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China Medical & HealthCare Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

ANNOUNCEMENT PURSUANT TO RULES 13.51B(2) AND 13.51(2) OF THE LISTING RULES

This announcement is made by China Medical & HealthCare Group Limited (the “**Company**”) pursuant to Rules 13.51B(2) and 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Company was recently notified by Mr. Zhou Liye (“**Chairman Zhou**”), a non-executive director and the chairman of the Company, and Mr. Zhou Haiying (“**Mr. Zhou**”), an executive director of the Company, that they received a decision (the “**Decision**”) on disciplinary measures (紀律處分決定書 2020 35號) issued by the Shanghai Stock Exchange (the “**SSE**”) regarding Tsinghua Tongfang Co., Ltd. (同方股份有限公司) (“**Tongfang**”), a company listed on the SSE (stock code: 600100). Chairman Zhou was the chairman of the board of directors of Tongfang and Mr. Zhou was the chief financial officer of Tongfang at the relevant time.

In the Decision, the SSE referred to (i) an alert announcement of annual results 2018 published by Tongfang on 31 January 2019 (the “**Alert Announcement**”) regarding the expected loss to be recorded by Tongfang in respect of 2018 financial year; (ii) a clarification announcement of results forecast made by Tongfang on 25 April 2019 (the “**Clarification Announcement**”) clarifying that the expected loss in respect of 2018 financial year would substantially increase; and (iii) the annual report 2018 made by Tongfang on 26 April 2019 (the “**Annual Report**”) regarding the actual loss for 2018 financial year. The SSE also referred to the substantial difference between the expected loss as disclosed in the Alert Announcement and the actual loss as disclosed in the Annual Report. In view of such substantial difference, the SSE held that Tongfang was in breach of the Rules Governing the Listing of Stocks on the SSE (the “**SSE Listing Rules**”) for disclosing inaccurate information in the Alert Announcement. The SSE also held that Tongfang failed to give sufficient and specific risk alert of the relevant matters in the Alert Announcement which may render such Alert Announcement to be inaccurate, and failed to timely publish the Clarification Announcement in correcting the expected loss figure. The SSE further held that the relevant personnel of Tongfang who were responsible for the information disclosure in connection with the Alert Announcement at the relevant time were also liable and in breach of the SSE Listing Rules. The SSE therefore imposed a public reprimand against, among others, Chairman Zhou (as the chairman of the board of directors of Tongfang at the relevant time) and Mr. Zhou (as the chief financial officer of Tongfang at the relevant time).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) (except Chairman Zhou and Mr. Zhou) has assessed the Decision and is of the view that Chairman Zhou and Mr. Zhou would still be suitable to act as the Directors, taking into account that (i) the SSE did not implicate that the matter involves any dishonesty, fraudulent or integrity issue on the part of Chairman Zhou and Mr. Zhou; and (ii) the Decision does not affect the qualification of Chairman Zhou and Mr. Zhou acting as directors under the laws of the People’s Republic of China. Having considered the implications of the Decision and the character, past compliance track record, experience and integrity of Chairman Zhou and Mr. Zhou, the Board (including the Nomination Committee) considered that Chairman Zhou and Mr. Zhou are able to continue to fulfil their duties as the Directors, and the above matter has not had and will not have any impact on the daily operations of the Company nor impair Chairman Zhou and Mr. Zhou’s suitability to act as the Directors.

The Decision is not made against the Company or any of its subsidiaries (collectively the “**Group**”). The Board does not consider that the above matter to have any material adverse impact on the business and/or operation of any members of the Group.

By Order of the Board
China Medical & HealthCare Group Limited
Chong Sok Un
Deputy Chairman

Hong Kong, 11 May 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. Ma Jianting

Independent Non-Executive Directors

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