
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATELY ATTENTION

If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hua Xia Healthcare Holdings Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**MAJOR TRANSACTION:
DISPOSAL OF INTERESTS IN SUBSIDIARIES
AND
RE-ELECTION OF DIRECTOR**

Financial Adviser to the Company



INCU Corporate Finance Limited

A notice convening an extraordinary general meeting (the “**EGM**”) of the Company to be held at 11:00 a.m. on Friday, 7 December 2007 at Room 1902, 19/F., Sing Pao Building, No. 101 King’s Road, North Point, Hong Kong is set out on pages 28 to 29 of this circular. A form of proxy for use thereat is also enclosed.

Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the head office and principal place of business in Hong Kong of the Company at Room 1902, 19/F., Sing Pao Building, No. 101 King’s Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

This circular 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 publication and on the website of the Company at www.huaxia-healthcare.com.

20 November 2007

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Agreement”	the agreement dated 31 October 2007 entered into amongst the Company, the Purchaser and the Guarantor in relation to the Disposal
“Announcement”	the announcement dated 1 November 2007 whereby the Company announced, among other things, the Disposal
“Board”	the board of Directors from time to time
“Company”	Hua Xia Healthcare Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM and the vendor to the Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the total consideration for the Disposal, being HK\$1,900,000 in cash
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Shares and the assignment of the Sale Loan in Righttime to the Purchaser pursuant to the Agreement
“EGM”	the extraordinary general meeting of the Company to be convened to approve, among other matters, the Disposal and the re-election of Director
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantor” or “Mr. Kuan”	Mr. Kuan Kam Long, the sole owner and sole director of the Purchaser, an Independent Third Parties
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Third Party(ies)”	person who is, and in the case of a corporate entity, its ultimate beneficial owner(s) are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, third parties independent of the Company and its connected persons
“Latest Practicable Date”	16 November 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People’s Republic of China
“Purchaser”	Spring Vision Group Limited, a company incorporated in the British Virgin Islands and is wholly-owned by the Guarantor
“Rightime” or “Rightime Group”	Rightime Development Limited, a company incorporated in the British Virgins Islands, together with its subsidiaries, known as the “Rightime Group”
“Sale Loan”	all debts, liabilities and obligations of Rightime owing or incurred by Rightime to the Company whether actual, contingent or deferred and irrespective of whether or not the same is due and payable as at the date of completion of the Disposal, which amounted to approximately HK\$7.97 million as at 31 March 2007 and the date of the Agreement, subject to confirmation upon completion of the Disposal
“Sale Shares”	being 10 ordinary shares of US\$1 each in the share capital of Rightime, representing the entire equity interest in Rightime held by the Company as at the date of the Agreement
“Share(s)”	ordinary share(s) of HK\$0.05 each of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Youngdong”	Youngdong Environmental Engineering Co., Ltd. (영동환경엔지니어링주), a company incorporated in the Republic of Korea and a wholly-owned subsidiary of Rightime
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors :

Mr. Yung Kwok Leong (*Chairman*)
Mr. Jiang Tao (*Chief Executive Officer*)
Ms. Shum Ngai Pan
Mr. Chen Jin Shan
Mr. Zheng Gang

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Non-executive Director:

Dr. Wong Yu Man, James

*Head office and principal place
of business in Hong Kong:*

Independent non-executive Directors:

Ms. Wong Ka Wai, Jeanne
Mr. Hsu William Shiu Foo
Mr. Yu Chai Mei

Room 1902
19/F., Sing Pao Building
No. 101 King's Road
North Point
Hong Kong

20 November 2007

To the Shareholders

Dear Sir/Madam,

**MAJOR TRANSACTION:
DISPOSAL OF INTERESTS IN SUBSIDIARIES
AND
RE-ELECTION OF DIRECTOR**

INTRODUCTION

Reference is made to the Announcement whereby the Company announced that on 31 October 2007, the Company, as vendor, entered into the Agreement with the Purchaser, as purchaser, and the Guarantor, as guarantor, pursuant to which the Company agreed to sell, and the Purchaser agreed to acquire (i) the Sale Shares, representing the entire equity interest in Righttime; and (ii) the Sale Loan, for a total cash Consideration of HK\$1,900,000 and the Guarantor agreed to guarantee the due and punctual performance of the Purchaser under the Agreement.

