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CHINA HEALTH GROUP INC.

(中國醫療集團有限公司)

(Carrying on business in Hong Kong as “萬全醫療集團”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08225)

CLARIFICATION ANNOUNCEMENT

Reference is made to the FIRST QUARTERLY REPORT 2022(collectively referred to as the“First quarterly report 2022”) of China Health Group Limited (the “Company”)dated 6 May 2022, the INTERIM REPORT 2022 (collectively referred to as the “Interim report 2022”) of the Company dated 5 August 2022, the THIRD QUARTERLY REPORT 2022(collectively referred to as the“Third quarterly report 2022”)of the Company dated 14 November 2022 , the FIRST QUARTERLY REPORT 2023(collectively referred to as the “First quarterly report 2023”) of the Company dated 15 May 2023, the INTERIM REPORT 2023 (collectively referred to as the “Interim report 2023”) of the Company dated 14 August 2023.

The Company would like to clarify that due to the irresistible factors of the COVID-19 pandemic in 2022, our business model has changed, and the revenue recognized in the first and second quarters has been partially adjusted during the fourth quarter. In order to facilitate understanding and review of the announcement, the company makes the following explanations one by one to avoid ambiguity:

1. In the Page 2 of the First quarterly report 2022, the turnover, profit before taxation and earnings per share of the 2022 are adjusted as follows:

HIGHLIGHTS

1. The Group achieved a turnover of RMB7,200,000 for the Period, representing a decrease of 72.55% from RMB26,226,000 as compared with that of the corresponding period of 2021.

2. The Group achieved profit before taxation of RMB1,514,000 for the Period, representing a decrease of 90.1% from RMB15,303,000 as compared with that of the corresponding period of 2021.

3. Basic and diluted earnings per share are RMB0.13 cents for the Period, representing a decrease of 90.23% from RMB1.33 cents as compared with that of the corresponding period of 2021.

4. The Board does not recommend payment of any dividends for Period.

摘要

1. 截至二零二二年三月三十一日止之三個月，本集團錄得營業收入人民幣7,200,000元，較二零二一年同期之營業收入人民幣26,226,000元下降72.55%。

2. 截至二零二二年三月三十一日止之三個月，本集團錄得本期除稅前利潤人民幣1,514,000元，較二零二一年同期之除稅前利潤人民幣15,303,000元下降90.1%。

3. 截至二零二二年三月三十一日止三個月之每股盈利（基本及攤薄）為人民幣0.13仙，較二零二一年同期下降90.23%。

4. 董事會建議不派發截至二零二二年三月三十一日止三個月之股息。

2. In the Page 3 of the First quarterly report 2022, all the 2022 data except Other income, Administrative expenses, Finance costs and Out-of-business income/expenses are adjusted as follows:

		Unaudited 未經審核		
		Three months ended 31 march 截至三月三十一日止三個月		
		Notes 附註	2022 二零二二年 RMB' 000 人民幣千元	2021 二零二一年 RMB' 000 人民幣千元
Turnover	營業收入	4	7,200	26,226
Cost of services	營業成本		(3,553)	(6,556)
Gross profit	毛利		3,647	19,670
Other income	其他收入		48	65
Administrative expenses	行政費用	5	(2,197)	(4,418)
Profit from operations	營業利潤		1,498	15,317
Finance costs	財務費用		6	(16)
Out-of-business income	營業外收入		10	3
Out-of-business expenses	營業外支出		(0)	(1)
Profit before taxation	除稅前溢利		1,514	15,303
Income tax	所得稅	7	(227)	(2,120)
Profit for the year	本年度溢利		1,287	13,183
Attributable to :	應佔:			
-Owners of the Company	本公司權益持有人		1,287	13,183
-Non-controlling interests	非控制權益		-	-
			1,287	13,183
Earnings per share (cent)	每股盈利 (仙)			
-basic and diluted	基本及攤薄	6	0.13	1.33

3. The last two lines in the Page 4 of the First quarterly report 2022 are adjusted as follows:

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動 (UNAUDITED) (未經審核)									
截至二零二二年三月三十一日止三個月 For the three months ended 31 MARCH 2022									
	Share capital 股本	Share premium 股本溢價	Share Based Payment reserve 股份基礎支付儲備	Special Reserve 特別儲備	Capital reserve 資本儲備	Statutory reserve 法定公積	Statutory enterprise fund expansion 法定企業發展基金	Retained earnings 累計溢利 (虧損)	Total 權益合計
	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
At 1 January 2021 於二零二一年一月一日	88,906	1,402	2,273	6,039	6,231	19,551	6,986	(12,713)	118,675
Profit for the period 期內溢利	-	-	-	-	-	-	-	13,183	13,183
At 31 March 2021 於二零二一年三月三十一日	88,906	1,402	2,273	6,039	6,231	19,551	6,986	470	131,858
At 1 January 2022 於二零二二年一月一日	88,906	1,402	2,845	6,039	6,231	23,661	6,986	19,502	155,572
Profit for the period 期內溢利	-	-	-	-	-	-	-	1,287	1,287
At 31 March 2022 於二零二二年三月三十一日	88,906	1,402	2,845	6,039	6,231	23,661	6,986	20,789	156,859

