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China Health Group Limited
中國衛生集團有限公司

(Carrying on business in Hong Kong as CHG HS Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 673)

**MAJOR TRANSACTION IN RELATION TO
THE ACQUISITION OF ANPING BO'AI HOSPITAL AND THE DEPOSIT**

Reference is made to the announcements of China Health Group Limited dated 28 December 2018, 1 February 2019, 28 February 2019, 10 May 2019, 20 June 2019, 28 June 2019 and 31 July 2019 (the “**Announcements**”) in relation to the major transaction involving the proposed acquisition of Anping Bo'ai Hospital. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless otherwise specified.

The Board announces that on 24 September 2019, the parties to the Share Purchase Agreement entered into the third supplemental agreement, whereby the parties agreed, among other things, that:

- (i) the Deposit for the Subsequent Transfer shall be payable by the Purchaser to Mr. Sang within five Business Days from the date of Completion; and
- (ii) in consideration of the payment of the Deposit by the Purchaser, Mr. Sang shall, upon receipt of the Deposit, execute necessary documents to create a legal charge over the Remaining Interest in favour of the Purchaser.

The third supplemental agreement also clarifies that if the Share Purchase Agreement is terminated due to non-fulfilment of the Conditions Precedent or by mutual agreement of the parties or the failure to transform the Hospital from not-for-profit to for-profit within 185 days from the date of the Share Purchase Agreement, the first payment of the Consideration of RMB3.0 million already paid by the Purchaser shall be fully refunded to the Purchaser without interest upon termination of the Share Purchase Agreement. If Completion does not take place due to either one of the Vendors or the Hospital terminates the Share Purchase Agreement or the Purchaser terminates the Share Purchase Agreement as a result of any reason caused by either one of the Vendors or the Hospital, the Vendors shall refund the first payment of the Consideration of RMB3.0 million to the Purchaser and pay a further sum of RMB840,000 as compensation to the Purchaser. If the Share Purchase Agreement is terminated due to default of the Purchaser, the first payment of the Consideration of RMB3.0 million shall not be refunded.

Save as disclosed above, other terms of the Share Purchase Agreement (as supplemented on 20 June 2019 and 31 July 2019) shall remain unchanged.

The circular containing, among other things, details of the Share Purchase Agreement, financial information about the Group and the Hospital, and a notice convening the SGM will be despatched to the Shareholders on 25 September 2019, and the SGM will be held on 18 October 2019.

By Order of the Board
China Health Group Limited
Zhang Fan

Chairman of the Board and Executive Director

Hong Kong, 24 September 2019

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Zhang Fan (chairman), Mr. Chung Ho, Mr. Wang Jingming, and Mr. Weng Yu; four non-executive Directors, namely, Mr. Xing Yong, Mr. Huang Lianhai, Mr. Zhang Dawei and Mr. Wang Yongming; and four independent non-executive Directors, namely, Mr. Xiao Zuhe, Mr. Jiang Xuejun, Mr. Du Yanhua and Mr. Lai Liangquan.