics and moisture dissipating cartridge can reduce bacteria by over 90%, which is an ideal material for fabricating medical breathing tubes.

OEM

Revenue from the OEM segment amounted to HK$184.0 million (1H2017: HK$170.1 million), representing a growth of 8.2% and accounting for 81.0% of the Group's total revenue (1H2017: 82.8%). The increase was primarily attributable to higher sales volumes of the existing imaging disposable and orthopaedic and rehabilitation products and increase in new product sales, which were partially offset by a 5.8% decrease in revenue from the respiratory products. During the Period, we have expanded our OEM product line to offer a broader spectrum of plastic disposable products, filters and surgical tools to meet customers' needs.

The following table sets forth the revenue breakdown of the Group's OEM segment by product category:

By product category

	For the six months ended 30 June				
	2018		2017		Change
	HK$'000	***% share***	*HK$'000*	*% share*	
Respiratory products	**41,558**	**22.6**	44,102	25.9	–5.8%
Imaging disposable products	**81,729**	**44.4**	79,093	46.5	+3.3%
Orthopaedic and rehabilitation products	**31,402**	**17.1**	29,493	17.4	+6.5%
Others (including infusion regulators, moulds and surgical tools)	**29,285**	**15.9**	17,390	10.2	+68.4%
Total	**183,974**	**100.0**	170,078	100.0	+8.2%

Our OEM products are mainly sold to customers in the US. During the Period, sales to the US slightly dropped by 0.5% to HK$145.5 million. Sales to Europe and Australia grew 47.1% and 126.5%, respectively. We expect the North America market will continue to account for a major part of our OEM revenue in the future.

The table below sets out the breakdown of revenue by location of customers in terms of absolute amount and as a percentage of revenue from the OEM segment:

By geography

	For the six months ended 30 June				
	2018		2017		Change
	HK$'000	***% share***	*HK$'000*	*% share*	
US	**145,532**	**79.1**	146,206	86.0	–0.5%
Europe	**13,734**	**7.5**	9,337	5.5	+47.1%
Australia	**13,225**	**7.2**	5,840	3.4	+126.5%
Japan	**6,163**	**3.3**	6,936	4.1	–11.1%
Others (including Israel and Hong Kong)	**5,320**	**2.9**	1,759	1.0	+202.4%
Total	**183,974**	**100.0**	170,078	100.0	+8.2%

OBM

The growth momentum of the OBM segment continued in 1H2018 with sales increased by 22.1% to HK$43.1 million (1H2017: HK$35.3 million). This was primarily attributable to new product launch in the respiratory product segment and the continued enhancement of marketing efforts to gradually establish a long-term stable sales channel. The PRC market continued to be the major market for our OBM segment with sales grew by 27.1% to HK$23.9 million in 1H2018 (1H2017: HK$18.8 million). Sales to international markets also recorded an overall growth of 16.4% to HK$19.2 million (1H2017: HK$16.5 million) despite a 14.7% drop in the sales to Europe, this was mainly attributable to the 55.4% increase in sales to Korea and Japan and the 59.2% increase in the sales to the US.

The following table sets forth the revenue breakdown of the Group's OBM segment by product category:

By product category

	For the six months ended 30 June				
	2018		2017		Change
	HK$'000	***% share***	*HK$'000*	*% share*	
Respiratory products	**38,638**	**89.6**	29,792	84.3	+29.7%
Orthopaedic and rehabilitation products	**4,476**	**10.4**	5,531	15.7	–19.1%
Total	**43,114**	**100.0**	35,323	100.0	+22.1%

The table below sets out the breakdown of revenue by location of customers in terms of absolute amount and as a percentage of revenue from the OBM segment:

By geography

	For the six months ended 30 June				
	2018		2017		Change
	HK$'000	***% share***	*HK$'000*	*% share*	
PRC	**23,887**	**55.4**	18,801	53.2	+27.1%
Korea and Japan	**5,081**	**11.8**	3,269	9.2	+55.4%
Europe	**5,054**	**11.7**	5,923	16.8	–14.7%
US	**1,888**	**4.4**	1,186	3.4	+59.2%
Australia	**430**	**1.0**	354	1.0	+21.5%
Others (including Israel, Chile and Canada)	**6,774**	**15.7**	5,790	16.4	+17.0%
Total	**43,114**	**100.0**	35,323	100.0	+22.1%

INVESTMENTS AND COLLABORATION

During the Period, we continued to work closely with our existing partners and medical technology companies that the Group invested in and to monitor the product development progress of these companies.

