

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



AK MEDICAL HOLDINGS LIMITED

愛康醫療控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1789)

**ANNOUNCEMENT
PROFIT WARNING**

This announcement is made by AK Medical Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the currently available preliminary assessment of the unaudited consolidated management accounts of the Company for the six months ended 30 June 2021 (the “**Unaudited Management Accounts**”):

- (i) the Board expects to record a moderate decrease in revenue by approximately 10% for the six months ended 30 June 2021 as compared to the revenue for the six months ended 30 June 2020; and
- (ii) the Board expects to record a significant decrease in net profit by approximately 35% for the six months ended 30 June 2021 as compared to the net profit for the six months ended 30 June 2020.

The decrease in revenue for the six months ended 30 June 2021 was primarily due to the stocking reduction of joint implants by distributors (being the customers of the Group) as a result of the uncertainty with price trend under the current national joint implant volume-based procurement policy.

The decrease in net profit for the six months ended 30 June 2021 was primarily due to the decrease in revenue stated above and the increase in marketing expenses (as a result of the resumption of marketing events) and payment of social insurance. In 2020, most of the marketing events were cancelled by the Company and social insurance payables for employees were partially reduced or exempted by government due to COVID-19.

As at the date of this announcement, the Company is still in the process of preparing the interim results of the Group for the six months ended 30 June 2021 and is not able at this time disclose any further details on the above factors and their impact on the Group's net profit attributable to Shareholders. The information set out above is only based on a preliminary assessment by the Board with reference to the information currently available to it, including the Unaudited Management Accounts, which have not been finalized and have not been independently reviewed by the Company's auditors or the audit committee. Shareholders and potential investors should refer to and review the interim results of the Company for the six months ended 30 June 2021, which are expected to be published by the end of August 2021.

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

By Order of the Board
AK Medical Holdings Limited
Li Zhijiang
Chairman

Hong Kong, 23 July 2021

As at the date of this announcement, the executive Directors are Mr. Li Zhijiang, Ms. Zhang Bin, Mr. Zhang Chaoyang and Ms. Zhao Xiaohong; the non-executive director is Dr. Wang David Guowei; and the independent non-executive directors are Mr. Kong Chi Mo, Dr. Li Shu Wing David and Mr. Eric Wang.