The purpose of this circular is to provide you with details of the Disposal, the Agreement, the re-election of Director and the notice of EGM.

* For identification purpose only

LETTER FROM THE BOARD

MAJOR TRANSACTION

On 31 October 2007, the Company, as vendor, entered into the Agreement with the Purchaser, as purchaser, and the Guarantor, as guarantor, pursuant to which the Company agreed to sell, and the Purchaser agreed to acquire (i) the Sale Shares, representing the entire equity interest in Righttime; and (ii) the Sale Loan, for a total cash Consideration of HK\$1,900,000 and the Guarantor agreed to guarantee the due and punctual performance of the Purchaser under the Agreement.

THE AGREEMENT

Date: 31 October 2007

Parties:

- (i) the Company (as vendor)
- (ii) the Purchaser (as purchaser)
- (iii) the Guarantor (as guarantor)

The Purchaser is a company incorporated in the British Virgin Islands carrying on principal business of investment holding and is wholly and beneficially owned by Mr. Kuan. Apart from entering into of the Disposal Agreement, the Purchaser has not conducted any business activity since its incorporation.

Mr. Kuan is a merchant who has extensive experience in the trading business in Macau.

The Purchaser and its ultimate beneficial owner (i.e. Mr. Kuan) are private investors. The Directors confirm that the Purchaser and its ultimate beneficial owner (i.e. Mr. Kuan) are Independent Third Parties. Prior to the entering into of the Disposal Agreement, neither the Purchaser nor Mr. Kuan has any interests in or business dealings/transactions with the Group.

LETTER FROM THE BOARD

- Subject matter of the Agreement:
- Assets being disposed of are:
- (i) the Sale Shares, representing the entire equity interest in Righttime; and
 - (ii) the Sale Loan as at the date of completion of Disposal. The amount of the Sale Loan is approximately HK\$7.97 million as at 31 March 2007, the date to which the latest audited consolidated accounts of the Group were made up and as at the date of the Agreement.

Completion: Completion of the Disposal will take place within three business days following the satisfaction or fulfillment of the conditions precedent referred to in the paragraph headed “Conditions precedent” below, but in any event no later than 31 December 2007 (or such other date as may be agreed by the parties).

Consideration

The aggregate cash Consideration for the Disposal is HK\$1,900,000, which was arrived at after arm’s length negotiations between the parties thereto with reference to (i) the audited consolidated net liabilities of approximately HK\$6.1 million of Righttime Group as at 31 March 2007; (ii) the loss-making track record of the Righttime Group in the past two years, being audited consolidated losses of approximately HK\$1.2 million and HK\$1.3 million for the two years ended 31 March 2006 and 31 March 2007 respectively; and (iii) the assignment of the Sale Loan by the Company. The Consideration shall be payable at Completion.

Based on the above, the Directors (including the independent non-executive Directors) consider the Consideration to be fair and reasonable.

LETTER FROM THE BOARD

Conditions Precedent

Completion of the Disposal is conditional upon the satisfaction of the following conditions:

1. the representation, undertaking and warranties given by the Company under the Agreement remaining true and accurate in all material respects;
2. all necessary approvals, consents, authorisations and licences required to be obtained by the parties thereto in relation to the transactions contemplated under the Agreement having been obtained; and
3. the passing by the Shareholders of an ordinary resolution to approve the Disposal, the Agreement and the transactions contemplated thereunder.