Fresca Medical, Inc.("**Fresca**"), a US company owned as to 13.51% of its issued share capital by the Group, was granted the De Novo request to market the CURVE™ Positive Airway Pressure Delivery System for the treatment of obstructive sleep apnea by FDA (Food and Drug Administration of the US) in June 2018. Fresca's breakthrough technology provides physicians the opportunity to offer a new breathing experience for patients who cannot tolerate existing CPAP therapy. During the Period, we worked seamlessly with Fresca to prepare for the transfer of manufacturing process of certain components of the system to our production facilities in Dongguan. It is expected that the launching of the CURVE™ System will begin in the US in 2019.

廣州柏頤信息科技有限公司 (translated as Guangzhou 100ecare Technology Co. Limited "**100ecare**", the Group owns 10% of its issued share capital) is a PRC high-tech enterprise which principally engages in the design, development, sales and operation of smart wearable devices; and a service provider of smart elderly healthcare solutions and information management solutions that integrates cloud computing and IoT (Internet of Things) technology. During the Period, 100ecare teamed up with a number of elderly care companies and district elderly community centers in the PRC to provide smart community care service. In addition, there have been considerable progress in product development, with the new electrocardiogram (ECG) smart wristband and remote health monitoring solutions scheduled to launch in the second half of 2018.

Retraction Limited ("**Retraction**"), the Hong Kong-based surgical device developer owned as to 40% of its issued share capital by the Group, launched its new version of REVEEL (a series of patented retractor for soft tissue mobilization to be used in endoscopic and laparoscopic procedures) after obtaining the CE marking certificate in 1H2018. The new family of devices are compatible with leading industry standard trocars which will allow for its use in a wider range of surgical applications. Further development of the new retractors is ongoing to include additional features as part of a larger product offering.

Inovytec Medical Solutions Ltd. ("**Inovytec**", the Group currently owns 13.7% with diluted effect of its enlarged issued share capital) is an Israeli private company focusing on the development of medical devices for airway managements, oxygen therapy and defibrillation in respiratory and cardiac emergency situations. During the Period, our engineers continued to work with Inovytec for the transfer of manufacturing process of their portable ventilator "Sparrow" to our production facilities, aiming to manufacture and test the first commercial production batch by the fourth quarter of 2018.

Avalon Photonics Holdings Limited ("**Avalon**", the Group owns 20% of its issued share capital), is a medical device and technologies company that researches and develops phototherapeutic technologies for managing various diseases. The LED-based Wearable Phototherapy Device for neonatal jaundice jointly developed by Avalon and the Group has received CFDA (China Food and Drug Administration of the PRC) approval in February 2018. During the Period, the Group began to penetrate the market with this product in selected cities with partners and specialized distributors.

FINANCIAL REVIEW

REVENUE

Driven by improved sales in both OEM and OBM segments, the Group's total revenue increased by 10.6% to HK$227.1 million for 1H2018 (1H2017: HK$205.4 million). Revenue from the US market stood at HK$147.4 million while revenue from the PRC market increased by 27.1%. In respect of business segments, OEM and OBM contributed 81.0% (1H2017: 82.8%) and 19.0% (1H2017: 17.2%), respectively, to the Group's total revenue.

GROSS PROFIT AND GROSS PROFIT MARGIN

Despite the 10.6% increase in total revenue, gross profit rose slightly by 2.7% to HK$72.8 million for 1H2018 (1H2017: HK$70.9 million). Gross profit margin decreased by 2.4 percentage points from 34.5% to 32.1%. The aggregate effect during the Period from the appreciation of Renminbi ("**RMB**") against US dollars ("**USD**"), rising of labour costs and increasing price of raw materials for production has more than offset the positive contribution to the Group's gross profit margin through the enhancement of production efficiency.

OTHER INCOME

Other income for the Period mainly represented the subsidies of HK$0.6 million (1H2017: Nil) from the Enterprise Support Scheme under the Innovation and Technology Fund of Hong Kong Government.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses increased by 75.1% to HK$12.5 million for 1H2018 (1H2017: HK$7.1 million). The increase was primarily due to (i) the start-up marketing cost for the new Hypnus™ CPAP machine business; and (ii) an increase in staff cost for sales and marketing. Selling and distribution expenses as a percentage of revenue was 5.5% (1H2017: 3.5%).

