

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)*

**Signing of Cooperation Framework Agreement**  
**between China Health Group Limited and**  
**Orient Assets Management (China) Co., Ltd.**

This announcement is made by China Health Group Limited (the “Company”) on a voluntary basis. The board (the “Board”) of directors (the “Directors”) of the Company is pleased to announce that on 14 November 2017, the Company entered into a cooperation framework agreement (the “Framework Agreement”) with Orient Asset Management (China) Co., Ltd.\* (東方資產管理(中國)有限公司) (“Orient Asset”) in relation to long-term cooperation between the parties. Given that the parties consider each other an important investment and business partner, the Company will conduct active cooperation with Orient Asset in respect of future industry mergers and acquisitions, consolidation, investment and financing activities, in which Orient Asset will provide financial support for the Company’s investments and acquisitions, while the Company will make use of its professional management and operational expertise in the healthcare industry to consolidate capital and industry resources so as to complement each other’s advantages, create values and provide capital support for the Company’s expansion in the medical and healthcare industry.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, Orient Asset is third party independent of the Company and the connected persons of the Company.

Pursuant to the Framework Agreement, the cooperation between the parties shall include the following:

**(1) COOPERATION IN RESPECT OF THE FUND**

- i. Overview of the Fund: The Fund is proposed to have a size of RMB500 million and a term of 5 years, and will mainly invest in general and specialized hospitals with unique local strengths, including the ownership conversion of public hospitals, investment in private hospitals and construction of new hospitals. A designated hospital management company will be set up to oversee the operation and management of the invested hospitals.
- ii. Promotion and establishment of the Fund: The Fund will be jointly promoted and established by the Company and Orient Asset and will be financed through funds to be raised from institutional investors including government-led funds, fund of funds, banks and insurers. The formal establishment plan is subject to the approval of both parties through internal decision-making.
- iii. Organisational form of the Fund: limited partnership.
- iv. Division of responsibilities: Orient Asset will be principally responsible for the establishment, investment, management and divestment of the Fund and the procurement of certain hospital projects; and the Company will be responsible for the operation and management of hospitals, the procurement of projects and the channel of divestment. The Company and Orient Asset will jointly consolidate the relevant resources to establish a high-level research and consulting team on health care reform policies, determine the investment strategies and positioning of the Fund, obtain the relevant hospital project resources, and develop a designated hospital operation and management company to be responsible for the operation and management of the hospitals invested by the Fund.

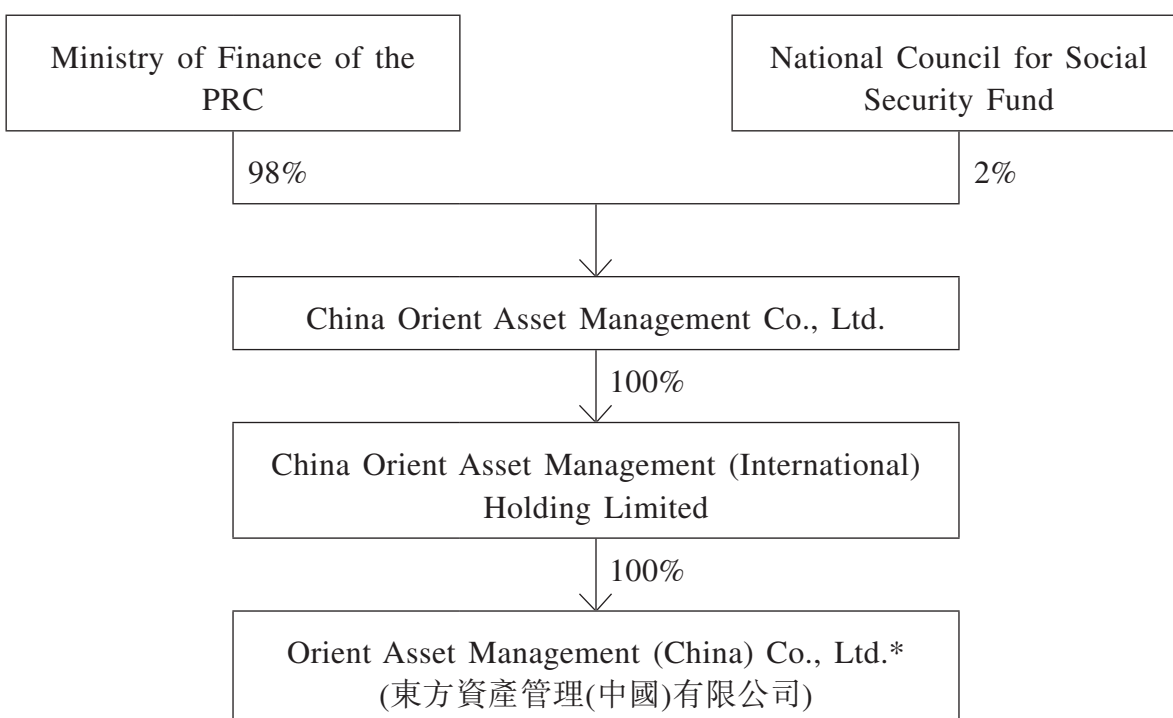
**(2) COOPERATION IN INVESTMENT AND FINANCING**

