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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
THE PROPOSED ACQUISITION OF THE ENTIRE SHARE CAPITAL AND
THE PROPOSED SUBSCRIPTION OF NEW SHARES IN A COMPANY**

Financial adviser to the Company



CAF Securities

wholly owned subsidiary of Agricultural Bank of China

THE PROPOSED ACQUISITION AND THE PROPOSED SUBSCRIPTION

On 28 December 2007, the Purchaser entered into the Agreement with the Vendor pursuant to which the Purchaser agreed to acquire from the Vendor the Sale Shares and subscribe for the Subscription Shares, for the Total Consideration.

The Total Consideration shall be settled by the Purchaser in cash.

The Target Group upon completion of the Target Group Reorganisation, will be principally engaged in the provision of healthcare services in the PRC.

The Proposed Acquisition and the Proposed Subscription, in aggregate, constitute a discloseable transaction for the Company under the GEM Listing Rules.

GENERAL

A circular containing details of, among other things, the Proposed Acquisition, the Proposed Subscription will be despatched as soon as practicable to the Shareholders in compliance with the GEM Listing Rules.

* For identification purpose only

THE PROPOSED ACQUISITION AND THE PROPOSED SUBSCRIPTION

Introduction

On 28 December 2007, the Purchaser entered into the Agreement with the Vendor pursuant to which the Purchaser agreed to acquire from the Vendor the Sale Shares and subscribe for the Subscription Shares, for the Total Consideration.

The agreement

Date: 28 December 2007

Parties: (i) Purchaser:

Long Wider Limited, a wholly-owned subsidiary of the Company; and

(ii) Vendor:

Mr. Wei Changhua, who currently owns 100% direct equity interests in the Target.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

Pursuant to the Agreement,

- (i) the Purchaser agreed to acquire and the Vendor agreed to sell the Sale Shares, being 1 share of US\$1.00 in the share capital of the Target, representing its entire issued share capital as at the date of the Agreement; and
- (ii) the Purchaser agreed to subscribe for and the Target agreed to allot and issue the Subscription Shares, being 5,299 new shares of US\$1.00 in the share capital of the Target.

Consideration

The Total Consideration is HK\$54,880,000, of which HK\$49,580,000 will be payable for the Sale Shares and HK\$5,300,000 will be payable for the Subscription Shares. The total consideration for the Sale Shares shall be payable in the following manner:

- (i) as to HK\$25,000,000 to be paid by the Purchaser in cleared funds as deposit within fifteen (15) Business Days after signing of the Agreement;
- (ii) as to HK\$24,580,000 to be paid by the Purchaser in cleared funds within fifteen (15) Business Days from the date of obtaining of the approval in principle from the relevant government authority in the PRC that Fujian Rongjian, which is presently a wholly domestic owned enterprise, be transformed to a wholly foreign owned enterprise; and

The total consideration for the Subscription Shares shall be HK\$5,300,000 (being the Subscription Price) which shall be payable in cash within fifteen (15) Business Days after signing of the Agreement. Pursuant to the Agreement, the Subscription Price should only be used for the acquisition of the entire equity interest in Fujian Rongjian by Asia Smartie.

The Refundable Payment (i.e. the aggregate of the payments made under (i) and (ii) above and the Subscription Price) will be refunded to the Purchaser by the Vendor if the Agreement is terminated in accordance with its terms, in particular, for non satisfaction of conditions set out under the heading “Conditions Precedent” below. If the termination of the Agreement is due to default of the Vendor, the Refundable Payment shall be refunded with interest of 1% per month to be accrued thereon from the date of receipt of the Refundable Payment until full refund of the Refundable Payment.

Further announcement will be made by the Company in the event that the Agreement is terminated.

