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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)*

**VOLUNTARY ANNOUNCEMENT**  
**LEGAL PROCEEDINGS AGAINST A WHOLLY OWNED SUBSIDIARY OF**  
**THE COMPANY AND OTHER PARTIES**

This announcement is made by the board (the “**Board**”) of directors (the “**Director(s)**”) of China Health Group Limited (the “**Company**”) on a voluntary basis.

On 6 July 2016, Zhongwei Kanghong Investments Limited, an indirectly wholly-owned subsidiary of the Company (the “**Plaintiff**”), filed a civil lawsuit (the “**Lawsuit**”) at the People’s Court of Dongcheng District Beijing Municipality against the following parties:

1st Defendant: Beijing Zhongwei Kanghong Hospital Management Co. Ltd.  
 (“**Beijing Zhongwei**”), a wholly-owned subsidiary of the Plaintiff

2nd Defendant: Mr. Jia Hong Sheng (former chairman of the Company)

3rd Defendant: Mr. Zhao Kai (former director of the Company and the legal person of Beijing Zhongwei)

4th Defendant: Mr. Wang Jingyan

5th Defendant: Ms. Zhang Tiantian

, (collectively, the “**Defendants**”). The cause for the Lawsuit was that the legal interests of the Plaintiff were infringed as a result of the Defendants’ refusal of implementing Plaintiff’s resolutions.

In the Lawsuit the Plaintiff claimed for: (i) ruling that the Defendants shall hand over the original business license and its copies, license for opening accounts, common seal, stamp for financial affairs, stamp of the legal person and stamp for contract of Beijing Zhongwei to the Plaintiff; (ii) ruling that the Defendants shall hand over the accounting books and records, financial information, original vouchers and related contracts of Beijing Zhongwei from its establishment date, being 25 November 2014, to the date when the handover to the Plaintiff is actually completed; (iii) ruling that the Defendants shall hand over the premise leased by Beijing Zhongwei which is located at Unit 1, 15th Floor, Tower E2, Oriental Plaza, No.1 Dong Chang An Avenue, Dong Cheng District, Beijing to the Plaintiff; and (iv) ruling that the Defendants shall be liable for costs of the Lawsuit.

On 15 August 2016, the People's Court of Dongcheng District Beijing Municipality informed the Plaintiff that the Lawsuit met statutory prosecution conditions and was formally registered.

Further announcement(s) will be made by the Company as and when appropriate to keep its shareholders and potential investors informed of the material developments in this matter.

At the request of the Company, trading in the shares of the Company on the Stock Exchange of Hong Kong Limited has been suspended from 9:00 a.m. on 4 July 2016 pending the publication of an announcement in relation to the annual results for the year ended 31 March 2016.

By order of the Board  
**China Health Group Limited**  
Weng Yu  
*Executive Director*

Hong Kong, 1 September 2016

*As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Weng Yu, Mr. Wang Yongqing, Mr. Chung Ho and Mr. Wang Jingming; twelve non-executive directors, namely, Mr. Ying Wei, Mr. Zhang Song, Ms. Wei Changying, Mr. Pei Kewei, Mr. Xing Yong, Mr. Wang Zili, Ms. Wang Fang, Mr. Yang Cheng, Mr. Wang Xiaolin, Mr. Huang Bin, Mr. Wang Yuexiang and Ms. He Lijuan; and six independent non-executive directors, namely, Mr. Xiao Zuhe, Mr. Wang Qingyou, Mr. Zou Lian, Ms. Yang Huimin, Mr. Liang Qi and Mr. Xin Hua.*