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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)

STRATEGIC COOPERATION MEMORANDUM OF UNDERSTANDING
POTENTIAL INVESTMENT IN
A HEALTHCARE INDUSTRY FUND

The board of directors (the “**Board**”) of China Health Group Limited (the “**Company**”) is pleased to announce that on 26 June 2020, the Company entered into a non-binding memorandum of understanding (the “**MOU**”) with 北京博偉智信投資管理有限公司 (Beijing Bowei Zhixin Investment Management Company Limited*) (the “**General Partner**”), a third party independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited), regarding strategic cooperations.

Pursuant to the MOU, (i) the Company intends to invest not more than RMB30 million (the “**Investment**”) as a limited partner in a fund (the “**Fund**”) being established and to be managed by the General Partner; (ii) in the event the Fund intends to realise its investment projects, the Company shall have the right of first refusal to acquire such projects with priority in cardiovascular disease-related projects; and (iii) the General Partner will further collaborate with the Company to set up other funds in the pharmaceutical and healthcare industries and identify investment opportunities and potential strategic investors for the Company.

The General Partner was established in the People’s Republic of China in 2016 and is a private equity fund manager registered with Asset Management Association of China with extensive connection and experience in identifying and managing investments in the pharmaceutical and healthcare industries.

The Fund, namely 湖南博創科建產業投資基金(有限合伙) (Hunan Bochuang Technology Construction Industry Investment Fund (Limited Partnership*)), is an industrial investment sub-fund of the national science and technology achievement transformation guidance fund approved by the Ministry of Science and Technology of the People's Republic of China in January 2020. The Fund will have an initial size of RMB1,000 million and focus on investments in the medical equipment, bio-pharmaceutical and medical services sectors.

The Company is principally engaged in healthcare industry and it operates through three segments, namely provision of distribution and service in medical equipment and consumables, hospital operation and management service and medical related business factoring. The Board considers the cooperation with the General Partner under the MOU provides an opportunity for the Company to invest in different segments in the medical and healthcare field by leveraging on the investment experience of the General Partner.

The MOU does not create any legally binding obligations on the parties. The parties shall use their best endeavours to reach an agreement on the terms of the Investment and cooperation and enter into a formal agreement. Further announcement(s) will be made by the Company if there is any material development on the Investment and cooperation with the General Partner.

By Order of the Board
China Health Group Limited
Zhang Fan

Chairman of the Board and Executive Director

Hong Kong, 26 June 2020

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Zhang Fan (chairman), Mr. Chung Ho and Mr. Wang Jingming; five non-executive directors, namely, Mr. Weng Yu, Mr. Xing Yong, Mr. Huang Lianhai, Mr. Zhang Dawei and Mr. Wang Yongming; and four independent non-executive directors, namely, Mr. Jiang Xuejun, Mr. Du Yanhua, Mr. Lai Liangquan and Ms. Meng Junfeng.

* *for identification purposes only*