The Total Consideration, including the payment terms, was determined after arm’s length negotiation between the Purchaser and the Vendor after having considered: (i) the Guaranteed Profit (as defined below) given by the Vendor; (ii) reasons for the Proposed Acquisition and the Proposed Subscription as elaborated further under the heading “Reasons for the Proposed Acquisition and the Proposed Subscription”; (iii) the future prospect of the business of the Target Group; and (iv) the P/E ratios of a number of local listed companies engaging in business similar to the Target Group ranging from about 10.44 times to 20.49 times. The Total Consideration represents a price earning multiple of approximately 9.8 times of the Guaranteed Profit (as defined below) which is below the range. The Directors consider the Total Consideration and the relevant payment terms to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Group intends to finance the Total Consideration by internal resources of the Group.

The Proposed Acquisition and the Proposed Subscription, in aggregate, constitute a discloseable transaction for the Company under the GEM Listing Rules.

Profit Guarantee

In the Agreement, the Vendor guaranteed and warranted to the Purchaser that the audited consolidated net profit after taxation and extraordinary or exceptional items and minority interests of the Target Group for the year ending 31 March 2009 (the “**Net Profit**”) shall not be less than HK\$5,600,000 (the “**Guaranteed Profit**”). In the event the Guaranteed Profit is not achieved, the Vendor should pay the Purchaser on a dollar for dollar basis for an amount equivalent to the difference between the Net Profit and the Guaranteed Profit. The Net Profit is calculated in accordance to Hong Kong Financial Reporting Standards.

If the Target Group records a net loss in its audited consolidated accounts for the year ending 31 March 2009 (“**Net Loss**”), the compensation amount under the Guaranteed Profit will be the aggregation of the amount of Net Loss (expressed in positive figure) and the amount of the Guaranteed Profit.

As at the date of this announcement, the Target Group is still undergoing the process of reorganisation and has no track record of profit. The Guaranteed Profit given by the Vendor is based on the price earning ratios of a number of local listed companies engaging in business similar to the Target Group. Further announcement will be made by the Company in the event that the Guaranteed Profit cannot be fulfilled.

Conditions precedent

Completion of the Proposed Acquisition and the Proposed Subscription is subject to, among other things, the following conditions having been fulfilled or waived (as the case may be):

- (a) all necessary consents and approvals required to be obtained on the part of the Vendor, the Purchaser and the Target in respect of the sale and purchase of the Sale Shares and the Subscription Shares as well as the matters contemplated thereunder having been obtained;
- (b) the warranties in respect of the operation of the Target Group given by the Vendor under the Agreement remaining true and accurate in all respects;
- (c) the obtaining of a PRC legal opinion (in form and substance satisfactory to the Purchaser) in relation to the validity and legality of the incorporation of Fujian Rongjian, Foshan Qide and Foshan Hospital and their operations as going concern entities and the transactions contemplated under the Agreement, as well as the transformation of Fujian Rongjian into a wholly foreign owned enterprise;
- (d) the Purchaser being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of the Target Group; and
- (e) the completion of the Target Group Reorganisation.

Only conditions (b) and (c) are waivable by the Purchaser under the Agreement. The Purchaser has no current intention to waive any of such conditions.

The Agreement further provides that should the satisfaction of all of the above conditions, if not waived by the Purchaser, not occur on or before 90 days from the date of Agreement, that is 27 March 2008, or such later date as the Purchaser and the Vendor may agree in writing, the Agreement shall terminate and neither party shall have any liability to the other except for antecedent breaches of the Agreement and the obligation to return the Refundable Payment.

Completion

Completion of the Proposed Acquisition and the Proposed Subscription shall take place at 4:00 p.m. within three Business Days after all the conditions of the Agreement having been fulfilled or waived or such later date as may be agreed between the Vendor and the Purchaser.

In the event that Completion of the Proposed Acquisition and the Proposed Subscription does not take place, the Vendor shall refund the Refundable Payment to the Proposed Purchaser pursuant to the Agreement. If the non-completion is due to default of the Vendor, the Refundable Payment shall be refunded with interest of 1% per month to be accrued thereon from the date of receipt of the Refundable Payment until full refund together with interest.

