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Kangji Medical Holdings Limited

康基医疗控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9997)

POSITIVE PROFIT ALERT

This announcement is made by Kangji Medical 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 (Cap. 571 Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Company for the six months ended June 30, 2021 (the “**Period**”) and the information currently available to the Board, the Group is expected to record an increase of more than 49% in revenue and an increase of more than 140% in net profit attributable to owners of the parent for the Period, in each case, as compared to the corresponding period in 2020. The Group’s adjusted net profit for the Period, which excludes certain non-operational or one-off expenses including foreign exchange difference, share-based payment expenses and listing expenses, is expected to increase by more than 50%, as compared to the corresponding period in 2020.

The expected increase in revenue was primarily attributable to: (i) the significant recovery in elective surgery volume in China after the containment of COVID-19 pandemic, resulting in the increase in demand for the Group’s products; (ii) expansion and optimization of our distributor network driving the expansion and penetration of our end markets across our product portfolio; and (iii) contribution of sales from new products. The expected increase in net profit attributable to owners of the parent for the Period was mainly due to the increase in revenue, increase in other income (e.g. bank interest income), the absence of listing expenses and non-controlling interest, and reduction of share-based payment expenses.

The Board reminds Shareholders and potential investors that the information contained in this announcement is only based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the Period and has not been reviewed or audited by the independent auditor of the Company. The actual results of the Company for the Period may differ from the information contained in this announcement. Detailed financial information of the Company for the Period will be disclosed in the interim results announcement of the Company, which is expected to be published before 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
Kangji Medical Holdings Limited
ZHONG Ming
Chairman

Hangzhou, PRC, July 28, 2021

As at the date of this announcement, the Board comprises Mr. ZHONG Ming, Ms. SHENTU Yinguang and Ms. Frances Fang CHOVANEC as executive Directors; Ms. CAI Li and Mr. CHEN Gang as non-executive Directors; and Mr. JIANG Feng, Mr. GUO Jian and Mr. CHEN Weibo as independent non-executive Directors.