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HUAKANG BIOMEDICAL HOLDINGS COMPANY LIMITED

華康生物醫學控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 8622)

PROFIT ALERT - REDUCTION OF LOSS

This announcement is made by Huakang Biomedical Holdings Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

Based on the information currently available to the board (the “**Board**”) of directors (the “**Directors**”) of the Company, including the preliminary review of the latest unaudited consolidated management accounts of the Group, the Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a loss attributable to owners of the Company of approximately RMB4.2 million for the year ended 31 December 2021 (the “**Current Year**”), representing a significant decrease of approximately RMB7.4 million comparing with approximately RMB11.6 million for the year ended 31 December 2020 (the “**Corresponding Year**”).

The Board believes that the estimated significant decrease in loss was mainly attributable to:

- (i) a significant increase in the Group’s gross profit of approximately RMB1.7 million for the Current Year as compared to the Corresponding Year;
- (ii) recognition of equity-settled share option expenses of approximately RMB2.7 million during the Corresponding Year, whereas no such expenses were incurred during the Current Year;
- (iii) recognition of provision for impairment losses on property, plant and equipment of approximately RMB2.6 million during the Corresponding Year, whereas no such expenses were incurred during the Current Year; and
- (iv) a decrease in the net foreign exchange loss of approximately RMB747,000 for the Current Year as compared to the Corresponding Year.

The information contained in this announcement is only based on the information currently available to the Board, including the preliminary review of the unaudited consolidated management accounts of the Group for the Current Year, which have not been audited or reviewed by the auditors of the Company or reviewed by the audit committee of the Company. Actual financial results for the Current Year may be different from what is disclosed in this announcement.

The Company is still in the process of finalising the Group's financial results for the Current Year. Shareholders and potential investors of the Company are advised to refer to the annual results announcement of the Company for the Current Year, which is expected to be published before the end of March 2022.

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

By Order of the Board
Huakang Biomedical Holdings Company Limited
Zhang Shuguang
Chairman and Executive Director

Hong Kong, 4 March 2022

As at the date of this announcement, the executive Directors are Mr. Zhang Shuguang, Mr. Zhang Chunguang, Mr. Poon Lai Yin Michael and Mr. He Jiaming; and the independent non-executive Directors are Dr. Chow Kwok Fai Joseph, Dr. Cheng Faat Ting Gary and Mr. Chan Kin Sang.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the date of publication and on the Company's website at www.huakangbiomedical.com.