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CLARITY MEDICAL GROUP HOLDING LIMITED

清晰醫療集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1406)

Profit Warning

This announcement is made by Clarity Medical Group Holding Limited (the “**Company**”, together with its subsidiaries, collectively 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 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 “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the Company’s unaudited consolidated management accounts for the year ended 31 March 2022, the profit attributable to owners of the Company is expected to record a drop from approximately HK\$35.8 million for the year ended 31 March 2021 to not less than approximately HK\$13.0 million for the year ended 31 March 2022, representing an expected drop of approximately 63.7%.

Such expected drop was primarily attributable to the following factors:

- 1) Decrease in (i) revenue for February and March 2022 as compared to the corresponding period in 2021; and (ii) average monthly revenue for February and March 2022 as compared to that for the last quarter in 2021, due to the weak business environment caused by the outbreak of the fifth wave of novel coronavirus (COVID-19) pandemic in Hong Kong;

- 2) During the year ended 31 March 2021, a one-off non-recurring government subsidy of approximately HK\$4.9 million was received while there was no similar subsidy received during the year ended 31 March 2022;
- 3) Increase in expenses incurred in connection with the Company's listing for the year ended 31 March 2022; and
- 4) Increase in consultancy fees paid to the Group's medical practitioners for the year ended 31 March 2022 as a result of the increase in the number of medical practitioners from nine as at 31 March 2021 to 11 as at 31 March 2022.

Without taking into account the one-off non-recurring government subsidy and the effect of the listing expenses incurred during the years ended 31 March 2021 and 2022, the Group is expected to record a decrease in profit attributable to owners of the Company from approximately HK\$39.5 million for the year ended 31 March 2021 to not less than approximately HK\$30.0 million for the year ended 31 March 2022, representing an expected drop of approximately 24.1%.

The Company is in the process of finalising the results of the Group for the year ended 31 March 2022. The information contained in this announcement is only a preliminary assessment by the Board with reference to the currently available unaudited management accounts of the Group which have not been audited or reviewed by the auditors or the audit committee of the Board. Detailed financial information and performance of the Group will be disclosed in its final results announcement for the year ended 31 March 2022 which is expected to be published by the end of June 2022.

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

By order of the Board
CLARITY MEDICAL GROUP HOLDING LIMITED
WU Ting Yuk Anthony
Non-Executive Director and Chairman

Hong Kong, 20 May 2022

As at the date of this announcement, the Board of Directors of the Company comprises Mr. WONG Tai Cheung Andrew and Mr. LO Tsz Hong as executive Directors, Mr. WU Ting Yuk Anthony as Chairman and non-executive Director, Mr. NG Roy and Ms. ZHAO Wei as non-executive Directors and Mr. LI Michael Hankin, Mr. HUI Yung Chris and Mr. MA Wai Hung Vincent as independent non-executive Directors.