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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)

**(1) THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF
THE PHARMACEUTICAL WHOLESALE AND DISTRIBUTION
BUSINESS AND PHARMACEUTICAL RETAIL CHAIN BUSINESS OF
THE GROUP
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED;
AND
(2) ADOPTION OF THE WANJIA SHARE OPTION SCHEME**

Financial adviser to the Company



INCU Corporate Finance Limited

(1) THE PROPOSED SPIN-OFF

On 17 September 2012, the Stock Exchange granted the approval in relation to the Proposed Spin-off to the Hua Xia Group as required under PN3.

On 18 September 2012, Wanjia submitted a listing application to the Stock Exchange for the separate listing of, and permission to deal in, the Wanjia Shares (including the Wanjia Shares to be issued upon the exercise of the share options granted under the Wanjia Share Option Scheme) in issue pursuant to the Proposed Spin-off on the Main Board. The Proposed Spin-off is expected to be effected by way of introduction through the Distribution.

* For identification purpose only

The Hua Xia Board proposed to declare a conditional special dividend by way of a distribution in specie of not less than 236,487,652 Wanjia Shares representing approximately 36.47% of the then entire issued share capital of Wanjia and not more than 259,362,116 Wanjia Shares representing 40% of the then issued share capital of Wanjia held by the Company (subject to the number of Hua Xia Shares on the Record Date) to the Qualifying Shareholders, being registered holders of the Hua Xia Shares whose names appear on the register of members of the Company on the Record Date if the Distribution becomes unconditional. Each Qualifying Shareholder will be entitled to one (1) Wanjia Share for every five (5) Hua Xia Shares held on the Record Date. Details of the Distribution are subject to final decision of the Hua Xia Board.

The Proposed Spin-off and the Distribution will be conditional on the following:

- (i) the obtaining of approval from the Stock Exchange for the Proposed Spin-off;
- (ii) the Listing Committee having granted the listing of, and permission to deal in the Wanjia Shares (including the Wanjia Shares to be issued upon the exercise of the share options granted under the Wanjia Share Option Scheme) in issue on the Main Board;
- (iii) the Independent Shareholders passing an ordinary resolution at the EGM approving the Proposed Spin-off and the Distribution; and
- (iv) the CPS Subscription Agreement having becoming unconditional (save for the Proposed Spin-off having becoming unconditional).

None of the above conditions are waivable.

Upon completion of the Distribution, the Company will retain not less than 60% and not more than approximately 63.53% equity interest in Wanjia and Wanjia will become a non-wholly owned subsidiary of the Company.

(2) ADOPTION OF THE WANJIA SHARE OPTION SCHEME

In connection with the Proposed Spin-off, it is proposed that the Wanjia Share Option Scheme be adopted by Wanjia. The adoption of the Wanjia Share Option Scheme is subject to (i) the Hua Xia Shareholders passing an ordinary resolution at the EGM to approve and adopt the Wanjia Share Option Scheme; (ii) the passing by the shareholders of Wanjia to approve and adopt the Wanjia Share Option Scheme; (iii) the Listing Committee granting the listing of, and permission to deal in, such number of the Wanjia Shares to be issued pursuant to the exercise of any options which may be granted under the Wanjia Share Option Scheme; and (iv) the commencement of dealings in the Wanjia Shares on the Main Board.

The Wanjia Share Option Scheme will become effective on the commencement of dealings in the Wanjia Shares on the Main Board.

CIRCULAR

A circular containing, among other things, (i) details of the Proposed Spin-off and the Distribution; (ii) further information of the Remaining Group; (iii) the adoption of the Wanjia Share Option Scheme; (iv) the advice of Veda Capital Limited to the Independent Board Committee and the Independent Shareholders relating to the Proposed Spin-off; (v) the recommendation of the Independent Board Committee to the Independent Shareholders relating to the Proposed Spin-off; (vi) financial information on the Remaining Group; and (vii) a notice convening the EGM, will be despatched to the Hua Xia Shareholders on 19 August 2013.

As the Proposed Spin-off (including the Distribution) is subject to, among other things, the approval of the Independent Shareholders and the Listing Committee, the Proposed Spin-off may or may not proceed. Hua Xia Shareholders and prospective investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

(1) THE PROPOSED SPIN-OFF

References are made to the announcements of the Company dated 16 July 2012 and 18 September 2012 in relation to the Proposed Spin-off.

On 17 September 2012, the Stock Exchange granted the approval in relation to the Proposed Spin-off to the Company as required under PN3. On 18 September 2012, Wanjia submitted a listing application to the Stock Exchange for the separate listing of, and permission to deal in, the Wanjia Shares (including the Wanjia Shares to be issued upon the exercise of the share options that granted under the Wanjia Share Option Scheme) in issue pursuant to the Proposed Spin-off on the Main Board.