4. All the 2022 data of the Page 6 in the First quarterly report 2022 are adjusted as follows:

4. Revenue	Unaudited 未經審核 For the three months ended 31 March 截至三月三十一日止三個月	
	2022 二零二二年 RMB' 000 人民幣千元	2021 二零二一年 RMB' 000 人民幣千元
4. 營業收入		
The Company is principally engaged in providing research, development, medical science events and clinical registry. Breakdown of the revenue from all services is as follows:		
本集團主要從事研究、開發、學術推廣及臨床註冊服務。於有關期間確認之收益如下：		
Turnover 營業收入		
Provision of post launch market research, medical and medical market services (the "PM services") 提供上市後醫學臨床服務、臨床研究、醫學聯絡、和醫療市場服務 (PMS)	7,200	26,226
Provision of contracted pharmaceutical development services (the "PD services") 提供合約藥品開發服務 (PDS)	0	0
Other medical services 其他醫療服務收入	0	0
Total 合計	7,200	26,226
The turnover for the Period decreases 72.55% compared with the corresponding period of 2021. Moreover, the revenue of related parties transactions was about RMB0 for the Period, account for the 0% of the total revenue.		
本集團本季度期間內總營業收入較二零二一年同期減少 72.55%。本季度的聯方收入為人民幣0元，約占總收入的 0%。		

5. In the Page 7-8 of the First quarterly report 2022, the unaudited net profit and Income Tax of the 2022 are adjusted as follows:

6. Earnings per share

Basic earnings per share is calculated by dividing the unaudited net profit approximately RMB1,287,000 (2021: RMB13,183,000) attributable to owners of the Company by the weighted average number of 995,351,660 ordinary shares of the Company for the Quarter (2021: 995,351,660 Shares).

No adjustment had been made to the basic earnings per share amount as presented for the three months ended 31 March 2022 and 2021 in respect of a dilution of the outstanding share options which had an anti-dilutive effect on the basic earnings per share.

7. Income Tax

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits for the Period (2021: Nil).

Provision for PRC Enterprise Income Tax for the Company and its subsidiaries is calculated based on the Enterprise Income Tax Law of the People's Republic of China ("EIT Law of the PRC"). The applicable income tax rate is ranging from 9% to 25% as at 31 March 2022 (the Last Year Period: 9%-25%). During the Period, some subsidiaries of the Company are eligible for tax incentives due to their location and industry. These subsidiaries are subject to a preferential tax rate of 9%.

Taxation of other overseas subsidiaries are charged at the appropriate current rates of taxation ruling in the relevant countries.

6. 每股盈利

每股基本盈利的計算乃基於期間內未經審計本公司普通股股東應占溢利約人民幣1,287,000元（二零二一年：同期溢利人民幣13,183,000元），以及期內之已發行普通股加權平均股數995,351,660股（二零二一年：995,351,660股）計算。

截至二零二二年三月三十一日和二零二一年三月三十一日的三個月內，未對每股基本收益進行任何調整，因為已發行股票期權的稀釋對每股基本收益產生了反稀釋效應。

7. 所得稅

由於本集團於年季度並無在香港產生任何應課稅溢利，故並無就香港利得稅作出撥備（二零二一年同期：無）。

本公司及其附屬公司的中華人民共和國企業所得稅年內撥備按《中華人民共和國企業所得稅法》（以下簡稱「所得稅法」）計算。本季度適用所得稅率為9%-25%（二零二一年：9%-25%）。本期間，部份附屬公司由於位於稅收優惠納稅區域並屬於稅收優惠政策適用行業，因此獲得優惠所得稅，其稅率為9%。

其他海外子公司按相關國家現行適用的稅率徵稅。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

		Unaudited 未經審核	
		For the three months ended 31 March 截至三月三十一日止三個月	
		2022	2021
		二零二二年	二零二一年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Chinese Income Tax -current period	中國企業所得稅 -本期間	227	2,120

6. All the 2022 data of the Page 10 in the First quarterly report 2022 are adjusted as follows:

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析	
FINANCIAL REVIEW	財務回顧
<p>The Group achieved a turnover of RMB7,200,000 during the Period, representing a decrease of 72.55% from RMB26,226,000 as compared with that of the corresponding period of last year. The consolidated turnover included RMB7,200,000 derived from the post marketing surveillance, real-world study, medical science events and medical market services (PMS), amounted to 100% of the total revenue.</p>	<p>截至二零二二年三月三十一日止三個月，本集團錄得營業收入人民幣7,200,000元，較二零二一年同期之營業收入下降72.55%。其中上市後醫學臨床服務、臨床研究、醫學聯絡、和醫療市場服務(PMS)收入為人民幣7,200,000元，占總收入之100%。</p>
<p>Total consolidated administrative expenses and staff costs for the Period and the corresponding period last year were approximately RMB2,197,000 and approximately RMB4,418,000 respectively.</p>	<p>本期及去年同期的綜合行政開支及人事費總額分別約為人民幣2,197,000元及人民幣4,418,000元。</p>
<p>The Group achieved profit before taxation of RMB 1,514,000 for the Period, representing a decrease of 90.1% from RMB15,303,000 as compared with that of the corresponding period of 2021. Net profits for the Period and the corresponding period last year were approximately RMB1,287,000 and approximately RMB13,183,000 respectively.</p>	<p>截至二零二二年三月三十一日止之三個月，本集團錄得本期除稅前利潤人民幣1,514,000元，較二零二一年同期之除稅前利潤下降90.1%。本期及去年同期的淨利潤分別約為人民幣1,287,000元及人民幣13,183,000元。</p>