Information on the target group

The Target is an investment holding company. The Target Group, upon completion of the Target Group Reorganisation, will be principally engaged in the provision of healthcare services in the PRC. The Target Group comprises the Target, being the ultimate holding company which holds 100% direct equity interests in Asia Smartie, which, in turn, holds 100% direct interests in Fujian Rongjian, which, in turn, holds 70% direct equity interests in Foshan Qide which is principally engaged in operating Foshan Hospital upon completion of the Target Group Reorganisation. Please refer to the heading "Group Structure" for the structure of the Target Group after completion of the Target Group Reorganisation.

The Target was incorporated as a limited company in the British Virgin Island is a company incorporated in the British Virgin Island with limited liability on 18 October 2007, which has an authorised share capital of US\$10,000 divided into 10,000 shares of US\$1.00 each, of which 1 share has been issued and is fully paid or credited as fully paid as at the date of the Agreement and beneficially and wholly owned by the Vendor. Asia Smartie is a company incorporated in Hong Kong with limited liability on 5 December 2007, which has an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each, of which 1 share has been issued and is fully paid or credited as fully paid as at the date of the Agreement and fully owned by the Target. Fujian Rongjian was established as a private company on 19 October 2007 in Fujian, the PRC with the authorised capital of RMB5 million. On 21 November 2007, Fujian Rongjian and Zhu Bin Bin, an Independent Third Party established Foshan Qide of which Fujian Rongjian held 85% equity interests in Foshan Qide and Zhu Bin Bin held 15% equity interests in Foshan Qide. On 22 November 2007, Fujian Rongjian sold 15% equity interests in Foshan Qide to Zeng Kai, an Independent Third Party. As at the date of this announcement, Fujian Rongjian holds 70% equity interest in Foshan Qide. Fujian Rongjian will become one of the major operating subsidiaries of the Target Group

upon completion of the Target Group Reorganisation. Currently as stipulated in the business registration, Fujian Rongjian is engaged in management consultancy and economic information consultancy. It is expected that Fujian Rongjian will be engaged in investment holding and being the holding company of Foshan Qide after the Completion of the Proposed Acquisition and the Proposed Subscription.

Foshan Qide (formerly known as Foshan Qide Investment Co. Limited# (佛山市啟德投資有限公司) and its name was changed to Foshan Qide with effect from 11 December 2007) was established as a private company on 21 November 2007 in the PRC with the authorised capital of RMB3 million. On 22 November 2007, Foshan Qide acquired the Assets in Shan Cheng Hospital from an Independent Third Party at a consideration of RMB4,183,894.72. On 30 November 2007, Foshan Qide entered into a tenancy agreement with an Independent Third Party to rent a premises located at No.1, First Street, Wen Qing Lu, Dong Sheng Chuang, Huang Shi Town, Shan Cheng District, Foshan, the PRC# (佛山市禪城區環市鎮東升村文慶路一街一號「東升經濟聯合社會綜合樓」) for a term of eleven years commencing from 16 November 2007 to 15 November 2018 both dates inclusive. The said premises, comprising eight stories from ground floor to seventh floor with total gross floor area of approximately 10,000 m², will be used as Foshan Hospital complex. The monthly rental is RMB100,000 for the first six years commencing from 16 November 2007 to 15 November 2013. An annual rental increment of 5%, 4% and 3% will be imposed for the seventh year, the eighth year and the ninth year and onwards respectively. Before the premises was leased to Foshan Qide, it was the hospital complex of Shan Cheng Hospital. As the date of this announcement, Shan Cheng Hospital has ceased its operation. The premises is currently under renovation and will be used as hospital complex of Foshan Hospital thereafter.

