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China Medical & HealthCare Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. References are also made to the inside information announcement and the relevant supplemental announcement of the Company dated 19 May 2020 and 25 May 2020 respectively.

The Board wishes to inform the shareholders of the Company and potential investors that based on its preliminary review on the relevant unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and information currently available, the Group is expected to record a loss attributable to shareholders of the Company for the six months ended 30 June 2020 (subject to any further impairment or other adjustments) in the range of approximately HK\$47 million to HK\$67 million as compared with a net profit of approximately HK\$12.2 million for the corresponding period in 2019. This was mainly due to (i) the decrease of revenue from the operations of the Healthcare Division and the Eldercare Division as affected by the negative impacts from the on-going COVID-19 pandemic; (ii) no interest income from the money lending business; and (iii) a loss in fair value change of investments held for trading compared with a gain recorded in corresponding period in 2019.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

This announcement is made by China Medical & HealthCare Group Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”). References are also made to the inside information announcement and the relevant supplemental announcement of the Company dated 19 May 2020 and 25 May 2020 respectively.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on its preliminary review on the relevant unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and information currently available, the Group is expected to record a loss attributable to shareholders of the Company for the six months ended 30 June 2020 (subject to any further impairment or other adjustments) in the range of approximately HK\$47 million to HK\$67 million as compared with a net profit of approximately HK\$12.2 million for the corresponding period in 2019. This was mainly due to (i) the decrease of revenue from the operations of the Healthcare Division and the Eldercare Division as affected by the negative impacts from the on-going COVID-19 pandemic; (ii) no interest income from the money lending business; and (iii) a loss in fair value change of investments held for trading compared with a gain recorded in corresponding period in 2019.

This profit warning announcement is only based on the preliminary review on the relevant unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and information currently available, which have not been confirmed or reviewed by the auditor of the Company, and may be subject to adjustments. The Company is in the process of finalizing the interim results for the six months ended 30 June 2020 and shareholders of the Company and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2020, which is expected to be released before the end of August 2020.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

By Order of the Board
China Medical & HealthCare Group Limited
Zhou Liye
Chairman

Hong Kong, 30 July 2020

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

Executive Directors

Ms. Chong Sok Un (Deputy Chairman), Mr. Kong Muk Yin, Mr. Guo Meibao and Mr. Zhou Haiying

Non-Executive Directors

Mr. Zhou Liye (Chairman), Dato' Wong Peng Chong and Mr. Zheng Zhen

Independent Non-Executive Directors

Mr. Zhang Jian, Dr. Xia Xiaoning, Dr. Wong Wing Kuen, Albert and Ms. Yang Lai Sum, Lisa