7. In the Page 2 of the Interim report 2022, the turnover, profit before taxation and earnings per share of the 2022 are adjusted as follows:

FINANCIAL HIGHLIGHTS
<p>1. The Group achieved a turnover of RMB10,073,000 for the six months ended 30 June 2022 (the "Period") representing a decrease of approximately 79.06% from RMB48,093,000 as compared with that of the corresponding period of 2021.</p>
<p>2. The Group achieved profit before taxation of about RMB90,000 for the Period representing a decrease of approximately 99.67% from RMB27,977,000 as compared with that of the corresponding period of 2021.</p>
<p>3. Basic earnings per share are approximately RMB 0 cents for the Period representing a decrease of approximately 100% from RMB2.33 cents as compared with the corresponding period of 2021.</p>
<p>4. The Board does not recommend the payment of any interim dividends for the Period.</p>

8. In the Page 3 of the Interim report 2022, all the 2022 data except Staff cost, Other income, Administrative expenses and Finance costs are adjusted as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)					
For the six months ended 30 June 2022					
		Unaudited		Unaudited	
		Three months ended 30 June	2021	Six months ended 30 June	2021
	Notes	RMB' 000	RMB' 000	RMB' 000	RMB' 000
Turnover	4	2,873	21,867	10,073	48,093
Cost of sales		(2,910)	(3,181)	(6,463)	(9,737)
Staff cost		(1,238)	(2,944)	(2,825)	(4,764)
Other income		60	185	118	253
Administrative expenses	5	(211)	(3,255)	(821)	(5,853)
Profit from operations		(1,426)	12,672	82	27,992
Finance costs		2	1	8	(15)
Profit before taxation		(1,424)	12,673	90	27,977
Income tax	7	204	(2,669)	(23)	(4,789)
Profit for the period		(1,220)	10,004	67	23,188
Attributable to:					
owners of the Company		(1,220)	10,004	67	23,188
Profit for the period		(1,220)	10,004	67	23,188
Earnings per share (cents)					
-basic	6	(0.12)	1.01	0	2.33
-diluted	6	(0.12)	1.01	0	2.33

9. In the Page 4 of the Interim report 2022, the Contract costs, Trade and bills receivables, Tax payable, Net current assets, Total assets less current liabilities, Net assets, Share Capital, Reserves and Total equity of the 2022 are adjusted as follows:

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)			
As at 30 June 2022			
	Notes	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 RMB'000
Non-current assets			
Property, plant and equipment		1,483	1,550
		<u>1,483</u>	<u>1,550</u>
Current assets			
Investments at fair value through profit or loss		5,660	5,660
Contract costs		26,725	24,481
Trade and bills receivables	9	122,533	128,513
Trade deposit paid		1,800	1,800
Prepayments and other receivables		33,496	24,742
Cash and cash equivalents		7,086	11,364
		<u>197,300</u>	<u>196,560</u>
Current liabilities			
Trade payables, other payables and accrued charges	10	20,113	19,009
Contract liabilities		1,014	1,014
Tax payable		22,017	22,515
Bank borrowings			
		<u>43,144</u>	<u>42,538</u>
Net current assets		<u>154,156</u>	<u>154,022</u>
Total assets less current liabilities		<u>155,639</u>	<u>155,572</u>
Net assets		<u>155,639</u>	<u>155,572</u>
Capital and reserves			
Share capital		88,906	88,906
Reserves		66,733	66,666
Total equity		<u>155,639</u>	<u>155,572</u>

10. The last two lines in the Page 6 of the Interim report 2022 are adjusted as follows:

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)									
For the six months ended 30 June 2022									
	Share capital	Share premium	Share based payment reserve	Special reserve	Capital reserve	Statutory reserve	Statutory enterprise expansion fund	Retained (losses)/ earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2021	88,906	1,402	2,273	6,039	6,231	19,551	6,986	(12,713)	118,675
Profit for the period	-	-	-	-	-	-	-	23,188	23,188
Equity settled Share-base transactions	-	-	572	-	-	-	-	-	572
At 30 June 2021	88,906	1,402	2,845	6,039	6,231	19,551	6,986	10,475	142,435
At 1 January 2022	88,906	1,402	2,845	6,039	6,231	23,661	6,986	19,502	155,572
Profit for the period	-	-	-	-	-	-	-	67	67
At 30 June 2022	88,906	1,402	2,845	6,039	6,231	23,661	6,986	19,569	155,639

11. All the 2022 data in the Page 8 of the Interim report 2022 are adjusted as follows:

	Unaudited		Unaudited	
	Three months ended 30 June 2022	30 June 2021	Six months ended 30 June 2022	30 June 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Provision of post marketing surveillance, real-world study, medical science events, and medical marketing (PMS)	2,873	21,867	10,073	48,093
Provision of contracted pharmaceutical(PDS)				
	<u>2,873</u>	<u>21,867</u>	<u>10,073</u>	<u>48,093</u>

The turnover for the Period decreases 79.06% compared with the corresponding period of 2021. Moreover, turnover of PMS for the six months ended 30 June 2022 increased 79.06% compared with the corresponding period of 2021. During the Period, the turnover of related parties was RMB0, accounting for 0% of the total turnover.