The Purchaser may waive all conditions except for condition (3) above. If the aforesaid conditions have not been satisfied (or waived) on or before 31 December 2007, or such other date as the parties thereto may agree, the Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

INFORMATION ON RIGHTIME GROUP

Rightime is incorporated in the British Virgin Islands carrying on the principal business of investment holding. Youngdong is the principal operating subsidiary of the Rightime Group, which is a company incorporated in the Republic of Korea and is principally engaged in installation, engineering and management of wastewater treatment systems and environmental facilities and the provision of environmental analysis and measurement services, in the Republic of Korea.

Set out below are the consolidated audited figures of the Rightime Group for the two financial years ended 31 March 2007:

	For the financial year ended	
	31 March 2007	31 March 2006
Audited loss before taxation	HK\$1,293,606.97	HK\$1,199,297.36
Audited loss after taxation	HK\$1,293,606.97	HK\$1,199,297.36
	As at	
	31 March 2007	31 March 2006
Net liabilities	HK\$(6,118,579.62)	HK\$(4,970,305.39)
Total assets value	HK\$4,206,866.26	HK\$6,171,124.51

LETTER FROM THE BOARD

REASONS FOR THE DISPOSAL

The Group is principally engaged in the provision of general hospital and healthcare services and hospital management services in the PRC. In addition, the Group is also engaged in the provision of environmental protection services, manufacture and sale of melamine and its related products.

Considering that (i) the diminishing contribution to the consolidated turnover of the Group by that of the Righttime Group; (ii) the weak historical performance of and earning potentials on the business of Youngdong in the Republic of Korea; as well as (iii) the Group's unfamiliarity with the Korean market, the disposal of the Righttime Group would allow the Group to focus its resources and investments in the development of general hospital and healthcare services and hospital management services in the PRC, which may provide better earning potentials. Therefore, the Directors (including the independent non-executive Directors) consider terms of the Agreement are fair and reasonable and the Disposal is in the interest of the Company and the Shareholders as a whole.

FINANCIAL EFFECT ON THE DISPOSAL

Prior to the completion of the Disposal, Righttime is a direct wholly-owned subsidiary of the Company and its financial results are consolidated with those of the Company. Following the Disposal, Righttime will cease to be a subsidiary of the Company.

The Group would recognize a gain of approximately HK\$0.03 million from the Disposal, being the difference between the Consideration less elimination of the net liabilities of the Righttime Group of approximately HK\$6.1 million as at 31 March 2007 and the assignment of the Sale Loan of the Righttime Group of approximately HK\$7.97 million as at 31 March 2007. The final amount of the gain as a result of the Disposal is to be ascertained and will be determinable upon completion of the Disposal.

Based on the audited consolidated balance sheet of the Righttime Group as at 31 March 2007 and for illustration purpose only, after the Disposal, the consolidated total assets of the Group and the consolidated total liabilities of the Group will decrease by approximately HK\$4.2 million and approximately HK\$10.3 million respectively.

Based on the audited consolidated income statement of the Righttime Group for the year ended 31 March 2007, after the Disposal, the turnover of the Group will be decreased by HK\$21.92 million but the net profit of the Group will be increased by approximately HK\$1.3 million.

In view of the diminishing contribution to the consolidated turnover of the Group by the Righttime Group, the Directors (including the independent non-executive Directors) are of the view that the Disposal will not have a material adverse impact on the operation aspect of the Company.

LETTER FROM THE BOARD

USE OF PROCEEDS

The Group intends to apply the net proceeds from the Disposal of approximately HK\$1.4 million (after paying off the expenses in connection to the Disposal on the part of the Company) as general working capital of the Group.

GEM LISTING RULES IMPLICATIONS

As the relevant percentage ratio of the Disposal under Chapter 19 of the GEM Listing Rules is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is conditional on approval by the Shareholders at a general meeting of the Company. Since no Shareholders has any material interest in the Disposal, no Shareholders is required to abstain from voting in respect of the proposed ordinary resolution to approve the Disposal, the Agreement and the transactions contemplated thereunder at the EGM.

