

ASX ANNOUNCEMENT

3rd June 2016

CAPITOL HEALTH LIMITED PARTNERS WITH CITIC PHARMACEUTICAL (SHENZHEN) CO., LTD TO CREATE A CONSULTING AND CLINIC MANAGEMENT JOINT VENTURE FOR CITIC'S DIAGNOSTIC IMAGING CENTRES IN CHINA.

Capitol Health Limited (ASX:CAJ) ("Capitol Health" or the "Company") is pleased to announce that it has entered into a Memorandum of Understanding (MOU) to provide Design, Consulting and Clinic Management services to CITIC Pharmaceutical (Shenzhen) Co., Ltd ("CITIC Pharmaceutical").

CITIC Pharmaceutical, a majority controlled subsidiary of CITIC Medical and Health Group Co., Ltd (a wholly owned subsidiary of CITIC Group), is a large comprehensive pharmaceutical enterprise integrating medicine supply to hospitals, cross-regional commercial distribution, medical investment, medical instruments and consumables sales, and a medicine retailing service.

The MOU is non-binding and provides for future joint ventures in design, consulting, and operational management of CITIC's proposed new private independent diagnostic imaging centers in China, along with a joint venture providing the potential for Capitol to take ownership stakes in these diagnostic imaging centers. Capitol is currently negotiating the formal terms of these joint ventures.

CITIC's early diagnostic imaging centers are planned for cities where they already own hospitals which should generate patient referrals.

The CITIC Pharmaceutical MOU represents the first agreement in Capitol's broader strategy to participate in the fast growing Chinese diagnostic imaging market. The recent Chinese Government healthcare reform resulted in substantial growth in the private healthcare industry in China. It has seen growth in private hospitals, private pathology operations, private health check networks, and more recently the approval for private independent diagnostic imaging centers.

John Conidi, Managing Director of Capitol, noted, "China represents a significant opportunity for us to leverage our world class medical staff and experience in design, development and operations of Diagnostic Imaging Centres. We believe the growth in China's private healthcare sector, along with the recent reforms allowing Diagnostic Imaging Centres to operate privately outside of hospitals, provides a solid market entry strategy for Capitol.

For more information, please contact:

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About Capitol Health

Capitol Health is a leading provider of diagnostic imaging and related services to the Australian healthcare market. Headquartered in Melbourne, Victoria the Company owns and operates approximately 70 clinics throughout Victoria and New South Wales. The Company's operational focus is on delivering a community-based infrastructure for radiologists and related medical practitioners to deliver optimal, efficient, accurate healthcare service outcomes for patients.

About CITIC

CITIC Group, founded in 1979, is a pioneer in China's economic reforms and opening-up to the rest of the world, through the introduction of overseas capital, technological know-how, and managerial expertise to China. It has also been one of the leaders in China's endeavor to transit to a market-oriented economy, contributing to China's economic development as well as building a good reputation at home and abroad. Currently CITIC has grown into a large global multi-business group and the biggest conglomerate of China. In August, 2014, CITIC Group injected its majority assets into CITIC Pacific, its Hong Kong-listed subsidiary, which was sequentially renamed as CITIC Limited (HK:00267).

CITIC Limited is the one of the largest state owned multinational conglomerates in China with over 750,000 employees and offices in 180 cities worldwide. Businesses include financial services, resources and energy, engineering contracting, manufacturing and healthcare, as well as other businesses both in China and overseas. CITIC Ltd had revenue in FY2015 of HKD416.8B (AUD73.7B), total comprehensive income of HKD28.1 billion (AUD4.97B), total assets of HKD6,803B (AUD 1,202.8B), and a market capitalisation of HKD326.38B (AUD55.5B). It is ranked 160 in global Fortune 500 (2014).

Its subsidiary, CITIC Medical & Health Group Co., Ltd (CITIC Medical), controls 9 hospitals in China, including mainland China's leading IVF hospital, and plans further expansion in the growing healthcare sector.

CITIC Medical provides medical management, health management, medicine, and elderly caring services in China. The company offers health check, insurance, medicare, health preserving, and senior care services to high-end clients from newborn babies to the elderly. CITIC Medical was formerly known as CITIC Shenzhen Investment Group Co., Ltd, and changed its name to CITIC Medical & Health Group Co., Ltd in June 2011, moving to Beijing. The company was founded in 1987 in Shenzhen, China.