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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.

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 30 November 2017 and information currently available, it is expected to record a loss attributable to shareholders of the Company for the six months ended 31 December 2017 as compared with a profit in 2016. The expected loss attributable to the shareholders of the Company was mainly due to (i) the reduction of gains in fair value change of investments held for trading and derivative financial instruments; (ii) the absence of reversal of impairment loss recognized on loan and interest receivables under the money lending business; (iii) reduction in sales of properties under the property development operations; and (iv) the reduction in the sales of ILU under the Eldercare Division.

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”).

The board of the 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 30 November 2017 and information currently available, it is expected to record a loss attributable to shareholders of the Company for the six months ended 31 December 2017 as compared with a profit in 2016. The expected loss attributable to the shareholders of the Company was mainly due to (i) the reduction of gains in fair value change of investments held for trading and derivative financial instruments; (ii) the absence of reversal of impairment loss recognized on loan and interest receivables under the money lending business; (iii) reduction in sales of properties under the property development operations; and (iv) the reduction in the sales of independent living units (“ILU”) under the Eldercare Division.

This profit warning announcement is only based on the preliminary review on the relevant unaudited consolidated management accounts of the Group for the five months ended 30 November 2017 and the information currently available, which have not been confirmed or reviewed by the Company’s auditor. The Company is in the process of finalizing the interim results for the six months ended 31 December 2017 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 31 December 2017, which is expected to be released before the end of February 2018.

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
Dr. Jonathan Weiyan Seah
Chairman

Hong Kong, 19 January 2018

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

Executive Directors

Ms. Chong Sok Un (Deputy Chairman), Dato’ Wong Peng Chong and Mr. Kong Muk Yin

Non-Executive Directors

Dr. Jonathan Weiyan Seah (Chairman) and Mr. Liao Feng

Independent Non-Executive Directors

Mr. Lau Siu Ki, Mr. Zhang Jian and Dr. Xia Xiaoning