12. All the 2022 data in the Page 9 of the Interim report 2022 are adjusted as follows:

6. Earnings per share

Basic earnings per share is calculated by dividing the unaudited net profit approximately RMB67,000(2021: RMB23,188,000) attributable to owners of the Company by the weighted average number of 995,351,660 ordinary shares of the Company for the Period (2021:995,351,660 Shares).

The calculation of the diluted earnings per share for the Interim is same as basic earnings per share which based on unaudited net profit attributable to owners of the Company. The weighted average number of ordinary shares of 995,351,660, being the weighted average number of ordinary shares of 995,351,660 in issue during the Period used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 995,351,660 assumed to have been issued at no consideration on the deemed exercise of the share options outstanding at the end of the reporting Period.(2021:995,351,660 Shares).

7. Income tax

No Hong Kong profit tax has been provided for, as the Group had no estimated assessable profits in Hong Kong for the Period (the corresponding period: Nil).

"PRC" Enterprise Income Tax has been calculated on the estimated assessable profit for the Period according to the relevant laws and regulations. The applicable income tax rate is ranging from 9% to 25% as at 30 June 2021(the corresponding period: 9%-25%). During the Period, some subsidiaries of the Company are eligible for tax incentives due to their location and industry. These subsidiaries are subject to a preferential tax rate of 9%. Taxation of other overseas subsidiaries are charged at the appropriate current rates of taxation ruling in the relevant countries.

	Unaudited		Unaudited	
	Three months ended	30 June	Six months ended	30 June
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Chinese Income Tax -current period	<u>(204)</u>	<u>2,669</u>	<u>23</u>	<u>4,789</u>

13. All the 2022 data in the Page 10 of the Interim report 2022 are adjusted as follows:

9. Trade and bills receivables		
An aged analysis of the trade and bills receivables at the end of the reporting period, based on the invoice date and net of allowances, is as follows:		
	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 RMB'000
Within 30 days	93,293	93,578
31 to 60 days	23,988	26,988
61 to 90 days	-	-
91 to 365 days	232	2,927
Over 365 days	5,020	5,020
	<u>122,533</u>	<u>128,513</u>

14. All the 2022 data in the Page 14 of the Interim report 2022 are adjusted as follows:

FINANCIAL REVIEW
<p>The Group achieved a turnover of RMB10,073,000 during the Period, representing a decrease of approximately 79.06% from RMB48,093,000 as compared with that of the corresponding period of 2021.</p>
<p>The consolidated turnover included approximately RMB10,073,000 derived from the post marketing surveillance, real-world clinical research, medical science and medical market services(PMS), amounted to 100% of the total turnover, which was representing a decrease of approximately 79.06% from RMB48,093,000 as compared with the corresponding period of 2021.</p>
<p>The Group recorded a profit before taxation of approximately RMB90,000 for the Period, representing a decrease of 99.67% from RMB27,977,000 as compared with that of the corresponding period of 2021. Profit for the Period was approximately RMB67,000, and in the corresponding period of last year was approximately RMB23,188,000.</p>

15. In the Page 2 of the Third quarterly report 2022, turnover, profit before taxation and earnings per share of the 2022 are adjusted as follows:

FINANCIAL HIGHLIGHTS

1. The Group achieved a turnover of RMB13,090,000 for the nine months ended 30 September 2022 (the "Period"), representing a decrease of approximately 76.55% compared with the corresponding period of 2021.
2. The Group achieved profit before taxation of about RMB231,000 for the Period, representing a decrease of approximately 99.25% as compared with the corresponding period of 2021.
3. Basic earnings per share are approximately RMB0.02 cents for the Period, representing a decrease of approximately 99.23% as compared with the corresponding period of 2021.
4. The Board does not recommend the payment of any interim dividends for the nine months ended 30 September 2022.

16. In the Page 3 of the Third quarterly report 2022, all the 2022 data except Other income, Administrative expenses and Finance costs are adjusted as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)					
<i>For the nine months ended 30 September 2022</i>					
		Unaudited		Unaudited	
		three months ended 30 September		nine months ended 30 September	
		2022	2021	2022	2021
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
Turnover	4	3,017	7,736	13,090	55,829
Cost of sales		<u>(1,446)</u>	<u>(2,027)</u>	<u>(7,909)</u>	<u>(11,765)</u>
Gross profit		1,571	5,708	5,181	44,064
Other income		32	98	150	351
Administrative expenses	5	<u>(1,423)</u>	<u>(2,728)</u>	<u>(5,069)</u>	<u>(13,345)</u>
Profit from operations		179	3,078	262	31,070
Finance costs		<u>(39)</u>	<u>1</u>	<u>(31)</u>	<u>(11)</u>
Profit before taxation		141	3,079	231	31,059
Income tax	7	<u>(16)</u>	<u>(462)</u>	<u>(39)</u>	<u>(5,251)</u>
Profit for the year		<u>125</u>	<u>2,617</u>	<u>192</u>	<u>25,808</u>
Attributable to :					
equity holders of the Company		125	2,617	192	25,808
Minority interests		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Profit for the year		<u>125</u>	<u>2,617</u>	<u>192</u>	<u>25,808</u>
Earnings per share (cent)					
- basic	6	0.01	0.26	0.02	2.59
- diluted	6	0.01	0.26	0.02	2.59

