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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)

**VOLUNTARY ANNOUNCEMENT IN RELATION TO
THE ISSUE OF AN ORIGINATING SUMMONS AGAINST
DR. LI ZHONG YUAN BY THE COMPANY
AND
THE ISSUE OF AN INJUNCTION ORDER
BY THE HIGH COURT OF HONG KONG**

The Board noted an unauthorized remittance of approximately HK\$4.5 million from the bank account of World Success, a non-wholly owned subsidiary of the Company, to a personal bank account of Mr. Mu Xiangming, a former Director, on 8 June 2016. Such remittance was instructed and operated by another former Director, namely Dr. Li Zhong Yuan. The Company stopped the payment and issued an originating summons against Dr. Li Zhong Yuan in the Court of First Instance of the High Court of Hong Kong.

On 21 June 2016, the Court of First Instance of the High Court of Hong Kong ordered that, among other matters, Dr. Li Zhong Yuan be restrained, whether by himself, his servants, agents or otherwise however from transacting and/or conducting and/or purporting to transact and/or conduct the business and affairs of World Success, a non-wholly owned subsidiary of the Company, including, without prejudice to the generality of the foregoing, operating any bank accounts of World Success until Friday, 8 July 2016.

This announcement is made by the board (the “Board”) of directors (the “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 Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board noted an unauthorized remittance of approximately HK\$4.5 million from the bank account of World Success Investments Limited (“World Success”), a non-wholly owned subsidiary of the Company, to a personal bank account of Mr. Mu Xiangming, a former Director, on 8 June 2016. Such remittance was instructed and operated by another former Director, namely Dr. Li Zhong Yuan. The Company stopped the payment and issued an originating summons against Dr. Li Zhong Yuan in the Court of First Instance of the High Court of Hong Kong on 21 June 2016 claiming for, among other reliefs, an injunction order to prohibit Dr. Li Zhong Yuan from transacting and/or conducting and/or purporting to transact and/or conduct the business and affairs of World Success including without prejudice to the generality of the foregoing, operating any bank accounts of World Success.

On 21 June 2016, the Court of First Instance of the High Court of Hong Kong ordered that, among other matters, Dr. Li Zhong Yuan be restrained, whether by himself, his servants, agents or otherwise however from transacting and/or conducting and/or purporting to transact and/or conduct the business and affairs of World Success including, without prejudice to the generality of the foregoing, operating any bank accounts of World Success until Friday, 8 July 2016.

The Company is in the course of seeking legal advice on the above-mentioned matters and would, depending on the legal advice, take necessary actions as and when appropriate. Further announcement(s) will be made by the Company to keep its shareholders and potential investors informed of any material development as and when appropriate.

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

Hong Kong, 24 June 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.