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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
UNUSUAL PRICE MOVEMENT**

Financial Adviser to the Company



INCUB Corporate Finance Limited

UNUSUAL PRICE MOVEMENT

The following statement is made at the request of the Stock Exchange.

The Board noted an increase in the price of the Shares on 13 June 2008 and wish to state that save as disclosed below, the Board is not aware of any reasons for such increase.

Save for the above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Chapter 19 and 20 of the GEM Listing Rules, and neither is the Board aware of any matter discloseable under the general obligation of disclosure imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

THE PROPOSED ACQUISITION AND THE PROPOSED SUBSCRIPTION

On 12 June 2008, the Purchaser entered into the Agreement with the Vendor, pursuant to which, the Purchaser agreed to acquire from the Vendor the Sale Share and subscribe for the Subscription Shares for the Total Consideration.

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

* For identification purpose only.

The Target Group, upon completion of the Reorganisation, will be principally engaged in the provision of healthcare management and consultancy services in Bengbu, Anhui 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.

UNUSUAL PRICE MOVEMENT

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THE PROPOSED ACQUISITION AND THE PROPOSED SUBSCRIPTION

INTRODUCTION

On 12 June 2008, the Purchaser entered into the Agreement with the Vendor, pursuant to which, the Purchaser agreed to acquire from the Vendor the Sale Share and subscribe for the Subscription Shares, for the Total Consideration.

THE AGREEMENT

Date: 12 June 2008

Parties:

- (i) Purchaser: Famous Fast Limited, a wholly-owned subsidiary of the Company;
- (ii) Vendor: Mr. Lau Ming Wah, who currently owns 100% direct equity interests in the Target; and
- (iii) The Target.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is an Independent Third Party. Each of the Vendor, Mr. Zhuo and the Aomeijia Shareholders is a third party independent of the vendors of the previous discloseable transactions of the Company in the preceding 12 month period from the date of the Agreement.

Subjects of the transaction

Pursuant to the Agreement,

- (i) the Purchaser agreed to acquire and the Vendor agreed to sell the Sale Share, 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 3,499 new shares of US\$1.00 in the share capital of the Target.

Consideration

The Total Consideration is HK\$49,000,000, of which HK\$45,500,000 will be payable for the Sale Share and HK\$3,500,000 will be payable for the Subscription Shares. The total consideration for the Sale Share shall be payable in cash in the following manner:

- (i) as to HK\$24,500,000 to be paid by the Purchaser in cleared funds as deposit within three (3) Business Days after signing of the Agreement; and
- (ii) as to HK\$21,000,000 to be paid by the Purchaser on Completion.

The total consideration for the Subscription Shares is HK\$3,500,000 (being the Subscription Price) which shall be payable in cash within three (3) Business Days after signing of the Agreement. Pursuant to the Agreement, the Subscription Price should only be used as paid up registered capital of Fuzhou Zhuoxin.

The Refundable Payment (i.e. the aggregate of the payments made under item (i) 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 paragraph headed "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 by the Vendor until full refund of the Refundable Payment together with the accrued interest by the Vendor to the Purchaser.

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, details of which are set out in the paragraph headed "Profit guarantee" below; (ii) reasons for the Proposed Acquisition and the Proposed Subscription as elaborated further under the paragraph headed "Reasons for the Proposed Acquisition and the Proposed Subscription" below; (iii) the P/E ratios of a number of local listed companies engaging in business similar to the Target Group ranging from about 6.54 times to 27.19 times; and (iv) the future prospect of the business of the Target Group including the Guaranteed Profit (as defined below). Accordingly, the Directors consider that the Total Consideration and the relevant payment terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The Total Consideration represents a price earning multiple of 9.8 times of the Guaranteed Profit (as defined below) which is within the industrial range.

