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C-MER Medical Holdings Limited

希瑪醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3309)

PROFIT WARNING IMPAIRMENT LOSSES EXPECTED TO BE RECORDED IN FY2024

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of C-MER Medical Holdings Limited (the “**Company**” which 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 and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the unaudited financial information currently available for the year ended 31 December 2024 (“**FY2024**”), excluding the effect of the below impairment losses, the Group expects the profit attributable to the equity holders of the Company (“**Adjusted Attributable Net Profits**”) to be within the range of HK\$50 million to HK\$60 million (FY2023: HK\$62.0 million), and excluding the effect of the below impairment losses, the earnings before interest, taxes, depreciation and amortization (“**Adjusted EBITDA**”) to be around HK\$300 million (FY2023: HK\$343.5 million). Due to certain impairments on goodwill, property, plant and equipment, and right-of-use assets of the Group’s hospitals and clinics which are expected to be in the range of approximately HK\$195 million to HK\$215 million, the Group expects to record a loss attributable to equity holders of the Company in the range of approximately HK\$130 million to HK\$160 million (FY2023: Profit of HK\$62.0 million). In terms of revenue for FY2024, the revenue of the Group is expected to be around HK\$1,900 million in FY2024, as compared to the revenue of HK\$1,924 million in FY2023.

The impairment loss is due to the weaker than expected performance of certain hospitals and clinics as a result of fierce competition and overall weakening of consumer sentiment in 2024. The aforementioned impairments are one-off non-cash expenses and will not have any impact on the overall operation of the Group.

Due to the overall strong cash flow from operation in FY2024, the Board intends to resume the recommendation of payment of dividend for FY2024, which is subject to approval by the shareholders in the upcoming annual general meeting to be held in the second quarter of 2025. The strong cash flow from operation of the Group in FY2024 was attributable to the strong performance of our dental business in Shenzhen C-MER Aikangjian Dental Group Co., Ltd, the stable performance of the Group's leading ophthalmic business in Hong Kong, and our strategy to focus on the eye and dental operation in the Greater Bay Area.

As the Company is still in the process of finalizing the results for FY2024, the information contained in this announcement is based on the management's preliminary review on the management accounts of the Group and current information available to the Board, and has not been audited and confirmed by the Company's auditors or the audit committee of the Board. Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company for FY2024 which is expected to be published by the end of March 2025.

Shareholders and prospective investors of the Company are advised to exercise caution when dealings in the shares of the Company.

By order of the Board
C-MER Medical Holdings Limited
Dr. LAM Shun Chiu Dennis

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 5 February 2025

As at the date of this announcement, the Board comprises three executive Directors, namely, Dr. LAM Shun Chiu Dennis, Ms. LI Xiaoting and Dr. LEE Yau Wing Vincent; and four independent non-executive Directors, namely, Dr. Rex AU YEUNG Pak-kuen, Mr. MA Andrew Chiu Cheung, Mr. IP Shu Kwan Stephen, and Mr. YIN Ke.