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China Health Group Inc.

中國醫療集團有限公司

(Carrying on business in Hong Kong as “萬全醫療集團”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08225)

Announcement Regarding the Outcome of Arbitration on a Historical Contract Dispute and Its Impact on Financial Reports

This announcement is voluntarily issued by China Medical Group Limited (the “Company” ; together with its subsidiaries, collectively referred to as the “Group”).

I. Background of the Arbitration

Due to a historical contractual dispute, the Group and its client, Wanquan Pharmaceutical Holdings (China) Co., Ltd. and its subsidiaries, initiated arbitration pursuant to the arbitration clause in the “Supplemental Agreement to the Agreement on the Settlement of Claims and Debts ” signed by both parties.

II. Arbitration Award

The Group recently received the “Interim Arbitration Award” (Case No.: (2026) Hainan Zhong (Lin) No. 1), with the following outcome:

- Dismissed all arbitration claims of the claimant, i.e., the Group (involving a principal amount of RMB 37,098,763.98 “accounts receivable”)
- The arbitration costs for this case shall be borne by the applicant, Zhongliao Clinical.

Next Steps: To safeguard the legitimate rights and interests of the Group and its shareholders, the Company will, based on professional legal advice, apply to the People’ s Court in accordance with the law to set aside the arbitration award and will initiate relevant legal proceedings in due course to reclaim the receivables.

III. Potential Impact on Financial Statements and Annual Report

The Board of Directors (“the Board”) hereby reminds shareholders and potential investors that, in light of the outcome of this arbitration, the Group anticipates that it will need to make financial adjustments to the relevant historical accounts receivable.

In accordance with Hong Kong Financial Reporting Standards (HKFRS) and the Company’ s accounting policies, this arbitration award may result in the Group recognizing a non-cash impairment loss or provision in its financial statements for the 2025 fiscal year, which may have a certain impact on the Group’ s net profit for the 2025 fiscal year. The specific accounting treatment and the final impact amount will be subject to confirmation by the auditors following the annual audit.

However, the Group emphasizes that the aforementioned financial impact is purely a non-cash expense and will not have any material adverse effect on the Group’ s cash flow position, working capital levels, or daily business operations.

IV. Assessment of the Impact on the Group

This arbitration matter pertains to historical bad debt issues left over from the Group’ s past business operations and does not involve the Group’ s current core business or existing client partnerships.

V. Conclusion

The Group solemnly declares that this arbitration matter pertains solely to historical bad debt issues. The Group will continue to strictly comply with the regulatory requirements of the Hong Kong Stock Exchange and fulfill its information disclosure obligations in a timely and accurate manner.

Regarding the arbitration outcome, the Group, based on professional legal advice, has initiated legal proceedings and will apply to the People's Court to set aside the arbitration award in accordance with the law. The Group will also file relevant lawsuits in due course to reclaim the receivables and take all necessary measures to safeguard its legitimate rights and interests.

By Order of the Board
China Health Group Inc.
GUO Xia
Chairman

Hong Kong, 25 March 2026

As at the date hereof, the Board comprises two executive Directors, being Mr. GUO Xia, Mr. Raymond Guo; one non-executive Director, being Dr. ZHANG Li; and four independent non-executive Directors, being Dr. NI Binhui, Mr. WU Shuangsi, Dr. GUO Tong and Ms. LIU Na.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for 7 days from the date of its posting. This announcement will also be posted on the Company's website at <http://www.chgi.net>.