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EC Healthcare

醫思健康

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2138)

SALES VOLUME UPDATE PROFIT WARNING

This announcement is made by EC Healthcare (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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Sales volume for April 2021

Reference is made to the announcement issued by the Company on 12 April 2021 in which it was disclosed that the Group expected to record a preliminary unaudited Sales Volume (being the total sales volume generated from contracted sales entered into, and all products and services offered by the Group, the “**Sales Volume**”) of no less than HK\$2,200 million for the year ended 31 March 2021, representing an increase of no less than 10% as compared with the corresponding period last year.

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to further inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the latest assessment by the Board with reference to the preliminary unaudited management accounts of the Group for the period from 1 April 2021 to 30 April 2021 (the “**Month**”) currently available, the Group expects to record:

- (i) a Sales Volume of no less than HK\$230 million for the Month, representing an increase of no less than 75% as compared with the same period last year; and
- (ii) an increase in Sales Volume of clinics and service centers located in Mainland China of no less than 55% for the Month as compared with the same period last year.

The Board is of the view that the overall operation and financial position of the Group remain sound and healthy. Looking ahead, the Group is optimistic about its business performance in the coming quarters.

Net profit after tax for the year ended 31 March 2021

The Board also wishes to announce that based on the latest assessment by the Board with reference to the preliminary unaudited consolidated management accounts of the Group currently available, it is expected that the net profit after tax of the Group for the year ended 31 March 2021 (the “**Reporting Period**”) may decline by not more than 38% for the Reporting Period as compared to that of the corresponding period in 2020 (while the net profit after tax of

the Group for the second half of the Reporting Period may increase by not less than 160% as compared to that for the first half of the Reporting Period). Such decline was mainly attributable to various stringent policies promulgated by the Hong Kong Government to combat COVID-19 during the Reporting Period, including but not limited to (i) travel restrictions and health quarantine arrangement for inbound cross-border travelers; (ii) compulsory closure of all beauty parlors in Hong Kong for an aggregate of 142 days during the Reporting Period; and (iii) social distancing measures which inhibited consumer sentiments in general.

The global impact of COVID-19 has been unprecedented, resulting in a highly challenging business environment. Nevertheless, the Group has been adopting a proactive approach in encountering the challenges, including but not limited to (i) continued development of new medical services and broadening of services spectrum through organic expansion and acquisitions of other medical establishments to fulfill the essential needs of our customers (e.g. a new one-stop health management and haircare centre at World Trade Centre in Causeway Bay, Hong Kong Island and the completion of acquisition of Pathlab Medical Laboratories Limited. For details, please refer to the Company's announcements of 14 December 2020, 6 January 2021 and 18 March 2021); (ii) proactive client engagement to retain loyal local customers and promotional campaigns to boost local spending; (iii) launching of e-commerce platform in a timely manner; and (iv) implementation of prudent finance management for rental expenses and cost control initiatives to preserve cash flow as well as enhance profitability.

The management has already adopted various measures to promptly cope with market changes. Such measures aim at maintaining the Group's competitiveness so as to facilitate its long-term development. The Group believes that its agility will be retained through our core competence in branding, services and information technology.

The Board wishes to remind Shareholders and potential investors that the Company is still in the process of finalizing the final results of the Group for the Reporting Period and the operational data disclosed in this announcement is based on the unaudited management accounts of the Group, which have not yet been reviewed or audited by the auditors of the Company. The overall performance of the Group during the Reporting Period could be affected by a number of other factors and therefore, the operational data disclosed in this announcement may not reflect the overall performance of the Group for the same Reporting Period. The Group's consolidated results for the Reporting Period are expected to be published on or before 30 June 2021.

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

By Order of the Board
EC Healthcare
Raymond Siu
Company Secretary

Hong Kong, 14 June 2021

As at the date of this announcement, the board of Directors comprises four executive Directors, namely Mr. Tang Chi Fai, Mr. Lee Gabriel, Mr. Lee Heung Wing and Mr. Wong Chi Cheung; two non-executive Directors, namely Mr. Luk Kun Shing Ben and Dr. Wang Steven Dasong, and three independent non-executive Directors, namely Mr. Ma Ching Nam, Mr. Look Andrew and Mr. Lam Chi Hang Josekin.