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China Medical & HealthCare Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

SUPPLEMENTAL ANNOUNCEMENT PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

Reference is made to the announcement (the “**Announcement**”) of China Medical & HealthCare Group Limited (the “**Company**”) dated 5 May 2023 relating to the proposed rights issue. Capitalised terms used herein shall have the same meaning as those defined in the Announcement unless specified otherwise.

The Company would like to supplement the Announcement with the following information:-

*At the board meeting of the Company held on 5 May 2023 (the “**Board Meeting**”), eight Directors (namely Ms. Chong Sok Un, Mr. Kong Muk Yin, Mr. Guo Meibao, Mr. Lai Hin Wing Henry Stephen, Mr. Zhang Jian, Dr. Xia Xiaoning, Dr. Wong Wing Kuen, Albert and Ms. Yang Lai Sum, Lisa) voted for and two Directors (namely Mr. Zhou Haiying (an executive Director) and Mr. Gao Zhaoyuan (a non-executive Director)) voted against the Rights Issue. All relevant board resolutions of the Rights Issue were duly passed at the Board Meeting pursuant to the memorandum of association and bye-laws of the Company.*

Further, the Company would like to supplement the Announcement and the prospectus of the Company relating to the Rights Issue to be issued on 24 May 2023 (the “**Prospectus**”) with the following information:-

*The Guarantee Law of the PRC was repealed and the Civil Code of the PRC (“**Civil Code**”) became effective from 1 January 2021. Although Nanjing Tongren Hospital Co., Ltd. and Kunming Tongren Hospital Co., Ltd. (subsidiaries of the Company and the beneficial owners of NJH and KMH respectively) are private enterprises licensed for profit, their medical and healthcare operations are of the nature of social welfare services, and the real estate certificates under the names of NJH and KMH are both of the nature of medical healthcare and welfare. Therefore, Nanjing Tongren Hospital Co., Ltd. and Kunming Tongren Hospital Co., Ltd. are prohibited from making financing mortgages or providing guarantees to banks for the land use rights and ground buildings owned by them pursuant to Article 6 of the Interpretation of the Supreme People’s Court on the applicability of the guarantee system under the Civil Code (the “**Prohibition**”). The Group had been turned down by certain PRC banks in obtaining a medium to long term loan for financing the development of phase II of KMH from 2019 to 2022 because of the Prohibition.*

Save for the above and those disclosed in the clarification announcement of the Company dated 9 May 2023, other information contained in the Announcement and the Prospectus remains unchanged.

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

Hong Kong, 23 May 2023

As at the date of this announcement, the Directors comprise:-

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