RE-ELECTION OF DIRECTOR

Pursuant to article 86(3) of the articles of association of the Company, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. Ms. Wong Ka Wai, Jeanne (“**Ms. Wong**”), who was appointed as an independent non-executive Director on 1 November 2007, would accordingly hold office until the conclusion of the EGM and, being eligible, will offer herself for re-election. The biographical details of Ms. Wong are set out in Appendix II to this circular.

EGM

The notice convening the EGM is set out on pages 28 to 29 of this circular. At the EGM, an ordinary resolution will be proposed to approve the Disposal. A further ordinary resolution will also be proposed to approve the re-election of Ms. Wong as an independent non-executive Director.

A form of proxy for use at the EGM has also been enclosed with this circular. To be valid, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed must be completed in accordance with the instructions printed thereon and delivered to the Company’s head office and principal place of business in Hong Kong at Room 1902, 19/F., Sing Pao Building, No. 101 King’s Road, North Point, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting. The completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting in person if you so wish.

LETTER FROM THE BOARD

PROCEDURES FOR DEMANDING A POLL AT GENERAL MEETING

According to article 66(1) of the articles of association of the Company, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or
- (e) if required by the rules of the Designated Stock Exchange (as defined in the articles of association of the Company), by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

LETTER FROM THE BOARD

RECOMMENDATIONS

Having considered the information set out above, including but not limited to, the paragraph headed “**Reasons for the Disposal**”, the Board is of the opinion that, the terms of the Agreement are on normal commercial terms and are fair and reasonable, which are in the interests of the Company and the Shareholders as a whole. The Board recommends the Shareholders to vote in favor of the ordinary resolution for the Disposal, the Agreement and the matters contemplated thereunder at the EGM.

The Board also believes that the proposed re-election of Director is in the best interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the the said resolution at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
Hua Xia Healthcare Holdings Limited
Yung Kwok Leong
Chairman

1. INDEBTEDNESS**Borrowings**

As at the close of business on 31 October 2007, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group has outstanding borrowings of approximately HK\$34,503,000, details of which are set out below:

	<i>HK\$'000</i>
Convertible Notes (liability portion)	34,271
Obligations under finance lease	232

The principal amount of the convertible notes outstanding as at 31 October 2007 was HK\$35,500,000.

Disclaimer

Save as aforesaid and apart from intra-group liabilities, at the close of business on 31 October 2007, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had no other outstanding mortgages, charges, debentures or other loan capital or bank overdrafts or loans or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, debt securities, guarantees or other material contingent liabilities.

Save as aforesaid, the Directors confirm that there has been no material change to the indebtedness of the Group since 31 October 2007 and up to the Latest Practicable Date.

2. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2007, being the date to which the latest audited financial statements of the Group were made up.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the financial resources available to the Group including the internally generated funds, the Group will have sufficient working capital for at least twelve months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS**Business Review**

The Group is principally engaged in the provision of general hospital and healthcare services and hospital management services in the PRC. In addition, the Group is engaged in the provision of environmental protection services, manufacture and sale of melamine and its related products.

General hospital and healthcare services

As disclosed in the joint announcement of the Company and Town Health International Holdings Company Limited (a company which shares are listed on GEM with stock code of 8138) dated 19 October 2006, the Company jointly announced with Town Health International Holdings Company Limited that the Company entered into the non-legally binding letter of intent with an objective to leveraging the resources and expertise of Town Health International Holdings Company Limited for cooperative development in the medical and healthcare related business in the PRC. A formal agreement between the Company and Town Health International Holdings Company Limited on cooperation of setting up a joint venture company for the provision of dental care services has been entered into on 5 January 2007.

On 9 May 2007, the Group has completed the acquisition of the entire equity interest of Hero Vision Enterprises Limited. Hero Vision Enterprises Limited and its subsidiaries, including Chongqing Edward Hospital Company Limited, are principally engaged in the provision of general hospital and healthcare services, consultancy in hospital management, research and development of medical management information systems; and other complementary and value-added healthcare services.