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

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 December 2009 (the "**Net Profit**") shall not be less than HK\$5,000,000 (the "**Guaranteed Profit**"). The Guaranteed Profit has been determined according to (i) the estimated operation scale of the New Aomeijia Hospital; (ii) the estimated demand for its healthcare services to be provided by the New Aomeijia Hospital in Bengbu; and (iii) the historical operation statistics of the Old Aomeijia Hospital. In the event that 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 to be 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 December 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.

Further announcement will be made by the Company in the event that the Guaranteed Profit cannot be fulfilled.

Conditions precedent

The Completion 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 and the Target in respect of the sale and purchase of the Sale Share and the Subscription Shares as well as the matters contemplated thereunder having been obtained;
- (b) all necessary consents and approvals required to be obtained on the part of the the Purchaser in respect of the sale and purchase of the Sale Share and the Subscription Shares as well as the matters contemplated thereunder having been obtained;
- (c) 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;
- (d) the obtaining of a PRC legal opinion (in the form and the substance satisfactory to the Purchaser) in relation to the validity and legality of the incorporation of Fuzhou Zhuoxin and Aomeijia, and their operations as going concern entities and the transactions contemplated under the Agreement;
- (e) 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;
- (f) the entering into of a tenancy agreement between Aomeijia and the landlord of premises being rented by the Old Aomeijia Hospital;
- (g) the completion of the Reorganisation;
- (h) the Control Agreements become unconditional or the completion of the Control Agreements if applicable; and
- (i) the completion of Asset Acquisition Agreement.

Only conditions (a), (c) and (e) are waivable by the Purchaser under the Agreement. Currently, the Purchaser has no 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 10 September 2008, or such later date as the Purchaser and the Vendor may agree in writing, the Agreement shall terminate and neither party shall has any liability to the other except for antecedent breaches of the Agreement and the obligation to return the Refundable Payment.

Completion

The Completion 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 the Completion does not take place, the Vendor shall refund the Refundable Payment to the 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 by the Vendor until full refund the Refundable Payment together with the accrued interest by the Vendor to the Purchaser.

INFORMATION ON THE TARGET GROUP

The Target is an investment holding company. The Target Group, upon establishment of Fuzhou Zhuoxin, will be principally engaged in the provision of healthcare management and consultancy services to the New Aomeijia Hospital by virtue of the Control Agreements. Aomeijia will be principally engaged in operation of the New Aomeijia Hospital upon completion of the Reorganisation. The management and operation of the New Aomeijia Hospital will be provided and controlled by the Target Group pursuant to the Control Agreements. Please refer to the paragraph headed "Group structure" for the structure of the Target Group after completion of the Reorganisation.

Prior to the entering into of the Agreement, the Aomeijia Shareholders have entered into an Assets Acquisition Framework Agreement dated 26 May 2008 with Mr. Zhuo in relation to the acquisition of the Assets from Mr. Zhuo. Pursuant to which Mr. Zhuo shall enter into a formal Asset Acquisition Agreement with Aomeijia in relation to the acquisition of the Assets by Aomeijia for an aggregate consideration of RMB2,650,000. Mr. Zhou also undertook the Aomeijia Shareholders in writing that (i) he will terminate the Old Tenancy Agreement and he will simultaneously procure the landlord of the Old Aomeijia Hospital premises to lease the same to Aomeijia by entering into of a new tenancy agreement with Aomeijia by 31 July 2008 with the same terms and conditions as the Old Tenancy Agreement; and (ii) he will not operate any other hospital(s) bearing the name of "Aomeijia 澳美佳" and will not pursue any legal action against Aomeijia in the event that Aomeijia establishing a new hospital bearing the name "Aomeijia 澳美佳". The Assets include all the necessary assets for running a hospital including but not limited to medical equipment and office equipment in the Old Aomeijia Hospital, but excluding any liabilities, contingent liabilities and any devaluation of value of such Assets.