The Proposed Spin-off is expected to be effected by way of introduction through the Distribution. Completion of the Proposed Spin-off will not affect the listing of the Hua Xia Shares on GEM, the Hua Xia Shares will continue to be listed and traded on GEM after completion of the Proposed Spin-off while the Wanjia Shares will be separately listed on the Main Board.

The Distribution

The Hua Xia Board proposed to declare a conditional special dividend by way of a distribution in specie of not less than 236,487,652 Wanjia Shares representing approximately 36.47% of the then entire issued share capital of Wanjia and not more than 259,362,116 Wanjia Shares representing 40% of the then issued share capital of Wanjia held by the Company (subject to the number of Hua Xia Shares on the Record Date) to the Qualifying Shareholders, being registered holders of the Hua Xia Shares whose names appear on the register of members of the Company on the Record Date

if the Distribution becomes unconditional. Each Qualifying Shareholder will be entitled to one (1) Wanjia Share for every five (5) Hua Xia Shares held on the Record Date. All entitlements will be rounded down to a whole number of Wanjia Shares, and fractional entitlements will be disregarded. For the avoidance of doubt, registered holders of less than five (5) Hua Xia Shares on the Record Date will not be entitled to any Wanjia Shares. The details of the Distribution are subject to the final decision of the Hua Xia Board.

If there exists any Overseas Shareholder(s) on the Record Date, the Company will make enquiries regarding the feasibility of extending the Distribution to the Overseas Shareholder(s). If based on legal opinions provided by the legal advisers, the Hua Xia Directors consider that it is necessary or expedient not to extend the Distribution to particular Overseas Shareholder(s) on account either of the legal restrictions under the laws of the place(s) of its/his/their registered addresses or the requirements of the relevant regulatory bodies or stock exchanges in those places outside Hong Kong, the assured entitlement to Wanjia Shares will not be available to such Overseas Shareholder(s). Instead, the Excluded Shareholders will receive a cash amount representing the net proceeds of the sale by the Company on their behalf of the Wanjia Shares to which it/he/they would otherwise be entitled pursuant to the Distribution after dealings in the Wanjia Shares commence on the Stock Exchange at the prevailing market price. The Company will ensure that the purchaser(s) of such Wanjia Shares is/are Independent Third Party(ies). The proceeds of such sale, net of expenses, of more than HK\$100 will be paid to the relevant Excluded Shareholders in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for its own benefit.

Conditions precedent for the Proposed Spin-off and the Distribution

The Proposed Spin-off and the Distribution will be conditional on the following:

- (i) the obtaining of approval from the Stock Exchange for the Proposed Spin-off;
- (ii) the Listing Committee having granted listing of, and permission to deal in the Wanjia Shares (including the Wanjia Shares to be issued upon the exercise of the share options granted under the Wanjia Share Option Scheme) in issue on the Main Board;
- (iii) the Independent Shareholders passing an ordinary resolution at the EGM approving the Proposed Spin-off and the Distribution; and
- (iv) the CPS Subscription Agreement having becoming unconditional (save for the Proposed Spin-off having becoming unconditional).

None of the above conditions are waivable. If any of these conditions are not fulfilled on or before 31 December 2013 (or such other date(s) as the Hua Xia Board may determine), the Proposed Spin-off will not proceed and the Stock Exchange will be notified immediately and an announcement will be published by the Company as soon as practicable thereafter.

Closure of register of members

For the purpose of determining the entitlement of the Hua Xia Shareholders to the Distribution, the register of members of the Company will be closed during which no transfer of Hua Xia Shares will be effected. The Company will make a separate announcement when the timetable of the Distribution is determined.

No proceeds from the Proposed Spin-off

The Proposed Spin-off does not involve an offering of new Wanjia Shares or any other securities and no new proceeds will be under pursuant to the Proposed Spin-off.

Fraction of Wanjia Shares

The total number of Wanjia Shares to be transferred to any Hua Xia Shareholders will be rounded down to a whole number. If there are any fractional entitlements of the Wanjia Shares, such fractional entitlements will not be transferred to the Hua Xia Shareholders, but will be aggregated and sold by the Company for the benefit of the Company.

CCASS Arrangement

Subject to the granting of the listing of, and permission to deal in, the Wanjia Shares on the Main Board as well as compliance with the stock admission requirements of HKSCC, the Wanjia Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of listing of Wanjia or, under contingent situation, such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Further announcement(s) will be made by the Company to update the Hua Xia Shareholders and prospective investors of the Company of any significant development in relation to the Proposed Spin-off as and when appropriate.

