

Profit Warning Announcement

Angy (China) Medical Limited (the "Company", together with its subsidiaries, the "Group") advises that it will report a reduction in net profit for the year ending 31 December 2017, as compared with the previous corresponding period. The preliminary estimated financial impact of this reduction is set out in the Company's Preliminary Final Report released to NSX on 16 March 2018.

The reduction in profit is generally attributed to:

- a) the alignment of production strategy with local Government policy, focusing on those activities which promoted the localization of international medical technology;
- b) an increase in:
 - i) R&D and other expenses resulting from an increased focus on domestic production;
 - ii) licensing expenses arising from the Group's self-developed product the 'Colonoscopy'; and
 - iii) other sales and distribution expenses associated with material procurement, production and product release; and
- c) competitive pricing of products, as a response to increased market pressure.

The information contained in this announcement is based on a preliminary evaluation of the consolidated management accounts of the Group for the year ended 31 December 2017. Further details of the Group's financial information will be set out in the Group's audited financial statements which will be released to NSX shortly.

The Board continues to closely monitor the Group's financial performance and provide updates to the market as required.

By order of the Board
Angy (China) Medical Limited
Ao Zhenming
Chairman & Executive Director