Prior to the entering into of the Agreement, Bondway and the Aomeijia Shareholders have entered into a Framework Agreement dated 31 May 2008, pursuant to which Bondway agreed to set up a wholly foreign owned enterprises in the PRC, namely Fuzhou Zhuoxin, and will enter into the Control Agreements, including the Loan Agreement, the Share Charge, the Acquisition Agreement, the Management Agreement, the Aomeijia Shareholders' Undertakings and the Aomeijia Directors' Undertakings, with the Aomeijia Shareholders and/or Aomeijia. Under the Control Agreements arrangement, Fuzhou Zhuoxin will grant loan of RMB700,000 for a term of not more than ten years to the Aomeijia Shareholders through the Loan Agreement which shall stipulate that the loan will only be used as general working capital of Aomeijia and for acquisition of Assets. In return the Aomeijia Shareholders will charge the entire equity held by them in Aomeijia by way of security for the loan under the Share Charge. Further, Fuzhou Zhuoxin will have control of the board and shareholders' meetings of Aomeijia by virtue of the Aomeijia Shareholders' Undertaking and the Aomeijia Directors' Undertaking. Fuzhou Zhuoxin will have control on the operation of Aomeijia and the assets of Aomeijia and receive management consultancy fee from Aomeijia through the provision of healthcare management and consultancy services under the Management Agreement for an initial term of three years. Pursuant to the Acquisition Agreement, the Aomeijia Shareholders shall sell part or entire equity in Aomeijia to Fuzhou Zhouxin for a terms of five years at a price equal to the then net assets value of Aomeijia when such rights are exercised. A consideration of RMB 2 million will be payable to the Aomeijia Shareholders as a consideration for the Acquisition Agreement by Fuzhou Zhouxin which is equal to the registered capital of Aomeijia being paid by the Aomeijia Shareholders. Such consideration of RMB 2 million will be paid to Aomeijia Shareholders for settling against such consideration of acquisition in future when such rights are exercised. Fuzhou Zhuoxin will only exercise the acquisition rights in full under the Acquisition Agreement, if and when the acquisition of the entire equity interest of a hospital in the PRC is permitted by PRC law.

Upon Completion, the Amoeijia Shareholders will become connected persons of the Company (as defined under the GEM Listing Rules). The transactions contemplated under the Control Agreements may or may not constitute connected transactions or continuing connected transactions. Further announcement will be made in relation to the Control Agreements as and when appropriate in accordance with the GEM Listing Rules. As at the date of this announcement, Bondway is in the course of establishing Fuzhou Zhuoxin and none of the Control Agreements has been yet entered into.

Pursuant to the Catalogue for the Guidance of Foreign Investment Industries 《外商投資產業指導目錄》 issued by the Ministry of Commerce of the PRC, foreign investors may not be allowed to hold the entire shareholding interests in company providing medical related service in the PRC. Accordingly, the Control Agreements are put in place to fully and legally capture the business and revenue in the New Aomeijia Hospital (pursuant to the Control Agreements, the Company could obtain 100% control in it). The Company has been verbally advised by its PRC legal adviser, that the structure of the Control Agreements in the PRC is legal, effective and enforceable and in compliance with the relevant rules and regulations of the PRC.

Set out below is a summary of the key financial data of the Target Group (excluding subsidiaries incorporating in the PRC) based on the unaudited management accounts of the Target Group for the period from 18 April 2008 (date of incorporation of Bondway) to 31 May 2008 as provided by the Vendor which has been prepared in accordance with the generally accepted accounting principles in Hong Kong:

	Period from 18 April 2008 to 31 May 2008
	<i>HK\$</i> (unaudited)
Loss before tax for the period	(21,900)
Loss after tax for the period	(21,900)
	As at 31 May 2008
	<i>HK\$</i> (unaudited)
Net liabilities	(21,891)

Note: the Target was incorporated in the BVI on 2 May 2008 while Bondway was incorporated in Hong Kong on 18 April 2008. The loss incurred by and net liabilities recorded by the Target Group (excluding subsidiaries incorporating in the PRC) are due to the pre-operating costs of the Target and Bondway.

