

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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.

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 five months ended 31 May 2022 and information currently available, subject to any impairment adjustment or other adjustments, the Group is expected to record a Net Loss for the five months ended 31 May 2022 which represents (a) an approximately 316% increase as compared with the Net Loss for the corresponding period in 2021; (b) an approximately 40% to 50% decrease when compared with the Net Loss for the six months ended 30 June 2021; or (c) an approximately 77% to 87% increase when compared with the Net Loss for the six months ended 30 June 2021 excluding the one-off non-recurring item of impairment loss recognized on loan receivable.

Amid operating environments affected by partial lockdown and social restriction arising from COVID-19 pandemic in Mainland China, in particular, Nanjing and Shanghai, the consequential stringent epidemic regulation and control, and impacts from the reform of national medical and medical insurances policies, the expected increase in Net Loss was mainly due to (i) the decrease in revenues from in-patient visits of the Nanjing hospital of the Healthcare Division; (ii) the increase in repair and maintenance charge, and depreciation and amortization charge of the fixed assets of the Healthcare Division; (iii) the increase in social insurance charge of the Healthcare Division after revision of base salaries for social insurance contribution; (iv) the decrease in revenues from operations of the Eldercare Division in Shanghai; and (v) the pre-operation expenses of Cedar Care Polyclinic in Nanjing.

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 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (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 five months ended 31 May 2022 and information currently available, subject to any impairment adjustment or other adjustments, the Group is expected to record a loss attributable to shareholders of the Company (“**Net Loss**”) for the five months ended 31 May 2022 which represents (a) an approximately 316% increase as compared with the Net Loss for the corresponding period in 2021; (b) an approximately 40% to 50% decrease when compared with the Net Loss for the six months ended 30 June 2021; or (c) an approximately 77% to 87% increase when compared with the Net Loss for the six months ended 30 June 2021 excluding the one-off non-recurring item of impairment loss recognized on loan receivable.

Amid operating environments affected by partial lockdown and social restriction arising from COVID-19 pandemic in Mainland China, in particular, Nanjing and Shanghai, the consequential stringent epidemic regulation and control, and impacts from the reform of national medical and medical insurances policies, the expected increase in Net Loss was mainly due to (i) the decrease in revenues from in-patient visits of the Nanjing hospital of the Healthcare Division; (ii) the increase in repair and maintenance charge, and depreciation and amortization charge of the fixed assets of the Healthcare Division; (iii) the increase in social insurance charge of the Healthcare Division after revision of base salaries for social insurance contribution; (iv) the decrease in revenues from operations of the Eldercare Division in Shanghai; and (v) the pre-operation expenses of Cedar Care Polyclinic in Nanjing.

As the Company has not started preparing the interim results of the Group for the six months ended 30 June 2022, the information contained in this announcement is only based on a preliminary review on the relevant unaudited consolidated management accounts of the Group for the five months ended 31 May 2022 and information currently available, which have not been confirmed or reviewed by the auditor or the Audit Committee of the Company and therefore may be subject to adjustments. The Company expects to announce its unaudited interim results for the six months ended 30 June 2022 in August 2022. Further announcement(s) will be made by the Company as and when appropriate.

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
Chong Sok Un
Deputy Chairman

Hong Kong, 8 July 2022

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

Executive Directors

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

Non-Executive Directors

Mr. Zheng Zhen and Mr. Lai Hin Wing Henry Stephen

Independent Non-Executive Directors

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