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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)**

## **DISPOSAL OF CP SHARES BY SUBSTANTIAL SHAREHOLDER**

On 24 April 2014 (after trading hours of the Stock Exchange), the Company was informed by Mr. Yung, that he and the Purchaser, entered into the Agreement pursuant to which Mr. Yung agreed to sell and the Purchaser agreed to purchase, 343,217,539 Sale CP Shares, representing approximately 29.65% of the existing total issued Ordinary Share capital of the Company, approximately 56.95% of the existing total issued CP Share capital of the Company and approximately 19.50% of the entire issued Ordinary Share capital of the Company as enlarged by the conversion of all the CP Shares in issue as at the date of the Agreement, for a cash consideration of HK\$96,100,910.92 (equivalent to approximately HK\$0.28 per Sale CP Share). The Agreement is unconditional and is signed and completed simultaneously.

This announcement is made by the Company pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owners is an Independent Third Party prior to the entering into the Agreement. As a result of the completion of transfer of the Sale CP Shares pursuant to the Agreement, the Purchaser will become a substantial Shareholder if the Purchaser would have exercised all the conversion right attached to the Sale CP Shares.

\* *For identification purpose only*

To the best of the knowledge, information and belief of the Directors and based on shareholding records available and the information provided by Mr. Yung as set out above, the shareholding structure of the Company immediately before and after completion of the Agreement is set out as follows:

Shareholders	Shareholding before the entering into the Agreement		Shareholding immediately after the completion of the Agreement		Shareholding immediately after the completion of the Agreement and assuming full exercise of all conversion right attached to the CP Shares	
	<i>Number of Shares</i>	<i>Approx %</i>	<i>Number of Shares</i>	<i>Approx %</i>	<i>Number of Shares</i>	<i>Approx %</i>
<b>Ordinary Shares</b>						
Mr. Yung ( <i>note</i> )	257,507,375	22.25	257,507,375	22.25	516,991,516	29.37
Other Directors	6,548,000	0.57	6,548,000	0.57	6,548,000	0.37
The Purchaser	–	–	–	–	343,217,539	19.50
Other Shareholders	893,332,889	77.18	893,332,889	77.18	893,332,889	50.76
<b>Total</b>	<b><u>1,157,388,264</u></b>	<b><u>100.00</u></b>	<b><u>1,157,388,264</u></b>	<b><u>100.00</u></b>	<b><u>1,760,089,944</u></b>	<b><u>100.00</u></b>
<b>CP Shares</b>						
Mr. Yung ( <i>note</i> )	602,701,680	100.00	259,484,141	43.05	–	–
The Purchaser	–	–	343,217,539	56.95	–	–
<b>Total</b>	<b><u>602,701,680</u></b>	<b><u>100.00</u></b>	<b><u>602,701,680</u></b>	<b><u>100.00</u></b>	<b><u>–</u></b>	<b><u>–</u></b>

*Note:* As at the date of this announcement, Mr. Yung is directly interested in 136,546,875 Ordinary Shares and indirectly (through his controlled corporation, namely Marshal International Investments Limited which in turn holds the entire issued share capital of Easeglory Holdings Limited) interested in 120,960,500 Ordinary Shares. He is also directly holding 1,700,000 share options and 602,701,680 CP Shares.

To the best of the knowledge, information and belief of the Directors and as advised by Mr. Yung, Mr. Yung and the Purchaser are in the course of consulting the SFC of any implication under the Takeovers Code if they are going to exercise the conversion rights attached to the CP Shares. Mr. Yung undertakes to the Company that he will inform the Company about the result of his consultation and the Company will make further announcement if there is any affirmative implication under the Takeovers Code.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Agreement”	the unconditional sale and purchase agreement dated 24 April 2014 and entered into between Mr. Yung and the Purchaser in respect of the disposal of the Sale CP Shares by Mr. Yung to the Purchaser
“Board”	the board of Directors
“Company”	Hua Xia Healthcare Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Ordinary Shares of which are listed on GEM
“connected person(s)”	has the meanings ascribed to it in the GEM Listing Rules
“CP Share(s)”	the non-redeemable convertible preference shares of the Company, holders of which will not be permitted to attend or vote at meetings of the Company unless a resolution is proposed to vary the rights of holders of the CP Shares or a resolution is proposed for the winding up of the Company, each CP Share has the right to convert into Ordinary Share at the ratio of 1 CP Share into 1 Ordinary Share
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

“Independent Third Parties”	any person or company and its ultimate beneficial owner(s), to the best of the knowledge, information and belief of Directors, having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Mr. Yung”	Yung Kwok Leong, an executive director and chairman of the Company and a substantial Shareholder
“Ordinary Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company and the issued Ordinary Shares are listed on GEM
“Purchaser”	New Hope International (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, which is owned as by two companies established in the People’s Republic of China, the purchaser to the Agreement
Sale CP Shares”	343,217,539 CP Shares, which upon exercise the conversion right attached thereto will convert into 343,217,539 Ordinary Shares, to be disposed of by Mr. Yung pursuant to the Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“Shares”	collectively refer to the CP Shares and the Ordinary Shares
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong

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

Hong Kong, 24 April 2014

*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 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 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](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).*