Set out further below is a summary of the key financial data of the Old Aomeijia Hospital based on the unaudited management accounts of the Old Aomeijia Hospital for the year ended 31 December 2007 and for the period ended 30 April 2008 as provided by the Vendor which has been prepared in accordance with the generally accepted accounting principles in the PRC:

	For the year ended 31 December 2007	For the period ended 30 April 2008
	<i>RMB</i> (unaudited)	<i>RMB</i> (unaudited)
Loss before tax for the year/period	(55,949.33)	(49,038.84)
Loss after tax for the year/period	(82,799.33)	(57,988.84)

	As at 31 December 2007 <i>RMB</i> (unaudited)	As at 30 April 2008 <i>RMB</i> (unaudited)
Net assets	346,026.57	288,037.73

Note: Since the Old Aomeijia Hospital was established on 1 September 2006 and commenced operation in late 2006, the financial information of the Old Aomeijia Hospital for the year ended 31 December 2006 is not available.

Upon the Completion, the Directors have no present intention to (i) retain all the employees (save for some individual well performed doctors); (ii) acquire the customer profile and medical profile of the Old Aomeijia Hospital; and (iii) retain the management team of the Old Aomeijia Hospital. The Directors also have no current intention to materially change the existing management team of the Target Group 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 management team in Fuzhou Zhuoxin who has sufficient knowledge and experience in healthcare investment, healthcare management of various hospitals in Fuzhou, 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.

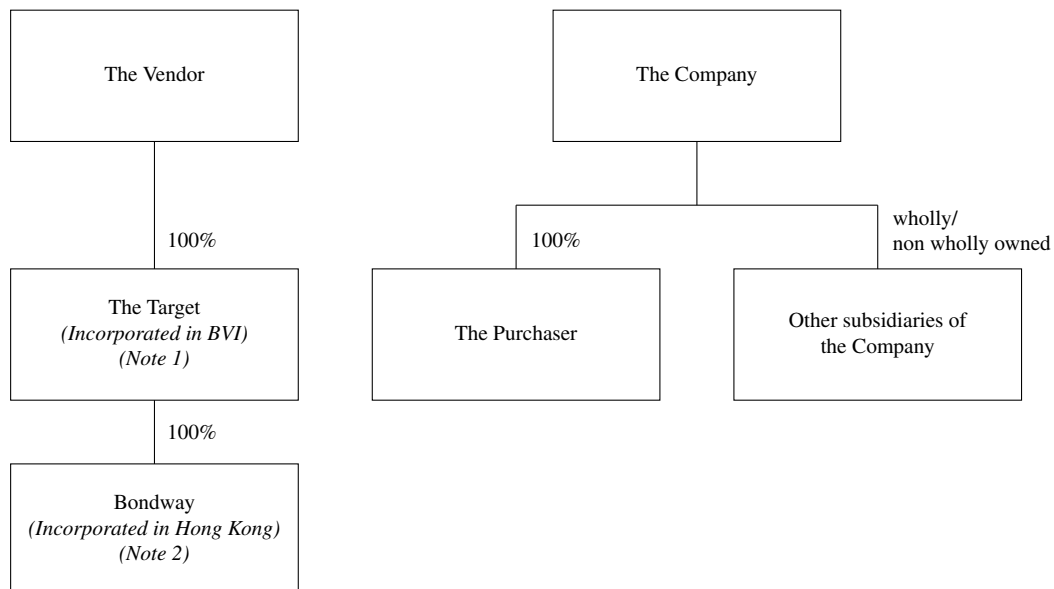
Board representation of the Target Group

Upon the Completion, the Company will appoint representatives to control the board of directors of each of the members of the Target Group and will nominate representatives to form the board of directors of Aomeijia.