Foshan Hospital, a trade name of Foshan Qide in running its hospital business in Foshan, the PRC will be the major operating subsidiary of the Target Group. Foshan Hospital, is a privately-run hospital established in Foshan, the PRC by Foshan Qide, which provides general hospital services in Foshan, the PRC including but not limited to medicine ward, surgical ward, gynaecology, paediatric unit, plastic surgery, ear nose and throat unit, emergency and accident unit and medical checkup and examination. Foshan Qide has injected the Assets to Foshan Hospital for its operation.

As at the date of this announcement, Foshan Qide Investment Limited# (佛山市啟德投資有限公司) has changed its name to Foshan Qide. Foshan Qide has completed the acquisition of the Assets in Shan Chen Hospital and has obtained the relevant licence from the government authority in the PRC to establish Foshan Hospital. The leased Foshan Hospital complex is currently under renovation. On 20 December 2007, Asia Smartie entered into an acquisition agreement with two Independent Third Parties to acquire the entire equity interests in Fujian Rongjian for a total consideration of RMB5,000,000. The said consideration will be settled by Asia Smartie within 3 months after Fujian Rongjian has been transformed to a wholly foreign own enterprise. In the event that Asia Smartie has defaulted to pay such consideration, the Vendor has undertaken to pay such consideration to the counterparties of said acquisition agreement on behalf of Asia Smartie. Accordingly, the Company has no liability to settle such acquisition consideration. Such acquisition has not yet completed as such acquisition is still pending for the approval of government authority in the PRC and completion of transformation of Fujian Rongjian into a wholly foreign owned enterprise has not yet taken place.

Set out below is a summary of the key financial data of Target based on the unaudited management accounts of Target for the period from 18 October 2007 (date of incorporation) to 30 November 2007 as provided by the Vendor which has been prepared in accordance with the generally accepted accounting principles in Hong Kong:

	Period from 18 October 2007 to 30 November 2007
	<i>HK\$</i> (unaudited)
(Loss) before tax for the period	(8,518)
(Loss) after tax for the period	(8,518)
	As at 30 November 2007
	<i>HK\$</i> (unaudited)
Net liabilities	(8,510)

Note: Asia Smartie, which is principally engaged in investment holding, was incorporated on 5 December 2007 in Hong Kong with the authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1.00 each, of which one share has been issued and is fully paid as at the date of this announcement.

Set out further below is a summary of the key financial data of Fujian Rongjian, which will become a subsidiary of the Target Group after Target Group Reorganisation, based on its unaudited consolidated management accounts for the period from 19 October 2007 (date of incorporation) to 30 November 2007 as provided by the Vendor which has been prepared in accordance with the generally accepted accounting principles in Hong Kong:

	Period from 19 October 2007 to 30 November 2007
	<i>RMB</i> (unaudited)
(Loss) before tax for the period	(64,740)
(Loss) after tax for the period	(49,310)

As at
30 November 2007
RMB
(unaudited)

Net assets 1,850,690

Upon Completion of the Proposed Acquisition and the Proposed Subscription, the Directors have no present intention to recruit the employees and to acquire the customer profile and medical profile of Shan Cheng Hospital. The Directors have no current intention to materially change the existing management team thereof except for the changes to the compositions of the board of directors of the Target Group to obtain board control. The Board considers that with the continuation of service of the existing management team of the Target Group, in particular the management team in Fujian Rongjian has sufficient knowledge and over ten years experience in healthcare investment, healthcare management of various hospitals in Fujian and Guangdong, couple with a number of the Directors, who also have sufficient knowledge and experience in the healthcare industry, the Group is well equipped to carry on the business of the Target Group.

