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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)

PROFIT WARNING

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

Reference is made to the announcement (“**Joint Announcement**”) jointly issued by Solar Star Global Limited (the “**Offeror**”) and the Company dated 27 April 2018 in relation to, among other things, the mandatory conditional cash offers (the “**Offers**”) to be made by Kingston Securities Limited for and on behalf of the Offeror to acquire all the issued Shares and to cancel all outstanding options of the Company (other than those already owned or to be acquired by the Offeror and parties acting in concert with it). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

The Board wishes to inform the Shareholders and potential investors of the Company that, based on a preliminary review of the unaudited financial information of the Group for the year ended 31 March 2018 and information currently available to the Board, the Group is expected to record a significant loss attributable to the shareholders of the Company for the year ended 31 March 2018 (the “**Current Year**”). The expected loss for the Current Year was mainly attributable to the effects of an impairment loss on carrying amounts of goodwill as at 31 March 2018.

* For identification purpose only

The Company is still in the process of finalising the consolidated results of the Group for the year ended 31 March 2018. The information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available which have not been audited by the auditor of the Company and have not been confirmed by the audit committee of the Board. The information contained in this announcement may be different from the annual results of the Group for the year ended 31 March 2018. Further details of the Group's financial results will be disclosed in its annual results announcement for the year ended 31 March 2018 which is expected to be published by the end of June 2018.

Pursuant to Rule 10 of the Takeovers Code, the profit warning included in this announcement (the “**Profit Warning**”) constitutes a profit forecast and is required to be reported on by the Company's financial advisers and its auditor or accountant in accordance with Rule 10.4 of the Takeovers Code. Since this announcement is required to be made pursuant to Rule 17.10(1) of the GEM Listing Rules and the Inside Information Provisions, which requires the Company to issue a profit warning announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

The Company would like to draw the attention of the Shareholders and potential investors of the Company that the Profit Warning has not been reported on in accordance with the requirements under Rule 10.4 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. The Profit Warning is normally required to be separately reported on by the Company's financial advisers and its auditor or accountant and such reports shall be contained in the next document to be issued by the Company to the Shareholders in connection with the Offers. The Profit Warning will be reported on in accordance with Rule 10 of the Takeovers Code and such reports will be included in the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders and Optionholders in relation to the Offers (the “**Composite Document**”) unless the annual results announcement for the year ended 31 March 2018 of the Company has been published prior to the Composite Document.

WARNING:

Shareholders and potential investors of the Company should note that the Profit Warning has not been reported on in accordance with the requirements under Rule 10.4 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Offers.

Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers. Shareholders and potential investors of the Company should exercise caution when dealing in the shares and securities of the Company.

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

Hong Kong, 9 May 2018

As at the date of this announcement, the Board comprises Dr. Jiang Tao, Mr. Yung Ka Chun, Mr. Zheng Gang, Dr. Huang Jiaqing and Mr. Lin Jinzong as executive Directors; Dr. Wong Yu Man, James, Mr. Tang Xun and Mr. Chan Chi Ming, Tony as non-executive Directors; and Ms. Wong Ka Wai, Jeanne, Prof. Hu Shanlian, Prof. Lu Chuanzhen and Prof. Zhang Bin 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in 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.