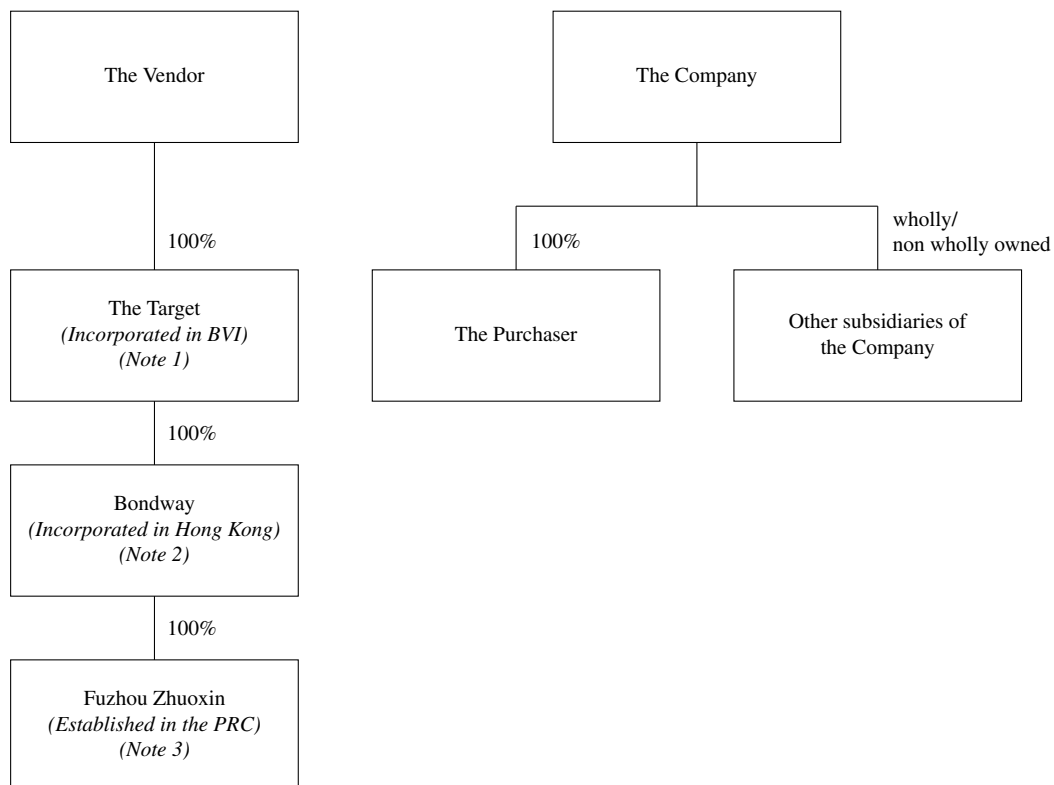
Group structure

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

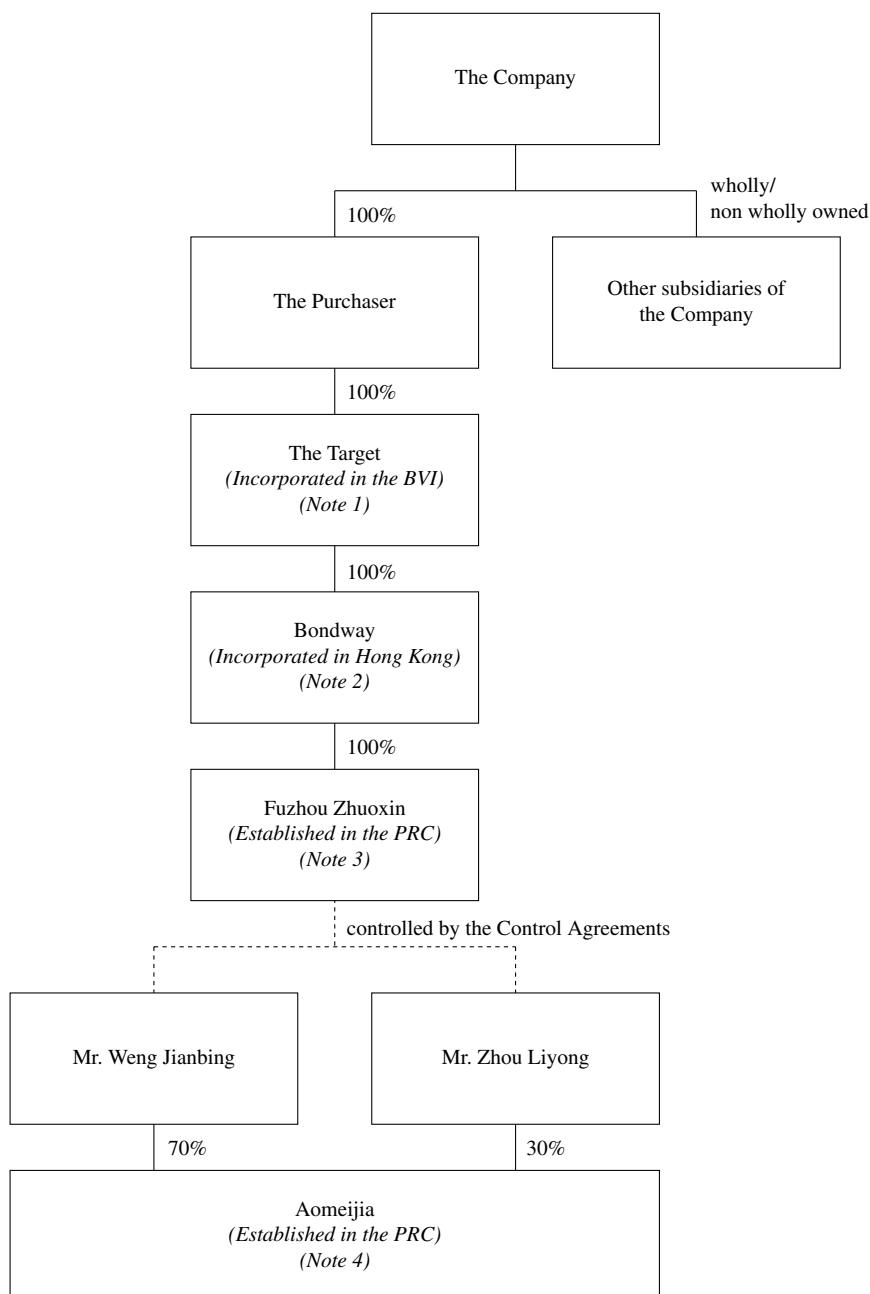
As at the date of this announcement



Immediately before the Completion



Immediately after the Completion



Notes:

1. The Target is an investment holding company established in BVI on 2 May 2008 solely for the purpose of holding 100% equity interest in Bondway and the Vendor is its ultimate beneficial owner.
2. Bondway is a company incorporated in Hong Kong on 18 April 2008 as an investment holding company solely for the purpose of holding 100% equity interest in Fuzhou Zhuoxin.
3. Fuzhou Zhuoxin is a wholly foreign-owned enterprise to be established in the PRC by Bondway for the entering into of the Control Agreements with the Aomeijia Shareholders and/or Aomeijia.

4. Aomeijia will be a private company established in the PRC by the Aomeijia Shareholders. Upon establishment of Aomeijia, Aomeijia will apply for the relevant licence from the government authority in the PRC to establish the New Aomeijia Hospital. The New Aomeijia Hospital is a trade name of Aomeijia in running its hospital business in Bengbu, Anhui, the PRC. Aomeijia will inject all the Assets into the New Aomeijia Hospital.

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.

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 further opportunities in the promising healthcare sector in the PRC. As indicated in the quarterly report of the Company for the nine months ended 31 December 2007, the provision of general hospital and healthcare and hospital management services in the PRC by the Group were the main contribution in generating revenue for the Group.

The Proposed Acquisition and the Proposed Subscription are part of the business plans of the Group in developing its presence in the healthcare sector in the PRC given that there is a general increase in the health concern of individuals in the PRC. The Directors consider that the Proposed Acquisition and the Proposed Subscription are in line with the Group's business plans and are expected to 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, of which the Directors believe, would make progress of the business of the Target Group. In view of the above and the Profit Guarantee 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.