ADMINISTRATIVE EXPENSES

Despite the increase in staff cost and general office expenses, administrative expenses in 1H2018 decreased by 8.9% to HK$41.8 million (1H2017: HK$45.9 million), this was primarily due to the capitalisation of certain R&D expenses related to the Group's OBM segment.

Capitalised R&D expenses (including salaries and wages of R&D staff) for 1H2018 was HK$8.1 million (1H2017: HK$0.9 million), while expensed R&D expenses (including salaries and wages of R&D staff) which included in administrative expenses for 1H2018 was HK$9.3 million (1H2017: HK$7.9 million). The increase in total R&D expenses was mainly due to (i) expansion of our R&D team and an increase in average salaries and wages of our R&D staff; (ii) an increase in the number of in-process R&D projects; and (iii) an increase in product development related expenses, such as engineering sample and tooling fees. The increase in capitalised R&D expenses during the Period was mainly due to increase in the number of R&D projects that could meet recognition criteria for capitalisation under HKFRSs.

SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

The Group shared losses of associates for 1H2018 amounted to HK$0.9 million (1H2017: losses of HK$0.4 million) and losses of joint ventures amounted to HK$0.7 million (1H2017: profits of HK$0.1 million), reflected mainly by the share of results of Retraction, 100ecare and Avalon.

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit attributable to owners of the Company for 1H2018 increased by 4.4% to HK$12.9 million (1H2017: HK$12.4 million). The increase was mainly due to an overall increase in revenue and gross profit from both OEM and OBM segments, which was partly offset by the increase in selling and distribution expenses and share of losses of associates and joint ventures.

OTHER INTANGIBLE ASSETS

As at 30 June 2018, other intangible assets included (i) use right and development costs of HK$14.1 million (31 December 2017: HK$14.5 million) for "Hand of Hope" robotic hand training devices business, (ii) patents and development costs of HK$11.2 million (31 December 2017: HK$7.7 million) for Hypnus™ CPAP machine business, and (iii) patents, license rights and development costs of HK$9.9 million (31 December 2017: HK$4.1 million) for other products. The increase was mainly due to capitalised R&D expenses of HK$8.1 million during the Period as explained in the paragraph headed "Administrative Expenses" above.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

As at 30 June 2018, investments in associates amounted to HK$13.9 million (31 December 2017: HK$4.8 million), consisted of the Group's investments in Retraction and another associate which acquired at a consideration of HK$4.2 million during the Period.

As at 30 June 2018, investments in joint ventures amounted to HK$22.2 million (31 December 2017: HK$23.0 million), consisted of the Group's investments in 100ecare and Avalon.

For details, please refer to the paragraph headed "Significant Investments" below.

EQUITY INVESTMENTS AT FVTOCI

On 1 January 2018, the date of initial application of HKFRS 9 Financial Instruments, the Group reclassified its equity investments (primarily consisted of the Group's investment in Fresca and Inovytec) from available-for-sale financial assets to FVTOCI. Before adoption of HKFRS 9 on or prior to 31 December 2017, these equity investments are measured at cost less impairment losses, while after adoption of HKFRS 9 from 1 January 2018, these equity investments are measured at fair value. On 1 January 2018, the fair value of these equity investments (with cost of HK$48.6 million) amounted to HK$61.4 million.

During the Period, the Group paid HK$14.1 million to subscribe additional interests in Inovytec and other investments upon achievement of relevant milestones pursuant to the related agreements. On 30 June 2018, the fair value of the Group's equity investments amounted to HK$77.3 million.

CONTRACT ASSETS

As at 30 June 2018, contract assets primarily consisted of unbilled amount of HK$18.0 million (31 December 2017: Nil) resulting from sales of OEM products transferred over time after adoption of HKFRS 15 Revenue from Contracts with Customers from 1 January 2018. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

CURRENT TAX ASSETS

As at 30 June 2018, current tax assets represented prepaid Hong Kong Profits Tax for two subsidiaries incorporated in Hong Kong, which decreased by 79.6% to HK$0.7 million (31 December 2017: HK$3.3 million). The decrease was attributable to the provision of Hong Kong Profits Tax for these two subsidiaries during the Period.

EMPLOYEE INFORMATION

As at 30 June 2018, the total number of full-time employee of the Group was 1,127 (31 December 2017: 1,073). The remuneration of employees was determined according to their experience, qualifications, results of operations of the Group and the market condition. During the Period, staff costs including Directors' emoluments (including capitalised salaries and wages for R&D staff) amounted to HK$58.9 million (1H2017: HK$54.1 million), representing 25.9% of the Group's revenue (1H2017: 26.3%). The increase in staff costs was mainly due to the increase in number of employees for production, quality assurance, sales and marketing and business development and salary increment.

