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## **China Medical & HealthCare Group Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 383)**

### **INSIDE INFORMATION ANNOUNCEMENT**

This announcement is made by China Medical & HealthCare Group Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcement of the final results and the annual report of the Company for the eighteen months ended 31 December 2019 (the “**2018/2019 Annual Report**”) published by the Company on 30 March 2020 and 28 April 2020 respectively. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the 2018/2019 Annual Report.

As disclosed under the paragraph headed “Prospects” of the Chairman’s statement on pages 12 to 14 of the 2018/2019 Annual Report, certain operations of the Group have been delayed and affected in the first quarter of 2020 as a result of the outbreak of the coronavirus and the Group expected its business operating environments ahead would be challenging.

The board of directors of the Company (the “**Board**”) wishes to update the Shareholders and potential investors that based on its preliminary review on the relevant unaudited consolidated management accounts of the Group for the three months ended 31 March 2020 and information currently available, the Group recorded a decrease in revenue for the three months ended 31 March 2020 as compared to the corresponding period in 2019 and a loss attributable to the shareholders of the Company as compared with a profit for the same period in 2019 mainly due to (i) the decrease in revenue from the operations of the Healthcare Division and the Eldercare Division as affected by the emergency public health measures in the PRC; (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 the corresponding period in 2019.

Based on the above and if the challenging business operating environments of the Group remain and continue into the second quarter of 2020, the Company currently expects that these could collectively result in a loss attributable to the shareholders of the Company for the six months ending 30 June 2020 (subject to any possible impairment or other adjustments) as compared with a profit for the same period in 2019.

The information contained in this announcement only represents a preliminary assessment based on the relevant unaudited consolidated management accounts of the Group for the three months ended 31 March 2020 and information currently available to the Board as at the date hereof and such information has not been reviewed or audited by the auditor of the Company or reviewed by the Audit Committee of the Company.

**Shareholders 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, 19 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*