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China Medical & HealthCare Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO ANNUAL REPORT FOR THE EIGHTEEN MONTHS ENDED 31 DECEMBER 2019

Reference is made to the annual report of China Medical & HealthCare Group Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) for the eighteen months ended 31 December 2019 (the “**2018/2019 Annual Report**”). Capitalised terms used herein shall have the same meanings as those defined in the 2018/2019 Annual Report unless the context requires otherwise.

In addition to the information provided in the 2018/2019 Annual Report, the board of directors (the “**Board**”) of the Company would like to provide further information and breakdown in relation to the other gains and losses, and other income of the Group for the eighteen months ended 31 December 2019, together with the comparative figures for the corresponding financial year in 2018 (twelve months ended 30 June 2018):

	1.7.2018	1.7.2017
	to	to
	31.12.2019	30.6.2018
	HK\$’000	HK\$’000
Gain (loss) in fair value of investments held for trading	15,078	(8,716)
(Loss) gain in fair value of derivative financial instruments	(4)	4,244
Fair value changes on investment properties	18,245	(1,609)
Net foreign exchange (loss) gain	(11,303)	12,307
Impairment loss under expected credit loss model	(5,062)	-
Net gain (loss) on disposal of property, plant and equipment	27	(1,128)
Government subsidies	4,468	-
Interest income from:		
– Debt instruments at fair value through profit or loss	1,528	-
– Available-for-sale debt instruments	-	886

– Bank deposits	7,536	5,084
Impairment loss recognised on available-for-sale investments	-	(383)
Net loss in promissory notes receivable	-	(6,500)
Early settlement discount of consideration payable	1,500	-
Sale of vision-aid products	3,810	819
Clinical training services	3,087	2,322
Subcontracting fees from car parking spaces and canteen	1,179	624
Leasing fees from shopping and other areas of the hospitals	820	306
Forfeiture of customers' deposits	997	369
Other sundry income	9,163	14,264
	<u>51,069</u>	<u>22,889</u>

The additional information set out above does not affect other information contained in the 2018/2019 Annual Report.

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

Hong Kong, 31 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