17. The last two lines in the Page 4 of the Third quarterly report 2022 are adjusted as follows:

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)									
<i>As of 30 September 2022</i>									
	Share capital	Share premium	Share based payment reserve	Special reserve	Capital reserve	Statutory reserve	Statutory enterprise expansion fund	Retained (losses)/ earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2021	88,906	1,402	2,273	6,039	6,231	19,551	6,986	(12,713)	118,675
Profit for the period	-	-	-	-	-	-	-	25,808	25,808
Equity settled Share- base transactions	-	-	572	-	-	-	-	-	572
At 30 September 2021	88,906	1,402	2,845	6,039	6,231	19,551	6,986	13,095	145,055
At 1 January 2022	88,906	1,402	2,845	6,039	6,231	23,661	6,986	19,502	155,572
Profit for the period	-	-	-	-	-	-	-	192	192
At 30 September 2022	88,906	1,402	2,845	6,039	6,231	23,661	6,986	19,694	155,764

18. All the 2022 data in the Page 6 of the Third quarterly report 2022 are adjusted as follows:

4. Revenue

The Company is principally engaged in providing research, development, medical science events and clinical registry. Breakdown of the revenue from all services is as follows:

	Unaudited three months ended 30 September		Unaudited nine months ended 30 September	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Provision of post marketing surveillance, real-world study, medical science events, and medical marketing ("PMS")	3,017	7,736	13,090	55,829
Other medical services	-	-	-	-
	<u>3,017</u>	<u>7,736</u>	<u>13,090</u>	<u>55,829</u>

The turnover for the Period decreases 76.55% compared with the corresponding period of 2021. During the period, There was no income from related party.

19. The unaudited net profit of the 2022 in the Page 7 of the Third quarterly report 2022 is adjusted as follows:

6. Earnings per share

Basic earnings per share is calculated by dividing the unaudited net profit approximately RMB192,000 (2021: RMB25,808,000) attributable to owners of the Group by the weighted average number of approximately 995,351,660 ordinary shares of the Company for the Quarter (2021: 995,351,660 ordinary shares).

The calculation of the diluted earnings per share for the Period is same as basic earnings per share which based on unaudited profit attributable to ordinary equity shareholders. The weighted average number of ordinary shares of the Company is approximately 995,351,660 ordinary shares (2021: 995,351,660 ordinary shares).

20. The 2022 data in the Page 8 of the Third quarterly report 2022 are adjusted as follows:

7. Income Taxes

No Hong Kong profit taxes has been provided for, as the Group had no estimated assessable profits in Hong Kong for the Period (the corresponding period: Nil).

"PRC" Enterprise Income Tax has been calculated on the estimated assessable profit for the Period according to the relevant laws and regulations. The applicable income tax rate is ranging from 9% to 25% as at 30 September 2022 (2021: 15% to 25%). During the Period, some subsidiaries of the Company are eligible for tax incentives due to their location and industry. These subsidiaries are subject to a preferential tax rate of 9%.

Taxation of other overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

	Unaudited three months ended 30 September		Unaudited nine months ended 30 September	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Chinese Income Tax				
-current period	<u>16</u>	<u>462</u>	<u>39</u>	<u>5,251</u>

21. All the data about 2022 in the Page 10 of the Third quarterly report 2022 are adjusted as follows:

FINANCIAL REVIEW

The Group achieved a turnover of RMB13,090,000 during the Period, representing a decrease of approximately 76.55% compared with that in the corresponding period of last year.

The consolidated turnover included approximately RMB13,090,000 derived from the post marketing surveillance, real-world clinical research, medical science and medical market services (PMS), amounted to 100% of the total revenue.

The Group recorded a profit before taxation of approximately RMB231,000 for the Period, representing a decrease of approximately 99.25% as compared with that of approximately RMB31,059,000 in the corresponding period last year. Net profits for the Period and the corresponding period last year were approximately RMB192,000 and approximately RMB25,808,000 respectively.

22. All the data about 2022 in the Page 2 of the First quarterly report 2023 are adjusted as follows:

FINANCIAL HIGHLIGHTS

1. For the three months ended 31 March 2023, the Group recorded operating income of approximately RMB4,001,000, representing a decrease by approximately 44.43% compared to the same period in 2022.
2. For the three months ended 31 March 2023, the Group recorded a profit before tax of approximately RMB1,048,000 for the current period, Compared to the same period in 2022, the profit before tax decreased by approximately 30.78%.
3. Earnings per share (basic) for the three months ended 31 March 2023 were approximately RMB0.09 cents, representing a decrease by approximately 30.77% compared to the same period in 2022.
4. The Board recommends no dividend payment for the three months ended 31 March 2023.