On 8 October 2007, the Group has completed the acquisition of the entire equity interest of Merry Sky Investments Limited. Merry Sky Investments Limited and its subsidiaries, including Jiaxing City Shunguang Western and Chinese Composite Hospital Limited, a privately-run general hospital established in Jiaxing City, the PRC, are principally engaged in the provision of traditional Chinese medical treatments as well as general hospital medical services including but not limited to medical ward, surgical ward, cosmetic surgery, dermatology department and medical checkup and examination.

Hospital management services

On 24 November 2006, the Group has completed the acquisition of Day View Group Limited. Day View Group Limited and its subsidiaries, including Shanghai Humanity Hospital Management Company Limited, are principally engaged in the business of healthcare management and training and consultancy for hospitals in the PRC, which include advising on management strategies, operation and business model, logistics and procurement, workflow and human resources, market strategies and providing training and administrative support.

Manufacture and sale of melamine and its related products

The Group manufactures and sells the melamine materials through its wholly-owned subsidiary, Prime Source (Fujian) Chemical Co. Ltd., in the Fujian Province, the PRC. Melamine materials are raw materials used in the manufacture of household products which are widely used in environmental conscious countries and are durable, non-toxic and easy to be processed. The Group also trades the household products made from the environmental friendly melamine materials which are widely used in environmental conscious countries.

Future Prospects

Under the environment of fast economic growth in the PRC and more people becoming aware of the importance of health, the Directors believe that the healthcare market in the PRC provides abundant business opportunities for the Group in the future.

The Directors intend to explore more business opportunities in the promising healthcare sector in the PRC including but not limited to possible future investments in or cooperations with hospitals in the PRC (including but not limited to taking equity interests in hospitals in the PRC which the Directors believe will have growth potentials) and to consider undertaking those businesses which are complementary to the existing business as a further step to the acquisition in order to benefit from the growth in the healthcare sector and enhance shareholders' returns in the long-run.

PARTICULARS OF DIRECTOR FOR RE-ELECTION

The biographical details of Ms. Wong Ka Wai, Jeanne (“Ms. Wong”) for the re-election of independent non-executive Director at the EGM are set out below.

Ms. Wong, aged 43, has over 20 years of experience in finance, accounting, taxation and corporate affairs. She is a member of the Institute of Chartered Accountants in Australia and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Ms. Wong holds a Bachelor Degree in Economics from the University of Sydney, Australia and she is currently the Chief Financial Officer of Pang & Associates, a law firm in Hong Kong and the Managing Director of a private company providing consulting and management services.

Ms. Wong is also currently an independent non-executive director and a member of the remuneration committee and the chairman of the audit committee of Cardlink Technology Group Limited which is listed on the GEM of the Stock Exchange. Save as aforesaid, Ms. Wong does not hold any other positions in the Company and other members of the Group and has not held any other directorships in any listed companies in the last three years.

Ms. Wong does not have any relationships with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company (within the meaning of the GEM Listing Rules).

Ms. Wong does not have any other interests in the shares of the Company within the meaning of Part XV of Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Ms. Wong has been appointed by way of a letter of appointment by the Company for a term of one year from 1 November 2007, which will continue thereafter until terminated by either party giving not less than one month’s notice in writing. Ms. Wong is entitled to a monthly salary of HK\$5,000.00 which is determined by arm’s length negotiation between Ms. Wong and the Company with reference to the prevailing market condition. Ms. Wong will be subject to retirement by rotation and re-election at the next general meeting of the Company in accordance with the memorandum and articles of association of the Company.

Save as disclosed above, the Board is not aware of any other matters which needs to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 17.50(2)(h) to (v) of the GEM Listing Rules in relation to the appointment or re-election of Ms. Wong as an independent non-executive Director.

(1) RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particular given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and is not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

(2) DISCLOSURE OF INTERESTS**(a) Directors and chief executive's interests in the Company**

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, including interests or short positions which they were deemed or taken to have under such provisions of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register to therein, or which were required, pursuant to the rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, were as follows.