Reasons for and Benefits of the Proposed Spin-off

The Hua Xia Directors are in the opinion that the separate listing of the Wanjia Group will be beneficial to both the Hua Xia Group and the Wanjia Group for the following reasons:

- (a) at present, the Hospital Business is mainly conducted and confined in Chongqing Municipal and Zhejiang Province, the PRC, while majority of the Pharmaceutical Business is conducted in Fujian Province, the PRC, and the expected synergy effect in the business operation between the two groups in terms of minimisation of logistics costs and revenue growth, etc. are not prominently demonstrated. On the other hand, there is a clear delineation between the Hospital Business and the Pharmaceutical Business in terms of their respective operation, management, client base, as well as geographical market. Further, the Remaining Group and the Wanjia Group are believed to have different growth paths and different business strategies and the Proposed Spin-off will allow separate platforms for the development of the businesses of the two groups;
- (b) the Proposed Spin-off could unlock the value of Hua Xia's investment in the Wanjia Group (the unaudited adjusted net asset value of the Wanjia Group was approximately HK\$1,023.24 million as at 31 March 2013 while the market capitalisation of the Hua Xia was approximately HK\$231.96 million as at 28 March 2013, being the last trading day before 31 March 2013), and the Proposed Spin-off will unlock the Wanjia Group from the GEM listing umbrella of Hua Xia so that investors would be able to appraise and assess the performance and potential of the Wanjia Group separately and distinct from that of the Remaining Group;
- (c) the Proposed Spin-off will enable future funds raised by the Remaining Group to be focused on the development of the Hospital Business;
- (d) the Proposed Spin-off will streamline the operation of both the Remaining Group and the Wanjia Group and increase the transparency of business performance and the financial status of both the Remaining Group and the Wanjia Group, which, in turn, will strengthen support from business partners, banks and financial institutions and enable investors to better assess the respective performance and potential of the Remaining Group and the Wanjia Group;
- (e) the separation of the two distinct businesses will allow each of the Remaining Group and the Wanjia Group to attract focused strategic investors who can produce synergy for each of such businesses to invest in or form strategic partnerships with each of such businesses;
- (f) the Wanjia Group will have greater flexibility to grow and expand its business free of actual or perceived constraints as a non-listed subsidiary, as well as an increased ability to make acquisitions, where appropriate, by using its shares as an acquisition currency; and

- (g) it allows the Wanjia Group to position itself as an independent listed group with direct access to the debt and equity capital markets to finance its future growth and developments without relying on the Remaining Group's financial support.

Given that the Hua Xia Group is currently engaged in two distinctive businesses, namely the Hospital Business and the Pharmaceutical Business, the Hua Xia Directors believe that the Proposed Spin-off would better reflect the value of its provision of the Pharmaceutical Business for the reasons as stated above, and that the listing by way of introduction would give a clearer corporate identity to the Wanjia Group and would enhance the image of the Wanjia Group for its future growth, while the Remaining Group can focus on the operation of the Hospital Business with its resources, and therefore the Hua Xia Directors believe that the Proposed Spin-off will be beneficial to both the Remaining Group and the Wanjia Group and their respective existing and future shareholders.

(2) ADOPTION OF THE WANJIA SHARE OPTION SCHEME

In connection with the Proposed Spin-off, it is proposed that the Wanjia Share Option Scheme be adopted by Wanjia. As at the date of this announcement, the Hua Xia Board has resolved to conditionally adopt the Wanjia Share Option Scheme subject to (i) the Hua Xia Shareholders passing an ordinary resolution at the EGM to approve and adopt the Wanjia Share Option Scheme (ii) the passing by the shareholders of Wanjia to approve and adopt the Wanjia Share Option Scheme; (iii) the Listing Committee granting the listing of, and permission to deal in, such number of the Wanjia Shares to be issued pursuant to the exercise of any options which may be granted under the Wanjia Share Option Scheme; and (iv) the commencement of dealings in the Wanjia Shares on the Main Board. The Wanjia Share Option Scheme will become effective on the commencement of dealings in the Wanjia Shares on the Main Board.

As at the date of this announcement, there was 1 Wanjia Share in issue. It is expected Wanjia will allot and issue new Wanjia Shares so that on the date of the EGM, the total number of Wanjia Shares in issue would be 648,405,300 (or such other number of Wanjia Shares which is actually in issue). Assuming there are 648,405,300 Wanjia Shares in issue on the date of the EGM, the number of Wanjia Shares which may fall to be allotted and issued upon exercise in full of the subscription rights attached to the options granted under the Wanjia Share Option Scheme would be 64,840,530.