23. In the Page 3 of the First quarterly report 2023, all the 2022 data except Other income, Administrative expenses and Finance costs are adjusted as follows:

FIRST QUARTERLY RESULTS (UNAUDITED)			
The board of Directors (the "Board") is here to present the condensed unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 31 March 2023, together with the comparative condensed unaudited consolidated figures for the corresponding period in 2022.			
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)			
Unaudited figures three months ended 31 March			
		2023	2022
	notes	RMB '000	RMB '000
Revenue	4	4,001	7,200
Cost of services		(1,025)	(3,553)
Gross profit		2,976	3,647
Other income		38	58
Administrative expenses	5	(1,962)	(2,197)
Finance costs		(4)	6
Profit before taxation		1,048	1,514
Income tax expenses	7	(157)	(227)
Profit and total comprehensive income for the period		<u>891</u>	<u>1,287</u>
Profit and total comprehensive income for the period attributable to		-	-
Equity holders of the Company		891	1,287
Minority interests		-	-
Full profit for the year		891	1,287
Earnings per share (cents)			
-Basic and diluted	6	0.09	0.13
-Dilution	6	0.09	0.13

24. The second and third lines in the Page 4 of the First quarterly report 2023 are adjusted as follows:

	Share capital RMB'000	Share premium RMB'000	Share based payment reserve RMB'000	Special reserve RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	enterprise expansion fund RMB'000	Retained (losses)/ earnings RMB'000	Total equity RMB'000
At 1 January									
2022	88,906	1,402	2845	6,039	6,231	23,661	6,986	19,502	155,572
Profit for the period	-	-	-	-	-	-	-	1,287	1,287
At 31 March									
2022	88,906	1,402	2845	6,039	6,231	23,661	6,986	20,789	156,859
At 1 January									
2023	88,906	1,402	4970	6,039	6,231	23,661	6,986	3,688	141,883
Profit for the period	-	-	-	-	-	-	-	891	891
At 31 March									
2023	88,906	1,402	4,970	6,039	6,231	23,661	6,986	4,579	142,774

25. All the 2022 data in the Page 6 of the First quarterly report 2023 are adjusted as follows:

Revenue	Unaudited for	
	the three months ended March 31	
	In 2023 RMB' 000	In 2022 RMB' 000
Provide post-marketing medical clinical services, clinical research, Medical Liaison, and Medical Marketing Services (PMS).	4,001	7,200
Provide Contract Drug Development Services (PDS).	4,001	7,200

26. All the 2022 data in the Page7-8 of the First quarterly report 2023 are adjusted as follows:

6. Earnings per share

Basic earnings per share are calculated based on profit attributable to unaudited ordinary shareholders of the Company for the period of approximately RMB 891,000 (RMB1,287,000 for the quarter of 2022) and the weighted average number of outstanding ordinary shares of approximately 995,351,660 shares (2022: 995,351,660 shares) during the period.

Diluted earnings per share are calculated on the basis of unaudited profit attributable to common shareholders of the Company during the period, in the same way as underlying earnings per share. The weighted average number of common shares is approximately 995,351,660 shares (2022: 995,351,660 shares).

7. Income Taxes

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits in Hong Kong for the three months ended 31 March 2023 (the corresponding period: Nil).

Provision for PRC Enterprise Income Tax has been calculated on the estimated assessable profit for the three months ended 31 March 2023 according to the relevant laws and regulations. The applicable income tax rate is ranging from 9% to 25% as at 31 March 2023 (the Last Year Period:9%-25%). During the three months ended 31 March 2023, some subsidiaries of the Company are eligible for tax incentives due to their location and industry. These subsidiaries are subject to a preferential tax rate of 9%.

Taxation of other overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

	Unaudited as of three months ended March 31 2023	
	2023	2022
	RMB '000	RMB '000
PRC Enterprise Income Tax		
- current	157	227

27. In the Page 9-10 of the First quarterly report 2023, all the data about 2022 except comprehensive administrative expenses and staff costs are adjusted as follows:

FINANCIAL REVIEW

For the three months ended 31 March 2023(the "Period"), the Group recorded an operating income of approximately RMB4,001,000, represented a decrease by approximately 44.43% compared to the same period in 2022.

Among them, the revenue from post-listing medical clinical services, clinical research, medical liaison and medical market services was approximately RMB4,001,000, accounting for 100% of the total revenue. Related party revenue for the quarter was \$0, representing approximately 0% of total revenue.

The total comprehensive administrative expenses and staff costs for the Period were approximately RMB1,962,000 respectively, compared to same period of 2022 is RMB 2,197,000.

The Group recorded a profit before tax of approximately RMB1,048,000 for the Period and the same period of 2022 is 1,514,000. The net profit for the current period and last year are approximately RMB 891,000 and RMB 1,287,000 respectively.

28. All the data about 2022 in the Page 2 of the Interim report 2023 are adjusted as follows:

FINANCIAL HIGHLIGHTS

1. For the six months ended 30 June 2023, the Group recorded operating income of approximately RMB15,024,938, representing a increase by approximately 49.16% compared to the same period in 2022.

2. For the six months ended 30 June 2023, the Group recorded a profit before tax of approximately RMB6,854,000 for the current period. Compared to the same period in 2022, the profit before tax increased by approximately 7516%.

