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 RMB2.0 million for the six months ended 30 June 2021 (the "**Current Period**"), representing a significant decrease in loss of approximately RMB 4.1 million comparing with the six months ended 30 June 2020 (the "**Corresponding Period** ") of a loss attributable to owners of the Company of approximately RMB6.1 million.

The Board believes that the estimated significant decrease in loss in the Current Period was mainly attributable to (i) a significant increase in the Group's revenue of approximately RMB5.0 million during the Current Period; (ii) during the Corresponding Period, there were more than five weeks' sales and productions halt of the Group's factory in the People's Republic of China as a result of the outbreak of the novel coronavirus (COVID-19) epidemic whereas during the Current Period, there was no such impact; and (iii) there was a recognition of equity-settled share option expenses of approximately RMB2.7 million during the Corresponding Period whereas no such expenses were incurred during the Current Period.

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 Period, 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 Period 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 Period. Shareholders and potential investors of the Company are advised to refer to the interim results announcement of the Company for the Current Period, which is expected to be published before mid-August 2021.

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, 29 July 2021

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.