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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 2022 and information currently available, subject to any impairment adjustment or other adjustments, the Group is expected to record a Net Loss for the eleven months ended 30 November 2022 which represents (a) an approximately 26% decrease as compared with the Net Loss for the corresponding period in 2021; (b) an approximately 30% to 50% decrease when compared with the Net Loss for the year ended 31 December 2021; but (c) an approximately 20% to 40% increase when compared with the Net Loss for the year ended 31 December 2021 excluding the one-off non-recurring item of impairment loss under expected credit loss model recognized on loan receivable.

The expected increase in Net Loss was mainly attributable to (i) the increase in repair and maintenance charge, and depreciation and amortisation charge of the fixed assets of the Healthcare Division; (ii) the decrease in revenue from operations of the Eldercare Division as disrupted by COVID-19 partial lockdown and social restriction in Shanghai; (iii) the pre-operation expenses of Cedar Care Polyclinic in Nanjing; (iv) the increase in employee benefit expenses of the Healthcare Division after revision of base salaries for social insurance contribution; and (v) the increase in impairment loss under expected credit loss model recognized on the trade receivables of the Healthcare 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 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 eleven months ended 30 November 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 eleven months ended 30 November 2022 which represents (a) an approximately 26% decrease as compared with the Net Loss for the corresponding period in 2021; (b) an approximately 30% to 50% decrease when compared with the Net Loss for the year ended 31 December 2021; but (c) an approximately 20% to 40% increase when compared with the Net Loss for the year ended 31 December 2021 excluding the one-off non-recurring item of impairment loss under expected credit loss model recognized on loan receivable.

The expected increase in Net Loss was mainly attributable to (i) the increase in repair and maintenance charge, and depreciation and amortisation charge of the fixed assets of the Healthcare Division; (ii) the decrease in revenue from operations of the Eldercare Division as disrupted by COVID-19 partial lockdown and social restriction in Shanghai; (iii) the pre-operation expenses of Cedar Care Polyclinic in Nanjing; (iv) the increase in employee benefit expenses of the Healthcare Division after revision of base salaries for social insurance contribution; and (v) the increase in impairment loss under expected credit loss model recognized on the trade receivables of the Healthcare Division.

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 2022 and information currently available, which have not been confirmed or reviewed by the auditor or the Audit Committee of the Company, and may be subject to adjustments, if any. The Company is in the process of finalising the annual results for the year ended 31 December 2022 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 2022, which is expected to be released before the end of March 2023.

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, 20 January 2023

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. Lai Hin Wing Henry Stephen and Mr. Gao Zhaoyuan

Independent Non-Executive Directors

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