3. The Board recommends no dividend payment for the six months ended 30 June 2023.

29. In the Page 4 of the Interim report 2023, all the 2022 data except Staff cost, Other income, Administrative expenses and Finance costs are adjusted as follows:

<i>Unaudited</i>			
<i>Six months ended 30 June</i>			
		2023	2022
	Note	RMB'000	RMB'000
Turnover	4	15,025	10,073
Cost of sales		(5,339)	(6,463)
Staff cost		(1,826)	(2,825)
Other income		18	118
Administrative expenses	5	(1,052)	(821)
Profit from operations		<u>6,826</u>	<u>82</u>
Finance costs		28	8
Profit before taxation		<u>6,854</u>	<u>90</u>
Income tax	7	(1,028)	(23)
Profit for the period		<u>5,826</u>	<u>67</u>
Attributable to:			
owners of the Company			
Profit for the period		<u>5,826</u>	<u>67</u>
Earnings per share (cents)			
- basic	6	0.6	0
- diluted	6	0.6	0

30. The second and third lines in the Page 6 of the Interim report 2023 are adjusted as follows:

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)										
For the six months ended 30 June 2023										
	Share based					Statutory enterprise		Retained	Non controlling interests	Total equity
	Share capital RMB'000	Share premium RMB'000	payment reserve RMB'000	Special reserve RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	expansion fund RMB'000	(losses)/ earnings RMB'000		
At 1 January 2022	88,906	1,402	2845	6,039	6,231	23,661	6,986	19,502	-	155,572
Profit for the period	-	-	-	-	-	-	-	67	-	67
At 30 June 2022	88,906	1,402	2845	6,039	6,231	23,661	6,986	19,569	-	155,639
At 1 January 2023	88,906	1,402	4970	6,039	6,231	23,661	6,986	4,127	(439)	141,883
Profit for the period	-	-	-	-	-	-	-	5,826	-	5,826
Partial disposal of subsidiary without loss of control	-	-	-	-	-	-	-	(439)	439	-
At 30 June 2023	88,906	1,402	4,970	6,039	6,231	23,661	6,986	9,514	-	147,709

31. All the data about 2022 in the Page 9 of the Interim report 2023 are adjusted as follows:

4. Revenue and segment information				
The Company is principally engaged in providing research, development, medical science events and clinical registry. Breakdown of the revenue from all services is as follows:				
	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Provision of post marketing surveillance, real-world study, medical science events, and medical marketing (PMS)	11,024	2,873	15,025	10,073
Total:	11,024	2,873	15,025	10,073

The turnover for the Period increases 49.16% compared with the corresponding period of 2022. Moreover, turnover of PMS for the six months ended 30 June 2023 increased 49.16% compared with the corresponding period of 2022.

32. In the Page 10 of the Interim report 2023, the unaudited net profit and income tax of the 2022 are adjusted as follows:

6 . Earnings per share

Basic earnings per share is calculated by dividing the unaudited net profit approximately RMB5,826,000 (2022: RMB67,000) attributable to owners of the Company by the weighted average number of 995,351,660 ordinary shares of the Company for the Period .

The calculation of the diluted earnings per share for the Interim is same as basic earnings per share which based on unaudited net profit attributable to owners of the Company. The weighted average number of ordinary shares of 995,351,660 , being the weighted average number of ordinary shares of 995,351,660 in issue during the Period used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 995,351,660 assumed to have been issued at no consideration on the deemed exercise of the share options outstanding at the end of the reporting Period. (2022: 995,351,660 Shares).

7 . Income tax

No Hong Kong profit tax has been provided for, as the Group had no estimated assessable profits in Hong Kong for the Period (the corresponding period: Nil).

“ PRC” Enterprise Income Tax has been calculated on the estimated assessable profit for the Period according to the relevant laws and regulations. The applicable income tax rate is ranging from 9 % to 25 % as at 30 June 2023 (the corresponding period: 9%-25%) . During the Period, some subsidiaries of the Company are eligible for tax incentives due to their location and industry. These subsidiaries are subject to a preferential tax rate of 9 % . Taxation of other overseas subsidiaries are charged at the appropriate current rates of taxation ruling in the relevant countries.

Unaudited as of six months ended 30 June

	2023	2022
	RMB '000	RMB '000
PRC Enterprise Income Tax		
- current	<u>1,028</u>	<u>23</u>

33、 The data about 2022 in the Page 14 of the Interim report 2023 are adjusted as follows:

FINANCIAL REVIEW

The Group achieved a turnover of RMB15,024,938 during the Period, representing a increase of approximately 49.16% from RMB10,073,000 as compared with that of the corresponding period of 2022 .

The condensed consolidated turnover included approximately RMB15,024,938 derived from the post marketing surveillance, real- world clinical research, medical science and medical market services (PMS), amounted to 100% of the total turnover, which was representing a increase of approximately 49.16% from RMB10,073,000 as compared with that of the corresponding period of 2022 .

Total condensed consolidated administrative expenses and staff costs were approximately RMB2,878,000 for the Period and the corresponding period of last year was approximately RMB3,646,000 .

