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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)

**THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT WITH
CITIC MEDICAL & HEALTH GROUP CO., LIMITED#
AND
RESUMPTION OF TRADING**

The Board is pleased to announce that on 22 October 2014, the Company and CITIC Medical & Health Group entered into the Strategic Cooperation Framework Agreement for the collaboration on potential investment opportunities in the healthcare and hospitals sector in the PRC.

The Strategic Cooperation Framework Agreement serves as a framework document for cooperation between the parties and does not provide any agreed terms and conditions for any specific transactions which may or may not materialise. The Company will make further announcement(s) in compliance with the GEM Listing Rules as and when appropriate for any material developments or any entering into of legally binding agreement(s) in relation to the transactions contemplated under the Strategic Cooperation Framework Agreement.

The Strategic Cooperation Framework Agreement is non-legally binding in nature, save and except that each parties shall maintain the confidentiality on any confidential information obtained thereunder.

The Company and CITIC Medical & Health Group may or may not proceed to sign any legally binding agreement(s) in relation to the Strategic Cooperation Framework Agreement and transactions contemplated thereunder. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

Trading in the shares of the Company was suspended at the request of the Company with effect from 9:00 a.m. on 22 October 2014 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the trading in the Shares to resume from 1:00 p.m. on 22 October 2014.

* For identification purpose only

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).

THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The Board is pleased to announce that on 22 October 2014, the Company and CITIC Medical & Health Group entered into the Strategic Cooperation Framework Agreement for the collaboration on potential investment opportunities in the healthcare and hospitals sector in the PRC.

Pursuant to the Strategic Cooperation Framework Agreement, the parties have agreed for the following cooperation:

1. to form a strategic partnership in a comprehensive strategic collaboration in the medical and healthcare industry, such as conducting analysis and research of the industry development, sharing of hospital resources, training of medical professionals, participating in the restructures and acquisitions for public and private hospitals of good potentials;
2. to jointly set up a project coordination group, which comprises experienced management and experts from both parties, to participate in the restructure, mergers and acquisitions of potential hospitals, thereby effectively increase the competitiveness in the industry and achieve win-win situation. The coordination group will meet regularly to conduct pre-investment studies, discuss potential investment opportunities and negotiate an investment proposal; and
3. to negotiate and reach a detailed understanding for the cooperation at appropriate stage, thereby strengthening the strategic partnership.

The Strategic Cooperation Framework Agreement is non-legally binding in nature, save and except that each parties shall maintain the confidentiality on any confidential information obtained through the strategic partnership and not to disclose such confidential information to other parties without the written consent of the counterparty.

The Board would like to emphasise that the Strategic Cooperation Framework Agreement serves as a framework document for cooperation between the parties and does not provide any agreed terms and conditions for any specific transactions which may or may not materialise. Further legally binding agreement(s) may be entered into to set out the details of specific transactions and the respective rights and obligations of the parties thereunder. The Company will make further announcement(s) in compliance with the GEM Listing Rules as and when appropriate for any material developments or any entering into of legally binding agreement(s) in relation to the transactions contemplated under the Strategic Cooperation Framework Agreement.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, CITIC Medical & Health Group is a wholly-owned subsidiary of CITIC Group Corporation, a state-owned corporation in the PRC. CITIC Medical & Health Group is principally engaged in medical management, health management, medicine, and elderly caring services in the PRC. CITIC Medical & Health Group offers a variety of healthcare services including but not limited to health check, insurance, medicare, health preserving and senior care services to high-end clients from newborn babies to the elderly.

REASONS FOR THE ENTERING INTO OF THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The Company is incorporated in the Cayman Islands with limited liability whose issued shares are listed on the GEM and, through its subsidiaries, is principally engaged in the provision of general hospital services. An indirect non-wholly owned subsidiary of the Company, Wanjia, whose is principally engaged in the provision of pharmaceutical wholesale, distribution and pharmaceutical retail chain business in the PRC.

As at the date of this announcement, the Group is principally engaged in the hospital business comprising operation of three privately-run general hospitals in Chongqing City, Zhejiang and Guangdong Provinces, the PRC. The Group has realised the potential opportunities in the hospital business field and continued to address the needs of the market and the public through refined services, brand building and identify future investment opportunities.

The strategic cooperation with CITIC Medical & Health Group provides the Group the priority access to a large pool of healthcare investment opportunities which might may be in furtherance of growth for the existing business. The Directors consider that the entering into of the Strategic Cooperation Framework Agreement is in line with the Group's strategy and will strengthen its footprint in the healthcare business in the PRC and is in the interest of the Company and its Shareholders as a whole.

RESUMPTION OF TRADING

Trading in the shares of the Company was suspended at the request of the Company with effect from 9:00 a.m. on 22 October 2014 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the trading in the Shares to resume from 1:00 p.m. on 22 October 2014.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“CITIC Medical & Health Group”	CITIC Medical & Health Group Co., Limited# (中信醫療健康產業集團有限公司), a company incorporated in the PRC with limited liability
“Company”	Hua Xia Healthcare Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the GEM (Stock Code: 8143)
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Framework Agreement”	a non-legally binding framework agreement dated 22 October 2014 entered into between the Company and CITIC Medical & Health Group

“Wanjia”

Wanjia Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, an indirect non-wholly owned subsidiary of the Company, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 401)

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

Hong Kong, 22 October 2014

The English transliteration of the Chinese name(s) in this announcement, where indicated, is included for information only, and should not be regarded as the official English name(s) of such Chinese name(s).

As at the date of this announcement, the executive Directors are Mr. Yung Kwok Leong, Dr. Jiang Tao, Mr. Zheng Gang and Dr. Huang Jiaqing, 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 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.