LIQUIDITY, FINANCIAL RESOURCES AND BORROWINGS

Bank and cash balances for 1H2018 decreased by 42.4% to HK$65.1 million (31 December 2017: HK$113.0 million). This was a result of the net cash inflow from operating activities of HK$9.8 million, net cash outflow from investing activities of HK$46.3 million, net cash outflow from financing activities of HK$9.8 million and negative effect of foreign exchange rate changes of HK$1.6 million. Most of the bank and cash balances were denominated in HKD, USD and RMB.

Net cash outflow from investing activities for 1H2018 mainly arose from the purchase of equity investments at FVTOCI of HK$14.1 million, purchase of property, plant and equipment of HK$11.2 million, addition to other intangible assets of HK$10.9 million and capital injection/acquisition of associates of HK$10.1 million, while net cash outflow from financing activities mainly arose from final dividend paid for the year ended 31 December 2017 of HK$9.6 million.

As at 30 June 2018, total borrowings amounted to HK$9.7 million (31 December 2017: HK$9.8 million). The net gearing ratio, which was calculated on the basis of the amount of total borrowings divided by the total equity attributable to owners of the Company, was 0.03 (31 December 2017: 0.03). As at 30 June 2018, the Group had undrawn bank loan of HK$40.0 million.

CAPITAL EXPENDITURE AND COMMITMENTS

During the Period, total investment in property, plant and equipment was HK$11.2 million (1H2017: HK$3.1 million), in which 36.0% was used for purchasing production equipment and the remaining balance for procurement of other fixed assets.

As at 30 June 2018, the Group had contracted capital commitments of HK$18.1 million for procurement of property, plants and equipment and capital contribution to certain investments, which was mainly financed with internal resources and bank borrowings.

CAPITAL STRUCTURE

As at the date of this announcement, the issued share capital of the Company was approximately HK$6.4 million, comprising 637,650,000 Shares of nominal value of HK$0.01 per Share.

SIGNIFICANT INVESTMENTS

As at 30 June 2018, the Company considered that the significant investments were as follows:

1. The Group held 40% (31 December 2017: 20%) interest in Retraction with carrying amount of HK$9.7 million (31 December 2017: HK$4.8 million). The Group shared a loss of HK$0.9 million in the consolidated statement of profit or loss during the Period.

2. The Group paid US$3.0 million (31 December 2017: US$2.4 million) to subscribe for 12,091 (31 December 2017: 9,673) Series A preferred shares, representing 13.7% (31 December 2017: 12.4%) with diluted effect of the enlarged issued share capital of Inovytec. After adoption of HKFRS 9 from 1 January 2018, the equity investment in Inovytec is measured at fair value. At 30 June 2018, the fair value of the equity investment in Inovytec amounted to US$4.5 million (equivalent to HK$35.0 million) (1 January 2018: US$3.6 million (equivalent to HK$27.9 million)).

3. The Group held 10% (31 December 2017: 10%) interest in 100ecare with carrying amount of HK$9.9 million (31 December 2017: HK$9.9 million). The Group shared a profit of HK$0.09 million in the consolidated statement of profit or loss during the Period.

4. The Group held 20% (31 December 2017: 20%) interest in Avalon with carrying amount of HK$12.3 million (31 December 2017: HK$13.1 million). The Group shared a loss of HK$0.78 million in the consolidated statement of profit or loss during the Period.

For additional information regarding the principal activities, performance during the Period and future prospects of the above significant investments, please refer to the paragraph headed “Investments and Collaboration” above.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Period, the Group had no material acquisitions or disposals of subsidiaries and associated companies.

EVENTS AFTER THE REPORTING PERIOD

There were no other significant events after the reporting period up to the date of this announcement.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2018, none of the assets of the Group were pledged.

FOREIGN EXCHANGE EXPOSURE

While some of the Group's costs and expenses are denominated in RMB, there was a substantial amount of sales denominated in USD given the export-oriented nature of the OEM segment. Thus, any appreciation of RMB against USD may subject the Group to increased costs and lower profitability. The Directors have assessed the impact of such foreign currency risk and considered that it may materially affect the Group's profitability. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds from the global offering (the "**Net Proceeds**") received by the Company after deducting underwriting fees and estimated expenses was approximately HK$94.6 million. Unutilised Net Proceeds as at 30 June 2018 amounted to approximately HK$15.4 million and is deposited in a licensed bank in Hong Kong as short-term deposits. The Company intends to use the remaining Net Proceeds in accordance with the purposes set out in the prospectus of the Company dated 30 June 2016.