34、 Business Model and Management of Accounts Receivables

Business Model

Our Company guides medication therapy in the research process through using big data and clinical research data in the real world, and obtains the medical big data during the treatment, and then directs the research in turn. Using the method of big data clinical research enables us to commercialize our products accurately. We redefine the digital research type of treatment and research type of promotion which replace traditional treatment and commercialization methods. We provide customers with clinical research reports, marketing information and data collection. We also assist customers to obtain drug marketing/manufacturing approvals and related services. Usually we confirm the revenue based on the schedule specified in the contract. The contract costs include all costs incurred directly for the project: labor cost, management cost, material cost, etc.

The medical professionals of China Health Group are located all over the provinces of China, except for those of Tibet and Xinjiang. These professionals live mainly in the capital cities of the provinces. Among them, 40 employees have a bachelor's degree or above. The company arranges the work of these personnel according to the needs of the various projects. Our customers that we are presently providing services for include: Jilin West Point Pharmaceutical Technology Development Co. Ltd., Wanquan Venture Pharmaceutical (Xiamen) Co. Ltd., and Wanquan Venture Jiangsu Co. Ltd. Other customers that we have signed strategic cooperation agreements with include: Chengdu Jinling Pharmaceutical Co. Ltd., Xinjiang Huachun Biopharmaceutical Co.Ltd., and Beijing Chaismeirui Medical Technology Co. Ltd. Those potential customers we are in communication with include: Renhetang Pharmaceutical Co.Ltd., Guizhou Lizhijian Biotechnology Co. Ltd., Jiangxi Renhao Pharmaceutical Co. Ltd., Beijing Huachen United Pharmaceutical Technology Co. Ltd. With the development of medical market services, our company will serve more and more customers.

Management of Account Receivables

Usually we issue invoices to customers when our business services reach the revenue recognition point. The determination of the credit period is related to the consideration of several factors such as the customer's quality (credit credit, payment collection situation), ability (business status), capital (capital, real estate), mortgage and external environment (medical policy, price, gold tax fourth period, force majeure, etc.). Our company establishes and evaluates the customer's credit rating according to these indicators to determine the grant of the credit period.

Start the aging calculation of accounts receivable after the expiration of credit. When the factors affecting the credit period change, the credit period should be adjusted appropriately. For the special case of the pandemic in 2022, we have extended the credit period from 30 days to 180 days. In this case, if the account receivable has exceeded 180 days, we will not resend the Invoice. If it is between 30-180 days, we will resend the invoice.

When some factors affecting the credit period change, we will adjust the credit period appropriately. For the special case of the pandemic in 2022, we extended the credit period from 30 days to 180 days. In such a case, if the account receivable has exceeded 180 days, we will not resend the invoice. If it is between 30-180 days, we will resend the it.

The Company evaluates expected credit risks and measures expected credit losses on the basis of a single or portfolio of financial instruments. The basis for the Company to make a single provision for bad debts of accounts receivable is: If there is evidence that a certain receivable has a large credit risk and is expected to be unable to collect, the Company will make a separate provision for bad debts of the receivable. The specific selection basis includes: 1) the client company bankruptcy; 2) the customer has a serious quality problem of an exclusive patented drug, which has been discontinued for more than two years, and the re-market time is not determined; 3) the customer's payment ability is insufficient.

The Company estimates a model, approved by the appraiser and reviewed by the auditor. We will use a simple method to calculate expected credit losses on account receivables and notes receivables. When calculating the expected credit loss, we take the historical annual age table of accounts receivable to calculate the migration rate of accounts receivable in each aging stage, and then combined with the relevant data of the recovery rate of non-performing funds in the Chinese market to obtain the expected credit loss rate.

At the end of each month, the Project Development Department will formulate the payment recovery plan for the next month in strict accordance with the contract and service schedule, and identify the responsible person. Each responsible person will collect the payment according to the payment recovery plan, and the customer will remit it directly to the account designated by the Company. When the payment is due, the department responsible for the payment recovery will send a payment reminder letter to the customer.

For the payment that cannot be collected on time, the department responsible for the payment recovery will analyze the reasons and report to the vice president in charge. At the same time, we send the delayed payment notice to the other party within 1 week and the Company's payment recovery department will submit a performance proposal to the president for approval according to the recovery situation.

The management attaches great importance to the collection of accounts receivable, and does take into account the actual situation and repayment ability of customers; In 2022, a total of more than 21 million yuan of original

receivables were recovered, while in 2023, the collection of accounts receivable was continued to strengthen, and 4.33 million yuan had been received from Jilin Province West Point Pharmaceutical Technology Development Co. LTD., 1.12 million yuan from Wanquan Venture Pharmaceutical Jiangsu Co. LTD., and 2.56 million yuan from Wanquan Venture Pharmaceutical (Xiamen) Co. LTD.

By order of the Board
China Health Group Inc.

Xia GUO
Chairman

Hong Kong, 8 November 2023

As at the date hereof, the Board comprises two executive directors, being Mr. Xia GUO and Dr. Maria Xue Mei SONG; one non-executive director, being Ms. Zhang Li; and three independent non-executive directors, being Mr. Rui QIU, Dr. Bin Hui NI and Mr. Tong GUO.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for 7 days from the date of its posting, and published at the company's website at www.chgi.net web page log out.