(i) *Interests in Shares:*

Name of Director	Capacity	Number of Shares	Position	Approximate percentage of the total issued share capital of the Company as at the Latest Practicable Date
Mr. Yung Kwok Leong (Note 1)	Interest in controlled corporation	375,746,000	Long	20.82%
	Beneficial owner	6,187,500	Long	0.34%
Ms. Shum Ngai Pan (Note 2)	Beneficial owner	5,400,000	Long	0.30%
Mr. Zheng Gang (Note 2)	Beneficial owner	3,600,000	Long	0.20%

Notes:

- These Shares are held through Easeglory Holdings Limited (“**Easeglory**”), a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is owned by Mr. Yung Kwok Leong, an executive Director and chairman of the Company.
- Ms. Shum Ngai Pan and Mr. Zheng Gang are executive Directors.

(ii) Interests in Share Options under Post-IPO Scheme:

Name of Director	Exercise period	Exercise price	Position	Number of share options
Mr. Yung Kwok Leong	13 July 2006 to 12 July 2016	HK\$0.627	Long	3,242,085
	21 March 2007 to 20 March 2017	HK\$0.51	Long	5,800,000
Ms. Shum Ngai Pan	13 July 2006 to 12 July 2016	HK\$0.627	Long	3,705,240
	21 March 2007 to 20 March 2017	HK\$0.51	Long	7,100,000
Mr. Chen Jin Shan	13 July 2006 to 12 July 2016	HK\$0.627	Long	6,881,160
	21 March 2007 to 20 March 2017	HK\$0.51	Long	3,900,000
Mr. Jiang Tao	13 July 2006 to 12 July 2016	HK\$0.627	Long	6,881,160
	21 March 2007 to 20 March 2017	HK\$0.51	Long	3,900,000

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

(b) Director's interest in assets and/or arrangement

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been since 31 March 2007, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to any members of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which a Director was materially interested and which was significant in relation to the business of the Group as a whole.

(c) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as is known to the Directors, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Substantial Shareholders:

Name of Shareholder	Number of Shares	Position	Capacity	Approximate percentage to the total issued share capital of the Company as at the Latest Practicable Date
Easeglory (Note 1)	375,746,000	Long	Beneficial owner	20.82%
Ms. Yung Muk Ying (Note 1)	390,975,585	Long	Interest of spouse	21.67%
Mr. Lau Kam Shui	264,070,000	Long	Beneficial owner	14.63%
Ms. Lau Yuk Lan (Note 2)	264,070,000	Long	Interest of spouse	14.63%

- Notes:*
1. The issued share capital of Easeglory is 100% beneficially owned by Mr. Yung Kwok Leong, an executive Director and chairman of the Company. Ms. Yung Muk Ying is deemed to be interested in 375,746,000 shares held by Easeglory and 6,187,500 shares and 9,042,085 underlying shares beneficially held by Mr. Yung Kwok Leong in personal capacity by virtue of her being the spouse of Mr. Yung Kwok Leong.
 2. Mr. Lau Kam Shui is interested in 264,070,000 shares, being the aggregate of the consideration shares and the conversion shares under the SFO. Ms. Lau Yuk Lan is deemed to be interested in 264,070,000 shares by virtue of her being the spouse of Mr. Lau Kam Shui.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

(3) DIRECTOR'S SERVICE CONTRACTS

Mr. Yung Kwok Leong, the executive Director and chairman of the Company has signed a letter of appointment with the Company for a period of one year commencing from 1 February 2007 which will continue thereafter until terminated by either party giving to the other party not less than one month notice in writing.

Ms. Shum Ngai Pan and Mr. Chen Jin Shan have been appointed as executive Directors by way of letters of appointment with the Company for a period of one year commencing from 25 April 2006 which will continue thereafter until terminated by either party giving to the other party not less than one month notice in writing.

Mr. Jiang Tao has been appointed as an executive Director by way of letter of appointment with the Company for a period of one year commencing from 3 January 2007 which will continue thereafter until terminated by either party giving to the other party not less than one month notice in writing.

