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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)

**COMPLETION OF THE VERY SUBSTANTIAL ACQUISITION;
CONTINUING CONNECTED TRANSACTIONS
UNDER RULE 20.41 OF THE GEM LISTING RULES;
AND
CLARIFICATION**

COMPLETION OF THE VERY SUBSTANTIAL ACQUISITION

The Board is pleased to announce that with all the conditions of the Formal Agreement having been fulfilled, Completion took place on 8 March 2010.

**CONTINUING CONNECTED TRANSACTIONS UNDER RULE 20.41 OF THE
GEM LISTING RULES**

The Board further announced that on 1 March 2010, Huihao Sihai had entered into three Purchase Contracts with Fujian Huihao, Fujian Huiming and Putian Huihao respectively to formalize the long term supply-purchase relationship from the date of the Purchase Contracts to 31 December 2015. The existing continuing supply-purchase relationship between each of Fujian Huihao, Fujian Huiming and Putian Huihao, and Huihao Sihai after Completion constitute continuing connected transactions on the part of the Enlarged Group under Rule 20.41 of the GEM Listing Rules. In the event there is any variation or renewal of the Purchase Contracts and the supply-purchase relationship, the Company will comply in full with all applicable reporting, disclosure and independent Shareholders' (if necessary) approval requirements of Chapter 20 of the GEM Listing Rules. Further information on such transactions are set out in this announcement.

* For identification purpose only

CLARIFICATION

The Board would like to clarify that due to inadvertent mistake, the convertible preference shares as referred to in the announcement of the Company dated 23 November 2009, the Circular and the notice of EGM of the Company dated 11 February 2010 shall have a par value of HK\$0.05 each.

COMPLETION OF THE VERY SUBSTANTIAL ACQUISITION

References are made to the circular (the “**Circular**”) of the Company dated 11 February 2010, relating to, among others, the Proposed Acquisition. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular unless defined otherwise.

The Board is pleased to announce that with all the conditions of the Formal Agreement having been fulfilled, Completion took place on 8 March 2010.

CONTINUING CONNECTED TRANSACTIONS UNDER RULE 20.41 OF THE GEM LISTING RULES

As stated under the section of “**INFORMATION OF THE TARGET GROUP**” of the Circular, Fujian Huihao and Fujian Huiming are suppliers of pharmaceutical products to Huihao Sihai and will continue to be suppliers of pharmaceutical products to Huihao Sihai. The Board further announced that on 1 March 2010, Huihao Sihai had entered into three purchase contracts with Fujian Huihao, Fujian Huiming and Putian Huihao respectively (the “Purchase Contracts”) in order to formalize the long term supply-purchase relationship from the date of the Purchase Contracts to 31 December 2015. Mr. Yung, an executive Director and a substantial Shareholder, is holding, on behalf of the Company under the Control Agreements, the 99.29% of the equity interests in Huihao Sihai (which will be accounted for as a non-wholly-owned subsidiary of the Company) and therefore Huihao Sihai is an associate of Mr. Yung and a connected person of the Company. Upon Completion, Fujian Huihao, Fujian Huiming and Putian Huihao become indirect wholly-owned subsidiaries of the Group. Therefore, the existing continuing supply-purchase relationship between each of Fujian Huihao, Fujian Huiming and Putian Huihao, and Huihao Sihai after Completion constitute continuing connected transactions on the part of the Enlarged Group under Rule 20.41 of the GEM Listing Rules.

In the event there is any variation or renewal of the Purchase Contracts and the supply-purchase relationship, the Company will comply in full with all applicable reporting, disclosure and independent Shareholders’ (if necessary) approval requirements of Chapter 20 of the GEM Listing Rules.

CLARIFICATION

The Board would like to clarify that due to inadvertent mistake, the convertible preference shares as referred to in the announcement of the Company dated 23 November 2009, the Circular and the notice of EGM of the Company dated 11 February 2010 shall have a par value of HK\$0.05 each.

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

Hong Kong, 8 March 2010

As at the date of this announcement, the executive Directors are Mr. Yung Kwok Leong, Dr. Jiang Tao, Mr. Zheng Gang, Dr. Huang Jiaqing 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, Prof. Hu Shanlian and Prof. Lu Chuanzhen.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM 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 at www.hkgem.com 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.