As confirmed by the auditors of the Company, the Group is able to account for the Aomeijia as a wholly owned subsidiary under the prevailing accounting principles. The accounts of Aomeijia will then be consolidated with that of the Group.

GEM LISTING RULES IMPLICATION

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 and 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:

“Acquisition Agreement”	an acquisition agreement to be entered into between Fuzhou Zhuoxin and Aomeijia Shareholders in relation of granting of the exclusive right by Aomeijia Shareholders to Fuzhou Zhuoxin to acquire the entire or part of the equity interest in the Aomeijia for a term of five years at a price equal to the then net asset value of Aomeijia when such rights being exercised. A consideration of RMB 2 million will be paid to Aomeijia Shareholders for settling against such consideration of acquisition in future when such rights are exercised
“Agreement”	the conditional sale and purchase agreement dated 12 June 2008 entered into among the Purchaser, the Vendor and the Target relating to the sale and purchase of the Sale Share and the subscription for and allotment and issue of the Subscription Shares
“Aomeijia”	Bengbu Shi Aomeijia Female Hospital Limited# (蚌埠市澳美佳女子醫院有限公司), a private company to be established in Bengbu, Anhui, the PRC. Aomeijia will apply for the relevant licence from the government authority in the PRC to operate the New Aomeijia Hospital
“Aomeijia Directors’ Undertaking”	an undertaking to be executed by all directors of Aomeijia in favour of Fuzhou Zhuoxin that they will vote in accordance with the instructions of Fuzhou Zhuoxin in all future directors’ meetings prior to the completion of the Acquisition Agreement
“Aomeijia Shareholders”	Mr. Weng Jianbing and Mr. Zhou Liyong, both of them are Independent Third Parties
“Aomeijia Shareholders’ Undertaking”	an undertaking to be executed by the Aomeijia Shareholders in favour of Fuzhou Zhuoxin that they will vote in accordance with the instructions of Fuzhou Zhuoxin in all future shareholders’ meetings prior to the completion of the Acquisition Agreement

“Assets”	all the necessary assets for running a hospital including but not limited to medical equipment and office equipment in the Old Aomeijia Hospital
“Asset Acquisition Agreement”	an agreement to be entered into between the Aomeijia and Mr. Zhuo in relation to the acquisition of the Assets
“Assets Acquisition Framework Agreement”	an agreement dated 26 May 2008 entered into between the Aomeijia Shareholders and Mr. Zhuo in relation to the acquisition of the Assets by Aomeijia
“Board”	board of the Directors
“Bondway ”	Bondway Limited, a company incorporated in Hong Kong with limited liability, which is wholly and beneficially owned by the Target
“Business Day”	a day (other than 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 with a designated stock code of 8143
“Completion”	completion of the Proposed Acquisition 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
“Control Agreements”	the agreements to be entered into between Bondway and/or Fuzhou Zhuoxin on one side and the Aomeijia Shareholders and/or Aomeijia on the other side in accordance with the Framework Agreement including the Loan Agreement, the Share Charge, the Acquisition Agreement, the Management Agreement, the Aomeijia Shareholders’ Undertakings and the Aomeijia Directors’ Undertakings. All forms and substances of the Control Agreements shall be to the satisfaction of the Purchaser
“Director(s)”	director(s) of the Company