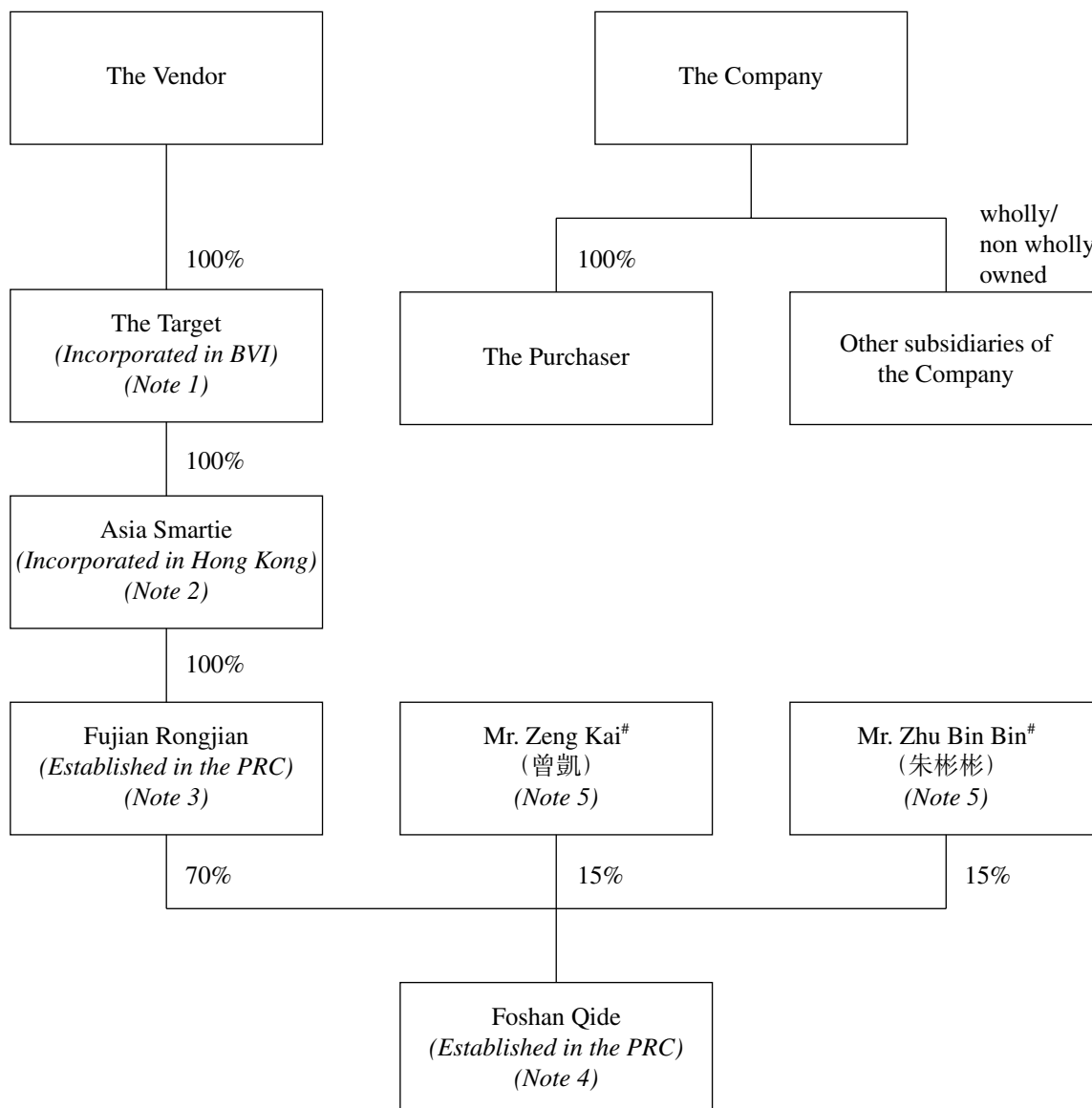
Board representation of the Target Group

Upon Completion of the Proposed Acquisition and the Proposed Subscription, representatives will be appointed by the Company to form a majority of the board of directors of each of the members of the Target Group.