As at 30 June 2018, the Group has utilised the Net Proceeds as follows:

	Net Proceeds *HK$' million*	**Utilised amount** *HK$' million*	**Unutilised amount** *HK$' million*
Expansion and upgrading of production facility from 2016 to 2018	47.3	31.9	15.4
Development of pipeline and planned products from 2016 to 2018	25.5	25.5	–
Sales and marketing from 2016 to 2018	17.1	17.1	–
General corporate purposes and working capital	4.7	4.7	–

CONTINGENT LIABILITIES

As at 30 June 2018, the Group did not have other contingent liabilities.

OUTLOOK

We see ample growth opportunities in the medical device industry in the long run driven primarily by increasing per capita spending on healthcare globally, the expanding coverage of insurance reimbursement on medical devices and market consolidation. However, the operating environment for the rest of 2018 has become more challenging and complicated due to uncertainties of the emerging trade wars and its impact on global trade and movement of the RMB and other currencies.

The US market accounted for approximately 65% of the Group's 1H2018 revenue and stood at HK$147.4 million during the Period and we expect sales from this market may gradually decrease if the trade wars persist. Given mounting uncertainties ahead, the Group will stay vigilant to closely monitor the market dynamics and continue our seamless dialogue with our OEM customers to swiftly respond to any changes in policies and market conditions. We will also continue to keep up our effort in cost rationalization across all functions and projects. Lastly, we will continue to develop new markets to reduce the reliance on the US market in the medium to long term.

OTHER INFORMATION

INTERIM DIVIDEND

The Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2018.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining the highest possible standards of corporate governance, and strives to maintain transparent, responsible and value-driven management practices that will enhance and safeguard the interests of the Shareholders. The Board believes that effective and high quality corporate governance is an essential platform for creating value for the Shareholders. The Board is committed to continuously reviewing and improving the Group's corporate governance practices, and maintaining the highest standards of ethical corporate behaviour across the organisation.

The Company has adopted the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as contained in Appendix 14 to the Listing Rules as its own code of corporate governance. The corporate governance principles of the Company emphasise a quality Board, sound internal controls and risk management, and transparency and accountability to all Shareholders.

In the opinion of the Directors, the Company has complied with the code provisions set out in the CG Code throughout the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiries with all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code regarding their securities transactions throughout the Period.

AUDIT COMMITTEE

The Company established the audit committee of the Company (the "**Audit Committee**") which currently consists of three independent non-executive Directors, namely Mr. Au Yu Chiu Steven, Mr. Chan Ling Ming and Mr. Mok Kwok Cheung Rupert, with written terms of reference which deal clearly with its authority and duties.

The Group's unaudited consolidated interim results for the six months ended 30 June 2018 have been reviewed by the Audit Committee.

RSM Hong Kong, the Company's auditor, has reviewed the unaudited consolidated interim results of the Group for the six months ended 30 June 2018 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. The auditor's independent review report will be included in the Company's interim report for the six months ended 30 June 2018 to the Shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

On 3 January 2018, the Company repurchased 350,000 Shares at approximately HK$228,000 and these Shares were cancelled on 16 January 2018. Saved for the above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2018.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.vincentmedical.com), respectively.

The interim report of the Company for the six months ended 30 June 2018 containing all the relevant information required by the Listing Rules and the relevant laws and regulations will be dispatched to the Shareholders and available on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to thank all our stakeholders and business partners for their ongoing support, and our Directors, management and employees for their dedication and contributions to our progress.

By Order of the Board
Vincent Medical Holdings Limited
Choi Man Shing
Chairman and Executive Director

Hong Kong, 23 August 2018

As at the date of this announcement, the Board of the Company comprises Mr. Choi Man Shing, Mr. To Ki Cheung, Mr. Koh Ming Fai and Mr. Fu Kwok Fu as executive Directors, Mr. Guo Pengcheng as a non-executive Director, and Mr. Chan Ling Ming, Mr. Mok Kwok Cheung Rupert, Mr. Au Yu Chiu Steven and Prof. Yung Kai Leung as independent non-executive Directors.