Kaisa Health Group Holdings Limited
佳兆業健康集團控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 876)

PROFIT WARNING

This announcement is made by Kaisa Health Group Holdings Limited (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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company hereby informs the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary assessment on the unaudited management accounts of the Group for the six months ended 30 June 2020 and information currently available to the Board, the Board expects the Group to record a loss attributable to the owners of the Company in the range of HK$6 million to HK$10 million for the six months ended 30 June 2020 as compared to the profit attributable to the owners of the Company in the amount of approximately HK$5 million for the six months ended 30 June 2019.

Based on the information currently available, the significant loss was mainly due to a combination of factors as follows:—

(i) the Group recorded a 36% overall decrease in terms of income for the six months ended 30 June 2020 as compared with the corresponding period in 2019, due to significant decrease in domestic and overseas orders caused by the global outbreak of the COVID-19 pandemic which resulted in a decrease in gross profit of approximately HK$22 million; and

(ii) the expansion of healthcare business which incurred additional administrative expenses in staff costs of approximately HK$2 million as compared with the corresponding period in 2019.

The Company is still in the process of finalizing the interim results of the Group for the six months ended 30 June 2020. The information contained in this announcement is only based on the unaudited management accounts of the Group and information currently available to the Group, which is subject to finalization and necessary adjustments and has not been confirmed, or reviewed by the auditors of the Company. Details of the financial results of the Group will be disclosed in the Group's interim results announcement for the six months ended 30 June 2020 which will be published in due course pursuant to the requirements of the Listing Rules. Shareholders and potential investors are advised to read the financial results announcement carefully when it is published.

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

By order of the Board
Kaisa Health Group Holdings Limited
Zhang Huagang
Chairman

Hong Kong, 12 August 2020

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Zhang Huagang (Chairman), Mr. Luo Jun (Co-Vice Chairman), Mr. Wu Tianyu (Co-Vice Chairman) and Mr. Kwok Ying Shing, and three independent non-executive Directors, namely Dr. Liu Yanwen, Mr. Fok Hei Yu and Dr. Lyu Aiping.