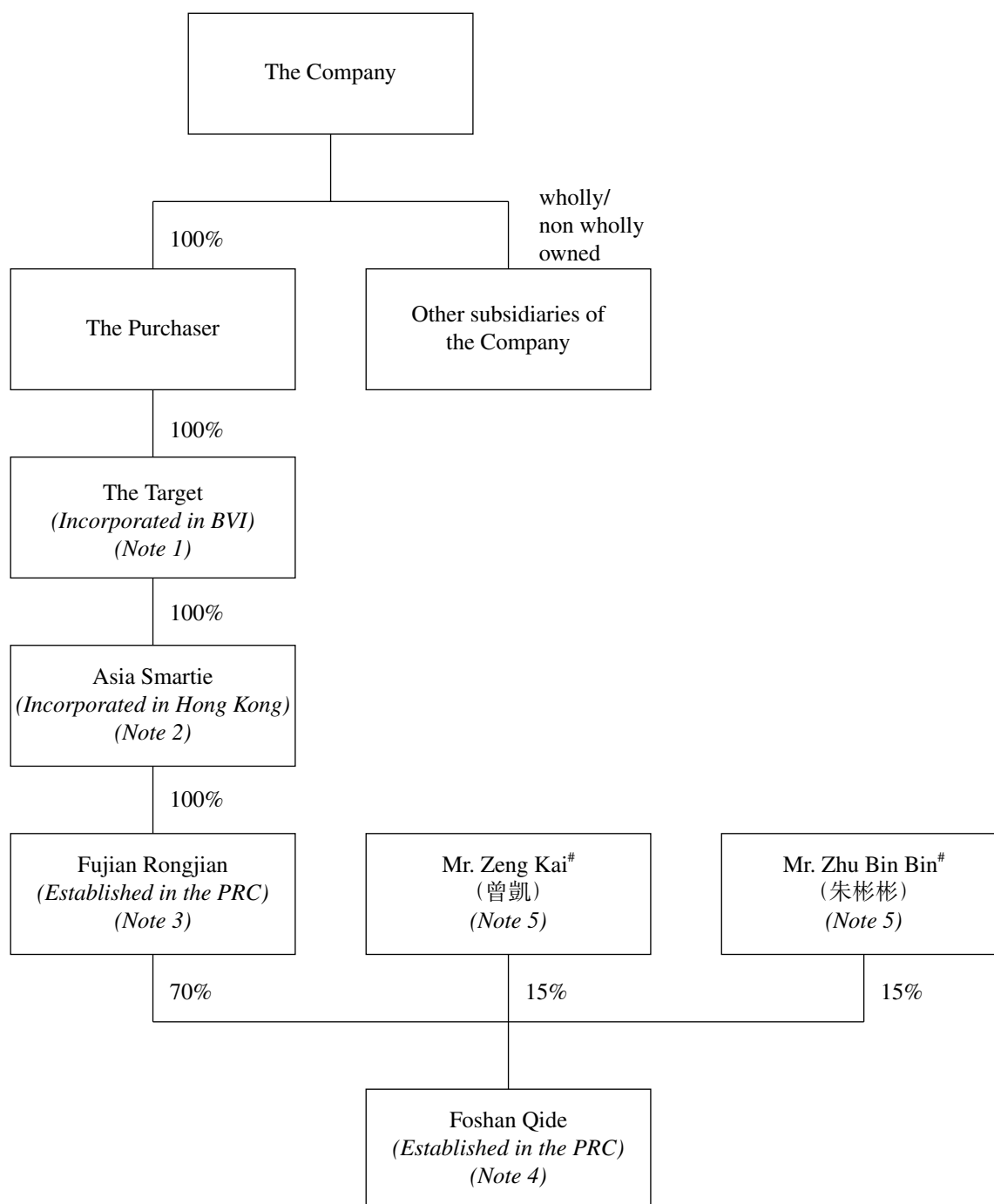
Group structure

The following charts show the group structure of the Target Group immediately before and after Completion of the Proposed Acquisition and the Proposed Subscription:

Immediately before Completion of the Proposed Acquisition and Subscription



Immediately after Completion of the Proposed Acquisition and Subscription



Notes:

1. The Target, is an investment holding company established in BVI on 18 October 2007 solely for the purpose of holding 100% equity interests in Asia Smartie and the Vendor is its ultimate beneficial owner.
2. Asia Smartie is a company incorporated in Hong Kong on 5 December 2007 as an investment holding company solely for the purpose of holding 100% equity interests in Fujian Rongjian.
3. Fujian Rongjian is a company established in the PRC on 19 October 2007 for the establishment and holding of 70% equity interests in Foshan Qide.