Mr. Zheng Gang has been appointed as an executive Director by way of letter of appointment with the Company for a period of one year commencing from 1 August 2007 which will continue thereafter until terminated by either party giving to the other party not less than one month notice in writing.

Dr. Wong Yu Man, James, has been appointed as a non-executive Director by way of a letter of appointment with the Company for a period of one year commencing from 20 March 2007 which will continue thereafter until terminated by either party giving to the other party not less than one month notice in writing.

Ms. Wong Ka Wai, Jeanne an independent non-executive Director, has been appointed by way of a letter of appointment with the Company for a period of one year commencing from 1 November 2007 which will continue thereafter until terminated by either party giving to the other party not less than one month's notice in writing. All the other independent non-executive Directors, namely Mr. Hsu William Shiu Foo and Mr. Yu Chai Mei, have entered into non-executive Directors' contracts with the Company for a term of one year commencing from 22 April 2002 and will continue thereafter until terminated by either party giving to the other party not less than one month notice in writing.

Save as disclosed herein, none of the Directors has entered into any service contracts or proposed to enter into service contracts (excluding contracts expiring or terminating by the employer within one year without payment of any compensation other than statutory compensation).

(4) COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or the management Shareholders (as defined in the GEM Listing Rules) or their respective associates has any interest in a business which competes or may compete with the business of the Group or have or may have any conflicts of interests with the Group.

(5) LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

(6) EXPERT AND CONSENT

The following are the qualifications of the expert who has been named in this circular or has given opinion or advice which are contained in this circular:

Names	Qualifications
HLB Hodgson Impey Cheng (“HLB”)	Certified Public Accountants Chartered Accountants

HLB has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or references to its name in the form and context in which it appears.

As at the Latest Practicable Date, HLB does not have any shareholding, directly or indirectly, in any member of the Group or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, HLB does not have any direct or indirect interests in any assets which had been since 31 March 2007, the date of which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by, or leased to, or proposed to be acquired or disposed of by, or leased to, any members of the Group.

(7) MATERIAL CONTRACTS

The following contracts were entered into by the Group (not being contracts entered into in the ordinary course of business) during the period of two years immediately preceding the date of this circular and are or may be material:

- (a) the placing agreement dated 25 November 2005 entered into between the Company and Hantec Capital Limited in relation to the placing of the convertible notes in the aggregate principal amount of HK\$15 million to HK\$20 million;
- (b) the underwriting agreement dated 28 February 2006 entered into between the Company and Quam Securities Company Limited in relation to the underwriting of not less than 147,917,166 rights shares to not more than 148,317,166 rights shares under the rights issue;

- (c) the non-legally binding memorandum of understanding dated 30 March 2006 entered into between Grand Brilliant Corporation Limited, Wu Wendong and Shanghai Humanity Hospital Management Company Limited (上海博愛醫院管理股份有限公司) setting out the basic understanding in relation to a proposed acquisition, details of which have been set out in the announcement of the Company dated 30 March 2006;
- (d) the warrant placing agreement dated 18 May 2006 entered into between the Company and two subscribers in relation to a private placing of 51,707,000 warrants to each of the subscriber, making up an aggregate of 103,414,000 warrants collectively, at an issue price of HK\$0.02 per warrant;
- (e) the conditional sale and purchase agreement dated 12 June 2006 entered into between Grand Brilliant Corporation Limited, Mr. Wu Wendong and Shanghai Humanity Hospital Management Company Limited (上海博愛醫院管理股份有限公司) relating to the proposed acquisition of the sale shares and the sale loan of Day View Group Limited;
- (f) the non-legally binding letter of intent dated 18 October 2006 entered into between the Company and Town Health International Holdings Company Limited setting out the basic understanding in relation to leveraging the resources and expertise of Town Health International Company Limited and the Company in their cooperative development in the medical and healthcare related business in the PRC;
- (g) the underwriting agreement dated 11 December 2006 entered into between the Company and Quam Securities Company Limited, Partners Capital Securities Limited and Hantec Capital Limited in relation to the underwriting of not less than 350,692,167 offer shares and not more than 368,117,579 offer shares;
- (h) the placing agreement entered into on 13 March 2007 between the Company and Sun Hung Kai International Limited for the placing of up to 200,000,000 new Shares and the supplemental agreement dated 13 April 2007 for the extension of the long-stop date;

