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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 WARNING AND PROFIT GUARANTEE**

### **PROFIT WARNING**

The Board wishes to inform the shareholders of the Company and potential investors that the results of the Group for the year ended 31 March 2010 is expected to record an increased loss as compared to the corresponding period of 2009 mainly due to the impairment for goodwill.

**Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.**

### **PROFIT GUARANTEE**

References are made to the announcement of the Company dated 13 June 2008 and the Circular of the Company dated 11 July 2008 in relation to the acquisitions of the Target Group.

The Guaranteed Profit has not been met and the Vendor will fulfill his obligation in relation to the Guaranteed Profit under the Agreement.

### **PROFIT WARNING**

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

\* *For identification purpose only*

The board of directors (the “**Board**”) of Hua Xia Healthcare Holdings Limited (the “**Company**”) wishes to inform the shareholders of the Company and potential investors that the results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2010 is expected to record an increased loss as compared to the corresponding period of 2009 mainly due to the impairment for goodwill.

As the Company is still in the process of finalising the results for the year ended 31 March 2010, the information contained in this announcement is only based on the preliminary assessment by the Company’s management according to the preliminary draft consolidated financial statements of the Group. Shareholders of the Company and potential investors should read the Group’s annual results announcement for the year ended 31 March 2010 carefully, which will be published on 25 June 2010.

**Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.**

## **PROFIT GUARANTEE**

References are made to the announcement of the Company dated 13 June 2008 and the circular of the Company dated 11 July 2008 (the “**Circular**”) 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.

Pursuant to the Agreement, the Vendor undertakes to the Purchaser that the Guaranteed Profit shall not be less than HK\$5,000,000 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 December 2009.

The Board announces that the audited consolidated net loss after taxation and extraordinary or exceptional items and minority interests of the Target Group for the year ended 31 December 2009 was HK\$290,710 and therefore the Guaranteed Profit has not been met and the shortfall amounted to HK\$5,290,710 (the “**Shortfall**”). The Shortfall will be fully compensated by way of cash payment in July 2010 to the Purchaser. As such, the Vendor will fulfill his obligation in relation to the Guaranteed Profit under the Agreement.

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

Hong Kong, 18 June 2010

*As at the date of this announcement, the executive directors of the Company are Mr. Yung Kwok Leong, Dr. Jiang Tao, Mr. Weng Jiaying, 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 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 at [www.hkgem.com](http://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](http://www.huaxia-healthcare.com).*