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China Medical & HealthCare Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

TERMINATION OF CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF AN INDIRECT NON WHOLLY-OWNED SUBSIDIARY

Reference is made to the announcement of China Medical & HealthCare Group Limited (the “**Company**”) dated 4 September 2013 (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

As disclosed in the Announcement, Tongren and Huaying entered into the Agreement on 4 September 2013, pursuant to which, amongst other things, Tongren conditionally agreed to sell and Huaying conditionally agreed to purchase the Equity Interest for a consideration of RMB13,000,000. A deposit of RMB5,000,000 was received by Tongren in 2013.

TERMINATION AGREEMENT

The Board wishes to inform the Shareholders that on 17 June 2016, Tongren and Huaying entered into a termination agreement (the “**Termination Agreement**”) to terminate the Agreement.

Pursuant to the Termination Agreement, the Agreement is terminated with effect from the date of the Termination Agreement, and all the rights and obligations of Tongren and Huaying under the Agreement are released. It was also agreed that neither Tongren nor Huaying will have the right to bring any claim against each other for any dispute arising from the Agreement or in relation to it. Tongren has already refunded the deposit of RMB5,000,000 to Huaying as at the date of this announcement.

REASONS FOR THE TERMINATION AGREEMENT

As stated in the Termination Agreement, due to some changes to the development project of Dongying Tongren, which were not attributable to Tongren or Huaying, the original basis of project development cooperation between Tongren and Huaying has changed, and as such Tongren and Huaying have agreed to terminate the Agreement without liability to either party.

The Directors consider that the terms of the Termination Agreement are on normal commercial terms and are fair and reasonable and the Termination Agreement is in the interests of the Company and the Shareholders as a whole. The Directors consider that the termination of the Agreement will have no material adverse impact on the financial and operational position of the Company.

By Order of the Board
China Medical & HealthCare Group Limited
Dr. Lim Cheok Peng
Chairman

Hong Kong, 17 June 2016

As at the date of this announcement, the Board comprises: –

Executive Directors

Ms. Chong Sok Un (Deputy Chairman), Dr. Jonathan Weiyan Seah (Chief Executive Officer), Dato' Wong Peng Chong and Mr. Kong Muk Yin

Non-Executive Directors

Dr. Lim Cheok Peng (Chairman) and Mr. Liao Feng

Independent Non-Executive Directors

Mr. Lau Siu Ki, Mr. Ma Wah Yan and Mr. Zhang Jian