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美瑞健康国际产业集团

Meilleure Health International Industry Group

MEILLEURE HEALTH INTERNATIONAL INDUSTRY GROUP LIMITED

美瑞健康國際產業集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 2327)

PROFIT WARNING

This announcement is made by Meilleure Health International Industry Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) 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 of directors of the Company (the "**Board**") would like to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 and the information currently available to the Company, the Group expects to record a loss attributable to the Shareholders in the range of approximately HK$17 million to HK$28 million for the year ended 31 December 2019 as compared to a profit attributable to the Shareholders of approximately HK$80.5 million for the year ended 31 December 2018. The change from profit to a loss is mainly due to the following reasons:

(i) an increase in impairment loss on goodwill. The social activities in Hong Kong last year resulted in a decrease in the revenue of the Hong Kong clinic of La Clinique De Paris and a significant decrease in the profit of the Hong Kong clinic;

(ii) the recognition of impairment loss of the investment in an associate, namely Yunnan Hansu Biotechnology Co., Ltd. ("**Yunnan Hansu**"). Due to the U.S. – China trade disputes and the significant decline in the price of Cannabidiol ("**CBD**") in the international market, Yunnan Hansu proactively explored opportunities associated with the China market as well as the research, development and sale of the relevant patented technology, however, its CBD sales to the overseas markets decreased, which resulted in its unsatisfactory operating financial performance. To be prudent, the Group records a full impairment loss for the intangible assets concerning this investment; and

(iii) a material decline in revaluation gain of investment properties of the Group. This is mainly because of the slowing-down PRC economic growth resulted from the outbreak of COVID-19 and the shrinking Hong Kong economy after battering from the protests.

The information contained in this announcement is only based on a preliminary assessment by the Board according to the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 and the information available to the Board as at the date of this announcement, which have not been reviewed or audited by the auditor of the Company and are subject to adjustment. The Company is in the process of preparing and finalising the Group's annual results for the year ended 31 December 2019. Details of the

Group's financial information for the year ended 31 December 2019 will be disclosed in its annual results announcement which is expected to be published on 31 March 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company and, in case of doubt, to seek independent advice from professional or financial advisers.

By Order of the Board
Meilleure Health International Industry Group Limited
Zhou Wen Chuan
Chief Executive Officer

Hong Kong, 15 March 2020

As at the date of this announcement, the Board comprises Mr. Zhou Xuzhou, Dr. Zeng Wentao and Ms. Zhou Wen Chuan as executive Directors, Dr. Mao Zhenhua as non-executive Director and Mr. Gao Guanjiang, Professor Chau Chi Wai, Wilton and Mr. Wu Peng as independent non-executive Directors.