The total number of Wanjia Shares which may be issued upon exercise of all options to be granted under the Wanjia Share Option Scheme and any other schemes must not in aggregate exceed 10% of the total issued capital of Wanjia as at the date of approval unless Wanjia obtains a fresh approval from the shareholders of Wanjia to renew the 10% limit on the basis that the maximum number of Shares in respect of which options may be granted under the Wanjia Share Option Scheme together with any options outstanding and yet to be exercised under the Wanjia Share Option Scheme and any other schemes must not exceed 30% of the issued share capital of Wanjia from time to time.

The Wanjia Share Option Scheme constitutes share option scheme governed by Chapter 17 of the Main Board Listing Rules. There is no performance target specified in the Wanjia Share Option Scheme. The Wanjia Directors are entitled to determine the minimum holding period which apply to an option on a case by case basis, and fix the subscription price, it is expected that grantees of an option will have an incentive to contribute to the development of the Wanjia Group.

The rules of the Wanjia Share Option Scheme provide that Wanjia may specify the eligible participants to whom share options shall be granted under the Wanjia Share Option Scheme, the number of Wanjia Shares subject to each option and the date on which the options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the Wanjia Share Option Scheme. The Hua Xia Directors consider that the aforesaid criteria and rules will serve to preserve the value of Wanjia and encourage eligible participants to acquire proprietary interests in Wanjia.

A summary of the principal terms of the Wanjia Share Option Scheme will be set out under the circular to be despatched to the Hua Xia Shareholders.

(3) GEM LISTING RULES IMPLICATIONS

The Stock Exchange has granted the approval in relation to the Proposed Spin-off to the Hua Xia Group as required under the PN3.

The Distribution and the Wanjia Shares to be issued upon the exercise of the share options to be granted under the Wanjia Share Option Scheme, will result in a reduction of the Company's percentage holding in the issued share capital of Wanjia although it is intended that Wanjia will remain as a non wholly-owned subsidiary of the Company. Under the current structure of the Proposed Spin-off, immediately upon completion of Distribution, the Company will be interested in not less than 60% and not more than approximately 63.53% equity interest in the then issued share capital of Wanjia.

Given the CPS Subscription (details of which are disclosed in the announcement dated 10 April 2013) is conditional upon the completion of the Proposed Spin-off and Mr. Yung has indirect interest in the Proposed Spin-off, Mr. Yung and his associates who together hold 257,507,375 Hua Xia Shares representing approximately 23.76% of the entire issue share capital of Hua Xia as at the date of this announcement shall abstain from voting for the resolution to approve the Proposed Spin-off.

As no Hua Xia Shareholder has a material interest in the Wanjia Share Option Scheme which is different from that of other Hua Xia Shareholders, no Hua Xia Shareholders is required to abstain from voting on the resolution to approve the adoption of the Wanjia Share Option Scheme.

(4) EGM

The EGM shall be convened to approve, among other things, (i) the Proposed Spin-off; and (ii) the adoption of the Wanjia Share Option Scheme and the transactions contemplated thereunder. As required under the GEM Listing Rules, voting at the EGM shall be taken by way of a poll.

(5) INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Hua Xia Directors has been formed to consider the Proposed Spin-off and to advise the Independent Shareholders on whether the terms and conditions of the Proposed Spin-off are fair and reasonable and in the interests of the Company as a whole and to advise the Independent Shareholders how to vote at the EGM.

(6) INDEPENDENT FINANCIAL ADVISER

Veda Capital Limited has been appointed as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Proposed Spin-off are fair and reasonable and in the interests of the Company and the Hua Xia Shareholders as a whole and to advise the Independent Shareholders how to vote at the EGM.

(7) GENERAL

A circular containing, among other things, (i) details of the Proposed Spin-off and the Distribution; (ii) further information of the Remaining Group; (iii) the adoption of the Wanjia Share Option Scheme; (iv) the advice of Veda Capital Limited to the Independent Board Committee and the Independent Shareholders relating to the Proposed Spin-off; (v) the recommendation of the Independent Board Committee to the Independent Shareholders relating to the Proposed Spin-off; (vi) financial information on the Remaining Group; and (vii) a notice convening the EGM will be despatched to the Hua Xia Shareholders on 19 August 2013.

