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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 ALERT

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 year ended 31 December 2019 (the “**Unaudited Management Accounts**”),

- (i) the Board expects to record a significant increase in revenue by over 50% for the year ended 31 December 2019 as compared to the revenue for the year ended 31 December 2018; and
- (ii) the Board expects to record a significant increase in profit attributable to equity shareholders by over 80% for the year ended 31 December 2019 as compared to the profit attributable to equity shareholders for the year ended 31 December 2018.

The increase in revenue for the year ended 31 December 2019 was primarily due to the strong demand of the China market led by further penetration of the performing of joint surgeries into more hospitals in the mainland China and the Group’s brand advantage built by its leading technology and high quality products. Especially, as the technology and quality of the products produced by domestic Chinese companies continuously improved, the products of the Group acquired certain market share from products of foreign brands. Besides the reasons for the increase in revenue above, the increase in profit attributable to equity shareholders for the year ended 31 December 2019 was primarily due to the effect of economies of scale and by taking effective costs control measures.

As at the date of this announcement, the Company is still in the process of preparing the annual results of the Group for the year ended 31 December 2019 and is not able at this time disclose any further details on the above factors and their impact on the Group's profit attributable to equity shareholders. The information set out above is only based on a preliminary assessment by the Board on the information currently available to it, including the Unaudited Management Accounts, which have not been finalized and not been independently reviewed by the Company's auditors or the audit committee. Shareholders and potential investors should refer to the annual results of the Company for the year ended 31 December 2019, which are expected to be published before the end of March 2020.

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

Beijing, 18 February 2020

As at the date of this announcement, the Board comprises Mr. Li Zhijiang, Ms. Zhang Bin, Mr. Zhang Chaoyang and Ms. Zhao Xiaohong as executive Directors, Mr. Li Wenming and Dr. Wang David Guowei as non-executive Directors, and Mr. Dang Gengting, Mr. Kong Chi Mo and Mr. Li Shu Wing David, as independent non-executive Directors.