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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)

(1) SHARE CONSOLIDATION BECOMING EFFECTIVE
AND
(2) ADJUSTMENTS TO THE SHARE OPTIONS

Reference is made to the circular (the “**SGM Circular**”) of China Health Group Limited (the “**Company**”) dated 4 July 2022 in relation to the Share Consolidation, and the Company’s announcement dated 4 August 2022 in relation to the poll results of the SGM of the Company held on 4 August 2022. Unless the context otherwise states, terms used in this announcement shall have the same meanings as defined in the SGM Circular.

SHARE CONSOLIDATION BECOMING EFFECTIVE

Following the passing of the resolution to approve the Share Consolidation (the “**Relevant Resolution**”) at the SGM, the Board is pleased to announce that all the conditions precedent to the Share Consolidation have been fulfilled and the Share Consolidation will become effective on Monday, 8 August 2022. Dealings in the Consolidated Shares will commence at 9:00 a.m. on Monday, 8 August 2022. Please refer to the SGM Circular for details, including the trading arrangement, the exchange and replacement of share certificates and matching services for odd lots in connection with the Share Consolidation. Shareholders should note that upon the Share Consolidation becoming effective, the colour of the share certificates of the Company will be changed from red to blue.

ADJUSTMENTS TO THE SHARE OPTIONS

As at the effective date of the Share Consolidation, there are 20,300,000 outstanding share options (“**Share Options**”) entitling the holders thereof to subscribe for up to an aggregate of 20,300,000 Existing Shares under the Share Option Scheme. Upon the Share Consolidation becoming effective, the following adjustments will be made to the exercise price of the Share Options and the number of Consolidated Shares falling to be issued upon the exercise of the Share Options in accordance with (i) the terms and conditions of the Share Option Scheme; (ii) Rule 17.03(13) of the Listing Rules and (iii) the Supplementary Guidance on Adjustments to the Exercise Price and Number of Share Options under the Listing Rule Requirements dated 5 September 2005 (the “**Supplementary Guidance**”).

Date of Grant	Exercise Period		Immediately before the Share Consolidation becoming effective		Immediately after the Share Consolidation becoming effective	
	From	To	Exercise price per Existing Share	Number of Existing Shares to be issued upon full exercise of the Share Options	Exercise price per Consolidated Share	Number of Consolidated Shares to be issued upon full exercise of the Share Options
26 April 2019	27 April 2020	25 April 2029	HK\$0.18	69,500,000	HK\$1.80	6,950,000
20 October 2020	21 October 2020	20 October 2030	HK\$0.18	133,500,000	HK\$1.80	13,350,000

The above adjustments in relation to the Share Options will take effect simultaneously with the coming into effect of the Share Consolidation on Monday, 8 August 2022. Save for the above adjustments, all other terms and conditions of the outstanding Share Options remain unchanged.

The independent financial advisor of the Company, Draco Capital Limited, has confirmed to the Directors in writing that the adjustments made to the exercise prices of the Share Options and the number of Consolidated Shares falling to be issued upon the exercise of the Share Options are in accordance with the terms of the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the Supplementary Guidance.

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

Hong Kong, 5 August 2022

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Zhang Fan (chairman) and Mr. Chung Ho; three non-executive Directors, namely, Mr. Xing Yong, Mr. Huang Lianhai and Mr. Wang Jingming; and three independent non-executive Directors, namely, Mr. Jiang Xuejun, Mr. Du Yanhua and Mr. Lai Liangquan.