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China Medical & HealthCare Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

SUPPLEMENTAL AGREEMENT IN RELATION TO THE LOAN AGREEMENT

On 26 September 2019 (after trading hours), the Lender (a wholly-owned subsidiary of the Company) and the Borrower entered into the Supplemental Agreement pursuant to which the parties agreed to, among other things, (1) extend the date of repayment of the Loan from 11 September 2019 to 11 September 2020; and (2) amend the interest rate of the Loan (i) to (a) approximately 21.8% per annum for the period from 11 September 2019 to 10 October 2019; and (b) 21% per annum for the remainder of term; or (ii) to (a) approximately 17.2% per annum for the period from 11 September 2019 to 1 October 2019; and (b) 16% per annum for the remainder of the term, provided that the Borrower makes partial repayment of the Loan in the amount of not less than HK\$38,000,000 on or before 2 October 2019.

This announcement is made by the board of Directors of China Medical & HealthCare Group Limited (the “**Company**”) pursuant to Rule 13.09 and Rule 14.36 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement of the Company dated 10 September 2018 (the “**Announcement**”) in relation to the entering of the Loan Agreement. Unless otherwise stated or defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

On 26 September 2019 (after trading hours), the Lender (a wholly-owned subsidiary of the Company) and the Borrower entered into the Supplemental Agreement pursuant to which the parties agreed to, among other things: –

- (1) extend the date of repayment of the Loan from 11 September 2019 to 11 September 2020; and

(2) amend the interest rate of the Loan as follows:–

- (i) to (a) approximately 21.8% per annum for the period from 11 September 2019 to 10 October 2019; and (b) 21% per annum for the remainder of the term; or
- (ii) to (a) approximately 17.2% per annum for the period from 11 September 2019 to 1 October 2019; and (b) 16% per annum for the remainder of the term, provided that the Borrower makes partial repayment of the Loan in the amount of not less than HK\$38,000,000 on or before 2 October 2019.

As a condition precedent of the Supplemental Agreement and an additional security for the repayment of the Loan, on 26 September 2019, the Deed of Assignment (Chargor) was entered into among the Borrower as the assignor, the Lender as the assignee and the Chargor in respect of, *inter alia*, a shareholder's loan owed by the Chargor to the Borrower.

Immediately prior to the entering of the Supplemental Agreement, the outstanding principal of the Loan was reduced to HK\$133,215,000.

The terms of the Supplemental Agreement were arrived at between the parties after arm's length negotiation.

Prior to the entering into of the Supplemental Agreement, as an additional security for the repayment of the Loan, the Deed of Assignment (Listed Company) was entered into among the Borrower as the assignor, the Lender as the assignee and the Listed Company in respect of, *inter alia*, a shareholder's loan owed by the Listed Company to the Borrower.

The Board considers that the terms of the Supplemental Agreement are fair, reasonable and beneficial to the Company and are in the interests of the shareholders as a whole.

Save as disclosed herein, all other material terms and conditions of the Loan Agreement remain unchanged.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the majority of board of Directors of the Company;
“Deed of Assignment (Chargor)”	the deed of assignment dated 26 September 2019 entered into among the Borrower, the Lender and the Chargor;
“Deed of Assignment (Listed Company)”	the deed of assignment dated 24 June 2019 entered into among the Borrower, the Lender and the Listed Company;
“Supplemental Agreement”	the supplemental agreement entered into between the Lender and the Borrower dated 26 September 2019.

By Order of the board of Directors
China Medical & HealthCare Group Limited
Zhou Liye
Chairman

Hong Kong, 26 September 2019

As at the date of this announcement, the board of Directors 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