“Framework Agreement”	an agreement dated 31 May 2008 entered into between Bondway and the Aomeijia Shareholders, pursuant to which Bondway agreed to set up a wholly foreign owned enterprises in the PRC, namely Fuzhou Zhuoxin and to enter into the Control Agreements with the Aomeijia Shareholders and/or Aomeijia
“Fuzhou Zhuoxin”	Fuzhou Zhuoxin Enterprises Management Consultancy Limited# (福州卓信企業管理諮詢有限公司), a wholly foreign-owned enterprise to be established in Fozhou, Fujian, the PRC by Bondway
“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
“Loan Agreement”	a loan agreement to be entered into between Fuzhou Zhuoxin and the Aomeijia Shareholders in relation to the grant of loan of RMB700,000 by Fuzhou Zhuoxin to the Aomeijia Shareholders to be used as general working capital of Aomeijia and for acquisition of Assets for a term of not more than 10 years
“Management Agreement”	an exclusive management agreement to be entered into between Fuzhou Zhuoxin and Aomeijia in relation to the provision of management consultancy services by Fuzhou Zhuoxin to the New Aomeijia Hospital for an initial term of 3 years
“Mr. Zhuo”	Mr. Zhuo Jianhua, the beneficial owner of the Old Aomeijia Hospital, an Independent Third Party
“New Aomeijia Hospital”	Bengbu Shi Aomeijia Female Hospital# (蚌埠市澳美佳女子醫院), a trade name of a privately-run hospital to be established by Aomeijia in Bengbu, Anhui, the PRC by Aomeijia

“Old Aomeijia Hospital”	Bengbu Aomeijia Hospital# (蚌埠澳美佳女子醫院) , a privately-run hospital established in Bengbu, Anhui, the PRC by Mr. Zhuo
“Old Tenancy Agreement”	tenancy agreement in respect of the hospital premises of the Old Aomeijia Hospital
“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 Share pursuant to the Agreement
“Proposed Subscription”	the subscription of 3,499 new shares of US\$ 1.00 each in the share capital of the Target by the Purchaser pursuant to the Agreement
“Purchaser”	Famous Fast Limited, a company incorporated in the 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 paragraph headed “Consideration” and the Subscription Price
“Reorganisation”	an reorganization including (1) the entering into and the completion of the Assets Acquisition Framework Agreement between the Aomeijia Shareholders and Mr. Zhuo in relation to acquisition of the Assets; (2) the establishment of the New Aomeijia Hospital with the duly paid registered capital of RMB 2 million; (3) the entering into and the completion of the Framework Agreement between Bondway and Aomeijia Shareholders in relation to the entering into the Control Agreements; (4) the entering into and the completion of the of the Assets Acquisition Agreements between Mr. Zhuo and Aomeijia in relation to the acquisition of the Assets and Aomeijia shall apply for all relevant licence for the operation of the New Aomeijia Hospital; (5) the establishment of Fuzhou Zhuoxin with the duly paid registered capital of RMB 3 million by Bondway; (6) the entering into and the completion of the Control Agreements; and (7) the entering into a tenancy agreement between Aomeijia and the landlord of premises being rented by the Old Aomeijia Hospital

“Sale Share”	1 share of US\$1.00, being the entire issued share capital of the Target as at the date of the Agreement which are legally and beneficially owned by the Vendor
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Share Charge”	a share charge to be created by Aomeijia Shareholders in favour of Fuzhou Zhuoxin to secure the Acquisition Agreement for a term of five years
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$3,500,000, being the subscription price payable for the Subscription Shares pursuant to the Agreement
“Subscription Shares”	the 3,499 new shares of US\$1.00 each in the share capital of the Target to be allotted and issued by the Target to the Purchaser, pursuant to the Agreement
“Target”	Smart Peak Limited, a company incorporated in BVI which is wholly and beneficially owned by the Vendor before the Completion
“Target Group”	the Target, Bondway and Fuzhou Zhuoxin
“Total Consideration”	the total consideration of HK\$49,000,000 payable by the Purchaser to the Vendor for the Sale Share and the Subscription Shares pursuant to the Agreement
“Vendor”	Mr. Lau Ming Wah, the sole beneficial shareholder of the Target prior to the Completion 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 dollar(s), 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, 13 June 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 enquiries, 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 for at least 7 days from the date of its posting and on the website of the Company at [www. huaxia-healthcare.com](http://www.huaxia-healthcare.com).