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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 eleven months ended 30 November 2020 and information currently available, the Group is expected to record a loss attributable to shareholders of the Company for the year ended 31 December 2020 in the range of approximately HK\$30 million to HK\$60 million (subject to any further impairment, adjustment related to loan receivable or other adjustments) as compared with a net profit of approximately HK\$2.2 million for the corresponding period in 2019 (eighteen months). This was mainly due to (i) the decrease in revenue from the operations of the Healthcare Division and the Eldercare Division as affected by the negative impacts from the COVID-19 pandemic; (ii) no interest income being received from its money lending business; (iii) a loss in fair value of investments held for trading compared with a gain recorded in corresponding period in 2019 (eighteen months); and (iv) impairment loss recognized on financial assets.

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 directors (the “**Board**”) of the Company 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 eleven months ended 30 November 2020 and information currently available, the Group is expected to record a loss attributable to shareholders of the Company for the year ended 31 December 2020 in the range of approximately HK\$30 million to HK\$60 million (subject to any further impairment, adjustment related to loan receivable or other adjustments) as compared with a net profit of approximately HK\$2.2 million for the corresponding period in 2019 (eighteen months). This was mainly due to (i) the decrease in revenue from the operations of the Healthcare Division and the Eldercare Division as affected by the negative impacts from the COVID-19 pandemic; (ii) no interest income being received from its money lending business; (iii) a loss in fair value of investments held for trading compared with a gain recorded in corresponding period in 2019 (eighteen months); and (iv) impairment loss recognized on financial assets.

This profit warning announcement is only based on the preliminary review on the relevant unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2020 and information currently available, which have not been confirmed or reviewed by the auditor of the Company, and may be subject to adjustments. The Company is in the process of finalizing the annual results for the year ended 31 December 2020 and shareholders of the Company and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2020, which is expected to be released before the end of March 2021.

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
Zhou Liye
Chairman

Hong Kong, 21 January 2021

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, 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