4. Foshan Qide is a private company established in the PRC on 21 November 2007. Foshan Qide has obtained the relevant licence from the government authority in the PRC to establish Foshan Hospital. Foshan Hospital is a trade name of Foshan Qide in running its hospital business in Foshan, the PRC. On 22 November 2007 Foshan Qide acquired the Assets from Shan Cheng Hospital and has injected the Assets to Foshan Hospital.
5. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Mr. Zeng Kai and Mr. Zhu Bin Bin is an Independent Third Party.

Reasons for the proposed acquisition and the proposed subscription

The Group is principally engaged in the provision of general hospital and healthcare and hospital management services in the PRC. In addition, the Group is also engaged in the manufacture and sales of melamine and its related products.

Under the environment of fast economic growth in the PRC and more people becoming aware of the importance of health, the Directors believe that the healthcare market in the PRC provides abundant business opportunities for the Group in the future. The Group has embarked on various acquisitions and cooperation projects since 2006 in the general hospital and healthcare and hospital management services in the PRC in order to provide a stable income source to the Group and will bring synergistic effect and positive and further opportunities in the promising healthcare sector the PRC. As mentioned in the interim report of the Company for the period ended 30 September 2007, the provision of general hospital and healthcare and hospital management services in the PRC by the Group is the main contribution in generating the revenue for the Group.

The Proposed Acquisition and the Proposed Subscription are made in furtherance of the business plans of the Group in developing its presence in the healthcare sector in the PRC. As Foshan has a high density population of approximately 10 million and there is a general increase in the health concern of individuals, the Directors consider that there are prospects in the healthcare sector in Foshan, the PRC in the long run. The Directors consider that the Proposed Acquisition and the Proposed Subscription will enhance the Group's overall business performance, strengthen its revenue bases and diversify its business risk through synergistic effect through implementation of cost control measures and marketing and business strategies in the Target Group which, the Directors believe, would make progress of the business of the Target Group. In view of the above and the Guaranteed Profit provided by the Vendor as well as the future prospects of the healthcare sector in the PRC, the Directors are of the view that the terms of the Proposed Acquisition and the Proposed Subscription are fair and reasonable and the Proposed Acquisition and the Proposed Subscription are in the interests of the Company and the Shareholders as a whole.

Upon Completion of the Proposed Acquisition and the Proposed Subscription, the Target will become a subsidiary of the Company and its accounts will be consolidated with that of the Group.

GENERAL

A circular containing details of, among other things, the Proposed Acquisition, the Proposed Subscription will be despatched as soon as practicable to the Shareholders in compliance with the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Agreement”	the conditional sale and purchase agreement dated 28 December 2007 entered into among the Purchaser, the Vendor and the Target relating to the sale and purchase of the Sale Shares and the subscription for and allotment and issue of the Subscription Shares
“Asia Smartie”	is a company incorporated in Hong Kong with limited liability which is wholly and beneficially owned by the Target
“Assets”	all the necessary assets for running a hospital including but not limited to medical equipment and office equipment in Shan Cheng Hospital acquired by Foshan Qide from an Independent Third Party
“Board”	board of the Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“BVI”	the British Virgin Islands
“Company”	Hua Xia Healthcare Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Completion of the Proposed Acquisition and the Proposed Subscription”	completion of the sale and purchase of the Sale Shares and the Proposed Subscription in accordance with the terms and conditions of the Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules

“Director(s)”	director(s) of the Company
“Foshan Hospital”	Foshan Qide Hospital# (佛山啟德醫院), a trade name of a privately-run hospital established in Foshan, the PRC by Foshan Qide. As the date of this announcement, Foshan Hospital has not commenced its operation.
“Foshan Qide”	Foshan Qide Hospital Limited# (佛山市啟德醫院有限公司), a privately company established in Foshan, the PRC on 21 November 2007. Foshan Qide has obtained the relevant licence from the government authority in the PRC to operate Foshan Hospital.
“Fujian Rongjian”	Fujian Rongjian Management Consultancy Limited# (福建榮健管理諮詢有限公司), a private company established in Fozhou, Fujian, the PRC on 19 October 2007. Currently as stipulated in the business registration, Fujian Rongjian is engaged in management consultancy and economic information consultancy. It is expected that Fujian Rongjian will be engaged in investment holding and being the holding company of Foshan Qide after the Completion of the Proposed Acquisition and the Proposed Subscription.
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Acquisition”	the proposed acquisition of the Sale Shares on the terms contained in the Agreement

“Proposed Subscription”	the subscription of 5,299 new shares in the share capital of the Target by the Purchaser pursuant to the Agreement
“Purchaser”	Long Wider Limited, a company incorporated in BVI and a wholly-owned subsidiary of the Company
“Refundable Payment”	the payment made by the Purchaser to the Vendor under paragraphs (i) and (ii) under the heading “Consideration” and the Subscription Price
“Sale Shares”	1 share, being the entire issued share capital of Target as at the date of the Agreement which is legally and beneficially owned by the Vendor
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shan Cheng Hospital”	Foshan Shan Cheng Western and Chinese Composite Hospital# (佛山禪城中西醫結合醫院), a privately-run hospital established in Foshan, the PRC by an Independent Third Party.
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$5,300,000 being the subscription price payable for the Subscription Shares pursuant to the Agreement
“Subscription Shares”	the 5,299 new shares in the share capital of the Target to be allotted and issued by the Target to the Purchaser, pursuant to the Agreement
“Target”	Direct Way Group Limited, a company incorporated in BVI which is wholly and beneficially owned by the Vendor before Completion of the Proposed Acquisition and the Proposed Subscription
“Target Group”	the Target and its subsidiaries upon completion of the Target Group Reorganisation

“Target Group Reorganisation”	the reorganisation of the Target Group, including but not limited to (i) completion of acquisition of the Assets in Shan Cheng Hospital by Foshan Qide Investment Limited# (佛山市啟德投資有限公司) from an Independent Third Party; (ii) Foshan Qide Investment Limited# (佛山市啟德投資有限公司) has obtained the relevant licence from the government authority in the PRC to establish Foshan Hospital and has injected the Assets to Foshan Hospital; (iii) Foshan Qide Investment Limited# (佛山市啟德投資有限公司) has changed its name to Foshan Qide; and (iv) Asia Smartie has acquired the entire equity interested in Fujian Rongjian and the completion of transformation of Fujian Rongjian into a wholly foreign owned enterprise
“Total Consideration”	the total consideration of HK\$54,880,000 payable by the Purchaser to the Vendor for the Sale Shares and the Subscription Shares, pursuant to the Agreement
“Vendor”	Wei Changhua, the sole beneficial shareholder of the Target prior to Completion of the Proposed Acquisition and the Proposed Subscription and the vendor to the Agreement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 7 January 2008

The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.

As at the date of this announcement, the executive Directors are Mr. Yung Kwok Leong, Ms. Shum Ngai Pan, Mr. Chen Jin Shan, Mr. Jiang Tao and Mr. Zheng Gang, the non-executive Director is Dr. Wong Yu Man, James, and the independent non-executive Directors are Ms. Wong Ka Wai, Jeanne, Mr. Hsu Shiu Foo, William 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 enquires, confirm that, to the best of their knowledge and belief that:– (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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 GEM website on the “Latest Company Announcements” page and on the website of the Company at www.huaxia-healthcare.com for at least 7 days from the date of its posting.