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**HUA XIA HEALTHCARE HOLDINGS LIMITED**

**華夏醫療集團有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8143)**

**Financial adviser to the Company**



**INCU Corporate Finance Limited**

**COMPLETION OF MAJOR TRANSACTION IN RELATION TO  
THE PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST  
AND THE SUBSCRIPTION OF NEW SHARES IN A COMPANY  
INVOLVING ISSUE OF CONSIDERATION SHARES AND  
CONVERTIBLE NOTES**

The Board is pleased to announce that the Proposed Acquisition and the Subscription have been completed on 9 May 2007 in accordance with the terms of the Agreement.

**COMPLETION OF THE PROPOSED ACQUISITION AND THE SUBSCRIPTION**

By an announcement of the Company dated 20 March 2007 and a circular of the Company dated 16 April 2007 (the “Circular”), the Board announced that the Purchaser, being a wholly owned subsidiary of the Company, entered into the Agreement to (i) acquire from the Vendor the Sale Shares and Sale Loan; and (ii) subscribe for the Subscription Shares, for a total consideration of HK\$157,300,000. Capitalized terms used herein shall have the same meanings as those defined in the Circular.

The Board is pleased to announce that the Proposed Acquisition and the Subscription have been completed on 9 May 2007 in accordance with the terms of the Agreement.

\* *for identification purpose only*

At completion of the Proposed Acquisition and the Subscription, being on 9 May 2007, the Company issued 170,320,000 Consideration Shares, the Convertible Notes in the principal amount of HK\$33,000,000 and the Promissory Note in the principal amount of HK\$12,097,360 in favour of the Vendor as remaining consideration. As at 9 May 2007, the Sale Loan was nil in balance. Upon completion of the Proposed Acquisition and the Subscription, the Target became a subsidiary of the Company and the accounts of the Target Group will be consolidated with that of the Group and the Vendor becomes interested in approximately 11.73% of the total issued share capital of the Company as enlarged by the allotment and issue of 170,320,000 Consideration Shares. The Convertible Notes, if converted in full at the initial Conversion Price of HK\$0.352, entitles the Vendor to convert into an aggregate of 93,750,000 Shares, representing approximately 6.45% of the issued share capital of the Company (inclusive of the Consideration Shares) as at the date of this announcement and approximately 6.06% of the issued share capital of the Company as enlarged by the allotment and issue of 93,750,000 Conversion Shares. The aggregate of 170,320,000 Consideration Shares and 93,750,000 Conversion Shares represents 17.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares and Conversion Shares.

By order of the Board  
**Hua Xia Healthcare Holdings Limited**  
**Yung Kwok Leong**  
*Chairman*

Hong Kong, 9 May 2007

*As at the date of this announcement, the executive Directors are Mr. Yung Kwok Leong, Ms. Shum Ngai Pan, Mr. Chen Jin Shan, Mr. Weng Jiaxing and Mr. Jiang Tao. The non-executive Director is Dr. Wong Yu Man, James. The independent non-executive Directors are Mr. Chan Francis Ping Kuen, Mr. Hsu William Shiu Foo, and Mr. Yu Chai Mei.*

*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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website and on the website of the Company at [www.huaxia-healthcare.com](http://www.huaxia-healthcare.com) for at least 7 days from the date of its posting*