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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)

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED COOPERATION

The Board is pleased to announce that on 18 May 2015 (after trading hours of the Stock Exchange), the Company and Yunnan Tumor Hospital (雲南省腫瘤醫院[#]) entered into the non-legally binding MOU in relation to the Proposed Cooperation. The parties to the MOU plan to cooperate for the construction of a new branch hospital of Yunnan Tumor Hospital on a piece and parcel of land with an area of approximately 24 mu located at Lot A5, City Centre Village Project No. 53, Xishan District, Kunming, Yunnan province, the PRC, (中國雲南省昆明市西山區城中村改造項目53號A5地塊[#]), according to a mutually agreed schedule, upon obtaining the approval from the Land Planning and Management Department in Kunming (昆明市土地規劃管理部門[#]) for its intended use.

As the Proposed Cooperation may or may not materialise, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.

This announcement is made by Hua Xia Healthcare Holdings Limited (the “**Company**”) pursuant to Rule 17.10(2)(a) of the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on The Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

* For identification purpose only

THE MOU

The board (“**Board**”) of directors (“**Directors**”) of the Company is pleased to announce that on 18 May 2015 (after trading hours of the Stock Exchange), the Company and Yunnan Tumor Hospital (雲南省腫瘤醫院#), entered into a non-legally binding memorandum of understanding (“**MOU**”) in relation to the proposed cooperation (“**Proposed Cooperation**”). Pursuant to the MOU, the parties agreed to cooperate and utilise their own strengths and resources to form a joint-venture in the People’s Republic of China (“**PRC**”) which, in turn, intend to construct a new branch hospital of Yunnan Tumor Hospital on a piece and parcel of land with an area of approximately 24 mu located at Lot A5, City Centre Village Project No. 53, Xishan District, Kunming, Yunnan province, the PRC, according to a mutually agreed schedule, upon obtaining the approval from the Land Planning and Management Department in Kunming (昆明市土地規劃管理部門#) for its intended use.

Yunnan Tumor Hospital is also known as the Third Affiliated Hospital of Kunming Medical University, in Kunming, Yunnan province, the PRC. Yunnan Tumor Hospital is the sole provincial tier 3, level A hospital specialised in oncology in Yunnan province, the PRC. It has a strong technical team and equipped with advance medical equipment.

The Group is principally engaged in the provision of general hospital services and pharmaceutical wholesale, distribution and pharmaceutical retail chain businesses in the PRC. The Group is operating three hospitals in Chongqing, Jiaxing and Zhuhai, the PRC, respectively.

The Board believes that entering into of the MOU will enhance the Group’s development in the hospital sector in the PRC. The Proposed Cooperation will further strengthen the development of high-end cancer treatment and rehabilitation services for the Group, if the Proposed Cooperation materialised. The parties to the MOU aim to build a modern hospital, at an approximate scale of 1,000 beds, with world-class management and professionals, providing high-end cancer prevention, treatment and rehabilitation services to residents in Southern Asia regions. The estimated investment amount for the Proposed Cooperation is approximately US\$200 million, the actual capital commitment, mode and time for capital injection is subject to further negotiation of the parties to the MOU.

The Company will make further announcement(s) in compliance with the GEM Listing Rules as and when appropriate for any material developments or other binding agreements be entered into in relation to the transactions contemplated under the MOU.

As the Proposed Cooperation may or may not materialise, the shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.

By order of the Board
Hua Xia Healthcare Holdings Limited
Jiang Tao
Chief Executive Officer

Hong Kong, 18 May 2015

In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of inconsistency between the Chinese names and their English translations, the Chinese names shall prevail.

As at the date of this announcement, the board of Directors comprises Dr. Jiang Tao, Mr. Zheng Gang, Dr. Huang Jiaqing and Mr. Yung Ka Chun as executive directors; Dr. Wong Yu Man, James and Mr. Tang Xun as non-executive directors; and Ms. Wong Ka Wai, Jeanne, Prof. Hu Shanlian and Prof. Lu Chuanzhen as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purposes 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 be published on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcement” page for at least 7 days from the date of publication and on the Company’s website at www.huaxia-healthcare.com.