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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)**

**RIGHTS ISSUE OF 1,503,470,662 RIGHTS SHARES  
ON THE BASIS OF ONE (1) RIGHTS SHARE  
FOR EVERY THREE (3) SHARES  
HELD ON RECORD DATE AT  
HK\$0.062 PER RIGHTS SHARE**

**DESPATCH OF THE PROSPECTUS DOCUMENTS  
AND  
BASIS OF ALLOCATION FOR APPLICATION FOR EXCESS RIGHTS SHARES**

**Financial adviser**



**Mitsubishi UFJ Securities (HK) Capital, Limited**

**Underwriter**



**KGI Capital Asia Limited**

The Board announces that the Prospectus Documents will be despatched to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date, i.e. 19 October 2010. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the principles disclosed hereinafter (and in the Prospectus).

References are made to the announcements (the “Announcements”) of Hua Xia Healthcare Holdings Limited (the “Company”) dated 27 September 2010 and 28 September 2010 respectively, both in relation to, the Rights Issue.

Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

**DESPATCH OF THE PROSPECTUS DOCUMENTS**

The Board is pleased to announce that the Prospectus Documents dated 19 October 2010 in relation to the Rights Issue will be despatched to the Qualifying Shareholders, and for information only, to the Non-Qualifying Shareholders on the Record Date, i.e. 19 October 2010.

\* *For identification purpose only*

The English and Chinese versions of the Prospectus Documents will also be available on the Company's website at <http://www.huaxia-healthcare.com> and the Stock Exchange's website at <http://www.hkex.com.hk> on 19 October 2010.

The Rights Issue is subject to, among other things, the Underwriting Agreement becoming unconditional and not being terminated on the occurrence of certain events including force majeure. The Qualifying Shareholders should take note that the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares is 4:00 p.m. on 4 November 2010, subject to the effect of bad weather on the same date. Details of the procedures for acceptance and payment thereof and the expected timetable for the Rights Issue are set out in the Prospectus Documents.

## **BASIS OF ALLOCATION FOR APPLICATION FOR EXCESS RIGHTS SHARES**

Applications for excess Rights Shares may be made by completing the EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) preference will be given to applications for less than a board lot of Rights Shares where it appears to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (ii) subject to availability of excess Rights Shares after allocation under principle (i) above, and assuming there is no material abuse on the excess application mechanism in the reasonable opinion of the Directors, the excess Rights Shares may be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for a smaller number of excess Rights Shares will be allocated with a higher percentage of successful applications but will receive a lesser number of excess Rights Shares; whereas Qualifying Shareholders applying for a larger number of excess Rights Shares will be allocated with a smaller percentage of successful applications but will receive a higher number of excess Rights Shares) and with board lot allocations to be made on a best efforts basis.

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

Hong Kong, 18 October 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 of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*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).*