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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)*

**UNAUDITED FINANCIAL INFORMATION OF THE GROUP**  
**AND**  
**CONTINUED SUSPENSION OF TRADING**

This announcement is made by the board (the “**Board**”) of directors of China Health Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Reference is made to the announcements of the Company dated 24 June 2016, 30 June 2016, 15 August 2016, 6 September 2016 and 19 September 2016 in relation to, among others, the delay in publication of annual results and annual report for the year ended 31 March 2016 (the “**Announcements**”). Capitalized terms used herein shall have the same meanings as those defined in the Announcements, unless otherwise stated.

**UNAUDITED FINANCIAL INFORMATION OF THE GROUP**

Set out below is an extract of the unaudited financial information from the draft management accounts of the Group for the year ended 31 March 2016 taking into account of the de-consolidation of certain subsidiaries of the Group due to the Group not being able to access the books and records of those subsidiaries. However, the relevant financial information is pending for further review by the Company and the relevant professional parties, as well as the potential adjustments and finalisation that might be incurred during the audit, and which also have not been reviewed or audited and approved by the Company’s auditor and the audit committee of the Company. The actual 2016 Annual Results may be different from the disclosure in this announcement.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
Revenue	23,716	37,823
Cost of services	<u>(18,225)</u>	<u>(30,297)</u>
Gross profit	5,491	7,526
Other income	23,520	455
Selling and distribution expenses	(5,012)	(872)
Administrative expenses	(54,827)	(30,879)
Finance costs	(7,283)	(44,461)
Impairment loss on assets	(14,887)	–
Net loss recognised on de-consolidation of subsidiaries	<u>(15,969)</u>	<u>–</u>
LOSS BEFORE TAX	(68,967)	(68,231)
Income tax	<u>(128)</u>	<u>(432)</u>
LOSS FOR THE YEAR	<u>(69,095)</u>	<u>(68,663)</u>
Attributable to:		
Owners of the Company	(63,874)	(55,926)
Non-Controlling interests	<u>(5,221)</u>	<u>(12,737)</u>
	<u>(69,095)</u>	<u>(68,663)</u>
LOSS PER SHARE		
Basic	<u>(HK\$2.3 cents)</u>	<u>(HK\$5.8 cents)</u>
Diluted	<u>(HK\$2.3 cents)</u>	<u>(HK\$5.8 cents)</u>

	For the year ended 31 March	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
LOSS FOR THE YEAR	<u>(69,095)</u>	<u>(68,663)</u>
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	5,185	158
Reclassification adjustment relation to foreign operation de-consolidation during the year	<u>(21,965)</u>	<u>–</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u><u>(85,875)</u></u>	<u><u>(68,505)</u></u>
Attributable to:		
Owners of the Company	(80,654)	(55,865)
Non-controlling interests	<u>(5,221)</u>	<u>(12,640)</u>
	<u><u>(85,875)</u></u>	<u><u>(68,505)</u></u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As at 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	238	62
Goodwill	–	742
Other receivables	17,985	–
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Total non-current assets	18,223	804
	<hr/>	<hr/>
<b>CURRENT ASSETS</b>		
Trade receivables	562	76,199
Prepayments, deposits and other receivables	11,169	94,399
Available-for-sale financial assets	–	1,896
Amount due from a former director	710	–
Amount due from de-consolidated subsidiaries	–	–
Restricted bank balances	–	4,730
Cash and bank balances	205,385	96,599
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Total current assets	217,826	273,823
	<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>		
Trade payables	–	10,312
Other payables and accrued expenses	40,854	32,072
Amounts due to directors	483	2,500
Amounts due to de-consolidated subsidiaries	4,716	–
Interest-bearing loans from a director and a shareholder	280	552
Liability component of convertible bonds	–	51,284
Liability component of redeemable convertible cumulative preference shares	–	43,857
Tax payables	–	3,309
Preference shares dividend payable of a subsidiary	–	86,149
Promissory note	–	8,000
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Total current liabilities	46,333	238,035
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<b>NET CURRENT ASSETS</b>	171,493	35,788
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<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	189,716	36,592
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<b>NET ASSETS</b>	189,716	36,592
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	<b>As at 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>EQUITY</b>		
Equity attributable to owners of the Company		
Issued capital	<b>211,995</b>	68,329
Reserves	<b>(22,279)</b>	(60,176)
	<b>189,716</b>	8,153
<b>Non-controlling interests</b>	<b>–</b>	28,439
	<b>189,716</b>	36,592
<b>TOTAL EQUITY</b>	<b>189,716</b>	<b>36,592</b>

The 2016 Annual Results is expected to be published on 11 October 2016 and the 2016 Annual Report is expected to be dispatched on or before 17 October 2016.

#### **CONTINUED SUSPENSION OF TRADING**

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 the 2016 Annual Results.

**Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 21 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.*