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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)**

## **PROFIT GUARANTEE**

References are made to the announcements of the Company dated 28 February 2008, 7 January 2008 and 17 August 2007 respectively and the circulars of the Company dated 17 March 2008, 25 January 2008 and 7 September 2007 respectively in relation to the acquisitions of the Target Groups.

The Guaranteed Profits have not been met and the Vendors will fulfill their obligations in relation to the Guaranteed Profits under the Agreements.

- 1) Reference is made to the announcement of the Company dated 28 February 2008 and the circular of the Company dated 17 March 2008 (the “**Circular 1**”) in relation to the acquisition of the Target Group. Definitions and terms used in this announcement, unless otherwise stated, shall bear the same meanings as defined in the Circular 1.

Pursuant to the Agreement, the Vendor undertakes to the Purchaser that the Guaranteed Profit shall not be less than HK\$7,000,000 and the Vendor will compensate the Purchaser for any shortfall between the Guaranteed Profit and the audited consolidated net profit after taxation and extraordinary or exceptional items and minority interests of the Target Group for the year ended 31 March 2009.

The Board announces that the audited consolidated net profit after taxation and extraordinary or exceptional items and minority interests of the Target Group for the year ended 31 March 2009 was HK\$3,941,635 and therefore the Guaranteed Profit has not been met and the shortfall amounted to HK\$3,058,365 (the “**Shortfall 1**”). The Shortfall 1 will be fully compensated by way of cash payment in July 2009 to the Purchaser. As such, the Vendor will fulfill his obligations in relation to the Guaranteed Profit under the Agreement.

- 2) Reference is made to the announcement of the Company dated 7 January 2008 and the circular of the Company dated 25 January 2008 (the “**Circular 2**”) in relation to the acquisition of the Target Group. Definitions and terms used in this announcement, unless otherwise stated, shall bear the same meanings as defined in the Circular 2.

Pursuant to the Agreement, the Vendor undertakes to the Purchaser that the Guaranteed Profit shall not be less than HK\$5,600,000 and the Vendor will compensate the Purchaser for any shortfall between the Guaranteed Profit and the audited consolidated net profit after taxation and extraordinary or exceptional items and minority interests of the Target Group for the year ended 31 March 2009.

\* For identification purpose only

The Board announces that the audited consolidated net profit after taxation and extraordinary or exceptional items and minority interests of the Target Group for the year ended 31 March 2009 was HK\$2,243,792 and therefore the Guaranteed Profit has not been met and the shortfall amounted to HK\$3,356,208 (the “**Shortfall 2**”). The Shortfall 2 will be fully compensated by way of cash payment in July 2009 to the Purchaser. As such, the Vendor will fulfill his obligations in relation to the Guaranteed Profit under the Agreement.

- 3) Reference is made to the announcement of the Company dated 17 August 2007 and the circular of the Company dated 7 September 2007 (the “**Circular 3**”) in relation to the acquisition of the Target Group. Definitions and terms used in this announcement, unless otherwise stated, shall bear the same meanings as defined in the Circular 3.

Pursuant to the Agreement, the Vendor undertakes to the Purchaser that the Guaranteed Profit shall not be less than HK\$8,250,000 and the Vendor will compensate the Purchaser for any shortfall between the Guaranteed Profit and the audited consolidated net profit after taxation and extraordinary or exceptional items and minority interests of the Target Group for the year ended 31 December 2008.

The Board announces that the audited consolidated net profit after taxation and extraordinary or exceptional items and minority interests of the Target Group for the year ended 31 December 2008 was HK\$6,900,166 and therefore the Guaranteed Profit has not been met and the shortfall amounted to HK\$1,349,834 (the “**Shortfall 3**”). The Shortfall 3 will be fully compensated by way of cash payment in July 2009 to the Purchaser. As such, the Vendor will fulfill his obligations in relation to the Guaranteed Profit under the Agreement.

On behalf of the Board of  
**Hua Xia Healthcare Holdings Limited**  
**Yung Kwok Leong**  
*Chairman*

Hong Kong, 29 June 2009

*As at the date of this announcement, the executive Directors are Mr. Yung Kwok Leong, Dr. Jiang Tao, Mr. Zheng Gang, Ms. Shum Ngai Pan and Mr. Chen Jin Shan, the non-executive Director is Dr. Wong Yu Man, James, and the independent non-executive Directors are Ms. Wong Ka Wai, Jeanne, Mr. Hsu William Shiu Foo and Prof. 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 Announcement” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) 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).*