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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)**

**FURTHER ANNOUNCEMENT  
IN RELATION TO  
PROPOSED DISCLOSEABLE AND CONNECTED TRANSACTION**

**PROPOSED DISCLOSEABLE AND CONNECTED TRANSACTION**

The Board announces that on 22 November 2011, Huihao Sihai has executed the Sihai Undertaking in favour of Fujian Huihao, pursuant to which, Huihao Sihai has conditionally undertaken to Fujian Huihao that subject to the approval of the Independent Shareholders at the EGM, Huihao Sihai will enter into the Fujian Huihao Guarantee jointly with Mr. Yung and his associates in favour of ABC Bank to secure the obligations, liabilities and indebtedness of Fujian Huihao to be owed to ABC Bank under the Fujian Huihao Loan.

**THE GEM LISTING RULES IMPLICATIONS**

As the applicable percentage ratios calculated under Rule 19.07 of the GEM Listing Rules in respect of the secured obligation under the Fujian Huihao Guarantee will exceed 5% but will be less than 25% and the total liability of the Group will exceed HK\$10,000,000, the entering into of the Sihai Undertaking, the Fujian Huihao Guarantee and the transaction contemplated thereunder will constitute discloseable and connected transactions on the part of the Company and will be subject to the approval of the Independent Shareholders at the EGM by way of poll.

A circular containing, among other things, details of the Sihai Undertaking, Fujian Huihao Guarantee and transaction to be contemplated thereunder, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the recommendation of the Independent Board Committee to the Independent Shareholders on the Sihai Undertaking, the Fujian Huihao Guarantee and a notice of the EGM, will be despatched to the Shareholders on or before 5 December 2011.

\* For identification purpose only

## **PROPOSED DISCLOSEABLE AND CONNECTED TRANSACTION**

Reference is made to the announcement (the “**Announcement**”) of Hua Xia Healthcare Holdings Limited dated 17 November 2011 in relation to the proposed entering into of the Fujian Huihao Guarantee by Huihao Sihai which will constitute a discloseable and connected transaction on the part of the Company. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

The Board announces that on 22 November 2011, Huihao Sihai has executed a conditional undertaking (the “**Sihai Undertaking**”) in favour of Fujian Huihao, pursuant to which, Huihao Sihai has conditionally undertaken to Fujian Huihao that subject to the approval of the Independent Shareholders at the EGM, Huihao Sihai will enter into the Fujian Huihao Guarantee jointly with Mr. Yung and his associates in favour of ABC Bank to secure the obligations, liabilities and indebtedness of Fujian Huihao to be owed to ABC Bank under the Fujian Huihao Loan.

No fee or interest is payable to Huihao Sihai by Fujian Huihao for the entering into of the Sihai Undertaking.

To the best knowledge, information and belief of the Directors, Fujian Huihao is a company established in the PRC, and owned as to 55% by Mr. Weng Jiale, a nephew of Mr. Yung and as to 45% by an Independent Third Party. Hence, Fujian Huihao is a connected person on the part of the Company. As advised by the board of directors of Fujian Huihao, Fujian Huihao is principally engaged in distribution and wholesale of pharmaceutical products in Fujian Province, the PRC.

## **THE GEM LISTING RULES IMPLICATIONS**

As the applicable percentage ratios calculated under Rule 19.07 of the GEM Listing Rules in respect of the secured obligation under the Fujian Huihao Guarantee will exceed 5% but will be less than 25% and the total liability of the Group will exceed HK\$10,000,000, the entering into of the Sihai Undertaking, the Fujian Huihao Guarantee and the transaction contemplated thereunder will constitute discloseable and connected transactions on the part of the Company and will be subject to the approval of the Independent Shareholders at the EGM by way of poll.

Mr. Yung and his associates, who hold approximately 28.63% of the entire issued share capital of the Company as at the date of this announcement, will abstain from voting for the relevant resolution at the EGM to approve the Sihai Undertaking, the Fujian Huihao Guarantee and the transaction contemplated thereunder due to their interests in the transaction.

A circular containing, among other things, details of the Sihai Undertaking, the Huihao Guarantee and transaction to be contemplated thereunder, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the recommendation of the Independent Board Committee to the Independent Shareholders on the Fujian Huihao Guarantee and transaction contemplated thereunder and a notice of the EGM, will be despatched to the Shareholders on or before 5 December 2011.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the provision of finance assistance under the Fujian Huihao Guarantee. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

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

Hong Kong, 22 November 2011

*As at the date of this announcement, the executive Directors 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 enquiries, confirm that, to the best of their knowledge and belief that 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).*