As the Proposed Spin-off (including the Distribution) is subject to, among other things, the approval of the Independent Shareholders and the Listing Committee, the Proposed Spin-off may or may not proceed. Hua Xia Shareholders and prospective investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITION

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“business day(s)”	any day (other than Saturday, Sunday or a public holiday) on which banks in Hong Kong are generally open for normal banking business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company” or “Hua Xia”	Hua Xia Healthcare Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules (as the case may be)
“CPS Subscription”	the proposed issue of the second batch CPS in the principal amount of HK\$120 million for the redemption of the promissory note in the principal amount of HK\$120 million pursuant to the CPS Subscription Agreement, details of which are set out in the announcement of the Company dated 10 April 2013

“CPS Subscription Agreement”	the conditional subscription agreement dated 10 April 2013 entered into between the Company and Mr. Yung in relation to the CPS Subscription
“Distribution”	the payment of a special dividend by the Company to its Qualifying Shareholders by way of distribution of one (1) Wanjia Share for every five (5) Hua Xia Shares held by the Qualifying Shareholders on the Record Date, details of which are subject to final decision of the Hua Xia Board
“EGM”	the extraordinary general meeting to be convened and held by the Company for the purpose of approving, amongst other things, the Proposed Spin-off, the adoption of the Wanjia Share Option Scheme and the CPS Subscription Agreement and the transactions contemplated thereunder
“Excluded Shareholder(s)”	the Overseas Shareholder(s) whom the Hua Xia Board, after making enquiries considers it necessary or expedient not to transfer the Wanjia Shares to, on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group” or “Hua Xia Group”	the Company and its subsidiaries (before the Proposed Spin-off)
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hospital Business”	the provision of general hospital services in the PRC operated by the Remaining Group
“Hua Xia Board”	the board of Hua Xia Directors
“Hua Xia Directors”	directors of the Company

“Hua Xia Shares”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Hua Xia Shareholder(s)”	holder(s) of the Hua Xia Share(s)
“Independent Board Committee”	the independent board committee formed by the independent non-executive Hua Xia Directors to advise the Independent Shareholders on the Proposed Spin-off and the CPS Subscription
“Independent Shareholder(s)”	the Hua Xia Shareholders, apart from Mr. Yung and his associates, who are entitled to vote for or against the Proposed Spin-off and the CPS Subscription at the EGM
“Independent Third Parties”	any person or company and its ultimate beneficial owner(s), to the best of the Hua Xia Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Main Board”	the stock market (excluding the option markets) operated by the Stock Exchange which is independent from and operated in parallel with GEM
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Main Board
“Mr. Yung”	Mr. Yung Kwok Leong, an executive Hua Xia Director and a substantial Hua Xia Shareholder
“Overseas Shareholder(s)”	Hua Xia Shareholders whose addresses appear on the register of members of the Company at the close of business on the Record Date are in jurisdictions outside Hong Kong
“Pharmaceutical Business”	the pharmaceutical wholesale and distribution business and pharmaceutical retail chain business in the PRC operated by the Wanjia Group

“PN3”	practice note 3 “Practice with regard to proposals submitted by issuers to effect the separate listing on the Exchange or elsewhere of assets or businesses wholly or partly with in their existing groups” to the GEM Listing Rules
“PRC”	the People’s Republic of China, but for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Spin-off”	the proposed separate listing of the Wanjia Shares on the Main Board, which is expected to be effected by way of introduction, together with the Distribution
“Qualifying Shareholder(s)”	Hua Xia Shareholder(s) and the holder(s) of the convertible preference shares whose names appear on the register of members of the Company at the close of business on the Record Date other than the Excluded Shareholders
“Record Date”	the date for ascertaining Qualifying Shareholders’ entitlements to the Distribution which will be announced by the Company when the timetable for the Distribution is determined
“Remaining Group”	the Hua Xia Group other than the Wanjia Group
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Main Board Listing Rules or GEM Listing Rules (as the case may be)
“Wanjia”	Wanjia Group Holdings Limited, a company incorporated in the Cayman Islands, an indirect wholly-owned subsidiary of the Company, the issued Shares of which are proposed to be listed on the Main Board upon completion of the Proposed Spin-off
“Wanjia Director(s)”	the directors of Wanjia

“Wanjia Group”	Wanjia, Timely Hero Limited and its subsidiaries upon completion of the Proposed Spin-off engaging in the Pharmaceutical Business
“Wanjia Share(s)”	ordinary shares of nominal value of HK\$0.01 each in the capital of Wanjia
“Wanjia Share Option Scheme”	the share option scheme which will be conditionally adopted by Wanjia
“%”	per cent.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the board of
Hua Xia Healthcare Holdings Limited
Yung Kwok Leong
Chairman

Hong Kong, 16 August 2013

As at the date of this announcement, the executive Hua Xia 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 Hua Xia 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 GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, 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 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.