Based on the above cooperation between the parties in respect of the Fund, Orient Asset is willing to leverage and coordinate its securities, insurance, trust, leasing and credit rating resources to provide a basket of targeted investment and financing services to the Company and provide the relevant services including financial support and financial consulting for the business development of the Company. Details of the cooperation may be determined upon further negotiations.

## BACKGROUND INFORMATION OF ORIENT ASSET MANAGEMENT (CHINA) CO., LTD.

Orient Asset is a wholly-owned subsidiary of China Orient Asset Management (International) Holding Limited (“Orient International”), which is a wholly-owned subsidiary of China Orient Asset Management Co., Ltd., which in turn is owned by the Ministry of Finance of the PRC and the National Council for Social Security Fund as to 98% and 2%, respectively. The principal activities of Orient International cover three major segments, being investment business, asset management business and corporate financial consulting business. Currently Orient International has business presence in the PRC and overseas. For overseas business, Orient International principally carries out direct investment business and asset management business. For domestic business, Orient International carries out business through Orient Asset and its subsidiaries Shenzhen Orient Venture Capital Co., Ltd.\* (深圳東方創業投資有限公司) and Oriental Business Financial Holding Co., Ltd.\* (深圳前海東方創業金融控股有限公司), mainly covering debt investment, equity investment, financial consulting, industry fund and management consulting.

Its shareholding structure is as follows:



Details of the establishment and management of the Fund are subject to further negotiations and the signing of a formal agreement between the Company and Orient Asset.

The Framework Agreement does not constitute a legally-binding agreement for the parties, nor does it represent any kind of commitment by the Company in respect of capital contribution into the Fund. If the transaction contemplated under the formal agreement constitutes a notifiable transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company will make further announcement as and when appropriate.

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

Hong Kong, 14 November 2017

*As at the date of this announcement, the Board comprises five executive directors, namely, Mr. Weng Yu, Mr. Wang Yongqing, Mr. Chung Ho, Mr. Wang Jingming and Mr. Zhang Fan; eight nonexecutive directors, namely, Mr. Ying Wei, Mr. Zhang Song, Mr. Xing Yong, Mr. Wang Zili, Mr. Wang Yuexiang, Mr. Li Xuguang, Mr. Ma Zhaorui and Mr. Huang Lianhai; and six independent non-executive directors, namely, Mr. Xiao Zuhe, Mr. Wang Qingyou, Mr. Zou Lian, Ms. Yang Huimin, Mr. Xin Hua and Mr. Jiang Xuejun.*

*\* The English translation is for identification purpose only and not an official registered name.*