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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
STRATEGIC COOPERATION AGREEMENT

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 1 November 2018 (after trading hours), the Company entered into the Strategic Cooperation Agreement with Hunan Junlin in relation to the formation of the Fund. Pursuant to the Strategic Cooperation Agreement, the Group intends to invest not more than RMB25 million (equivalent to approximately HK\$28 million) to the Fund, representing approximately 33.3% of the Fund Size, and the Group will become a limited partner of the Fund.

INTRODUCTION

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The Board is pleased to announce that on 1 November 2018 (after trading hours), the Company entered into the Strategic Cooperation Agreement with Hunan Junlin in relation to the formation of the Fund. Pursuant to the Strategic Cooperation Agreement, the Group intends to invest not more than RMB25 million (equivalent to approximately HK\$28 million) to the Fund, representing approximately 33.3% of the Fund Size, and the Group will become a limited partner of the Fund. The Fund will be established for the investment in the PRC medical and healthcare industry by way of mainly mergers and acquisitions.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Hunan Junlin and its ultimate beneficial owner are Independent Third Parties and not connected with the Group.

THE STRATEGIC COOPERATION AGREEMENT

The salient terms of the Strategic Cooperation Agreement are set out as follows:

Date

1 November 2018 (after trading hours)

Parties

(1) the Company and

(2) Hunan Junlin

Name of the Fund

The fund will be carried on under the name 湖南鈞衛一號私募股權基金合夥企業(有限合夥) (transliterated as Hunan Junweiyihao Private Equity Fund Partnership (Limited Partnership)), as at the date of this announcement, the fund is still in the process of incorporation.

Purpose of the Fund

The Fund will be established for the investment in the PRC medical and healthcare industry by way of mainly mergers and acquisitions.

Fund Size

The Fund Size will be RMB75 million (equivalent to approximately HK\$84 million). The Group intends to invest not more than RMB25 million (equivalent to approximately HK\$28 million) to the Fund, representing approximately 33.3% of the Fund Size.

INFORMATION ABOUT THE COMPANY AND THE PARTY TO THE STRATEGIC COOPERATION AGREEMENT

The Company

The Company is incorporated in Bermuda with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Company is a Hong Kong-based investment holding company principally engaged in medical businesses. The Company mainly operates through three segments, namely provision of hospital management services, trading of medical equipment and business factoring.

Hunan Junlin

Hunan Junlin is incorporated in the PRC with limited liability. It is a fund management company specializing in investments in different industries and is a well-known enterprise in Hunan Province. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Hunan Junlin has obtained the relevant qualifications and licenses from the relevant regulatory authorities for its fund management business.

REASONS FOR THE COOPERATION

The Company principally engages in medical businesses. The Company considers that the investment in the Fund helps to diversify its portfolio in the medical and healthcare industry. Leveraging on the investment expertise and the capital of Hunan Junlin and the hospital management expertise of the Company, it can create synergies for the portfolio companies to be invested by the Fund, thereby increasing the value of the investment and is beneficial to the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Board”	the board of Directors
“Company”	China Health Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company

“Fund”	湖南鈞衛一號私募股權基金合夥企業(有限合夥) (transliterated as Hunan Junweiyihao Private Equity Fund Partnership (Limited Partnership)), to be incorporated in the PRC with limited liability
“Fund Size”	the Fund Size will be RMB75 million (equivalent to approximately HK\$84 million), the aggregate amount of capital intended to contribute to the Fund by the limited partners
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hunan Junlin”	湖南鈞麒私募股權基金管理有限公司 (transliterated as Hunan Junlin Private Equity Fund Management Co., Ltd.), incorporated in the PRC with limited liability
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s) (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shares”	the shares of the Company
“Strategic Cooperation Agreement”	the agreement dated 1 November 2018 entered into among the Company and Hunan Junlin in relation to the formation of the Fund
“%”	per cent.

The figures in RMB are converted into HK\$ at the rate of RMB1: HK\$1.126 throughout this announcement for indicative purpose only.

By Order of the Board of
China Health Group Limited
Zhang Fan

Chairman of the Board and Executive Director

Hong Kong, 1 November 2018

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. Wang Yuexiang, Mr. Huang Lianhai and Mr. Qiu Peiyuan; and four independent non-executive Directors, namely, Mr. Xiao Zuhe, Mr. Xin Hua, Mr. Jiang Xuejun and Mr. Du Yanhua.