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)

CANCELLATION OF GRANT OF SHARE OPTIONS

Reference is made to the announcement of the Company dated 26 April 2019 (the "Announcement") of China Health Group Limited (the "Company") in relation to the grant of share options (the "Options) to various eligible participants under the share option scheme of the Company adopted on 28 August 2012 to subscribe for a total of 321,994,763 ordinary shares of HK$0.10 each of the Company. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

Out of the Options granted on 26 April 2019, 218,994,763 Options were granted to CHG Victory Limited ("CHGV"), a company whose shares are held by a trustee on trust for the benefit of the employees and consultants of the Company and its subsidiaries (the "Beneficiaries"), and CHGV had accepted the Options. Since none of the Options had been allocated to the Beneficiaries or exercised, the Company and CHGV mutually agreed that the aforesaid 218,994,763 Options were cancelled with effect from 26 July 2019 in accordance with the terms of the Share Option Scheme.

The Directors consider that the cancellation of the Options has no material adverse effect on the financial position or business operations of the Company and its subsidiaries.

By Order of the Board
China Health Group Limited
Zhang Fan
Chairman of the Board and Executive Director

Hong Kong, 26 July 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; six non-executive Directors, namely, Mr. Xing Yong, Mr. Wang Yuexiang, Mr. Huang Lianhai, Mr. Qiu Peiyuan, 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.