- (i) the conditional sale and purchase agreement dated 13 March 2007 entered into among Wisdom Rise Group Limited, a wholly-owned subsidiary of the Company as purchaser, Mr. Lau Kam Shui as vendor and Hero Vision Enterprises Limited (“Hero Vision”) relating to the sale and purchase of the entire issued share capital of Hero Vision, the debts owing or incurred by Hero Vision to Mr. Lau Kam Shui, and the subscription of the 410 new shares in the share of Hero Vision;
- (j) the non-legally binding letter of intent dated 24 April 2007 entered into between the Company and Mr. Iong Chon Fai and Karise Development Limited setting out the basic understanding in relation to the proposed acquisition of indirect equity interests in Beijing Wuzhou Female Hospital, and the supplemental agreements dated 27 June 2007 and 18 September 2007 respectively for the extension of the long stop date. Details of which are set out in the announcement of the Company dated 24 April 2007, 28 June 2007 and 24 September 2007 respectively;
- (k) the conditional subscription agreement dated 15 May 2007 made between the Company and Easeglory in relation to the subscription of up to 256,000,000 Shares;
- (l) the conditional placing agreement dated 15 May 2007 entered into between Easeglory, the Company, CAF Securities Company Limited and Sun Hung Kai International Limited in relation to the placing of up to 256,000,000 existing Shares held by Easeglory;
- (m) the conditional sale and purchase agreement dated 14 August 2007 entered into among Mega Mix Group Limited, a wholly-owned subsidiary of the Company, as purchaser, 吳建國先生 (Mr. Wu Jianguo) as vendor, and Merry Sky Investments Limited 悅天投資有限公司 (“Merry Sky”) relating to the sale and purchase of the entire issued share capital of Merry Sky, the debts owing or incurred by the Merry Sky to the Mr. Wu Jianguo, and the subscription of 8,999 new shares in the share capital of the Merry Sky; and
- (n) The Agreement.

(8) MISCELLANEOUS

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is at Room 1902, 19/F., Sing Pao Building, No. 101 King's Road, North Point, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary and qualified accountant of the Company is Mr. Chan Siu Wing, Raymond, who is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Certified Practising Accountant in Australia, with over 16 years of accounting and company secretarial experiences.
- (e) The compliance officer of the Company is Mr. Yung Kwok Leong who is also an executive Director and the chairman of the Company.
- (f) The Company established an audit committee on 2 November 2001 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the audit committee are (i) to review the annual reports and accounts, interim and quarterly reports and given advice and comments thereon to the Directors and (ii) to review and supervise the financial reporting process and internal controls of the Group. The audit committee comprises three independent non-executive Directors, namely, Ms. Wong Ka Wai, Jeanne, Mr. Hsu William Shiu Foo and Mr. Yu Chai Mei with Ms. Wong Ka Wai, Jeanne acting as the chairman of the audit committee.

Independent non-executive Directors

Ms. Wong Ka Wai, Jeanne, aged 43, has over 20 years of experience in finance, accounting, taxation and corporate affairs. She is a member of the Institute of Chartered Accountants in Australia and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Ms. Wong holds a Bachelor Degree in Economics from the University of Sydney, Australia and she is currently the Chief Financial Officer of Pang & Associates, a law firm in Hong Kong and the Managing Director of a private company providing consulting and management services.

Ms. Wong is also currently an independent non-executive director and a member of the remuneration committee and the chairman of the audit committee of Cardlink Technology Group Limited which is listed on the Growth Enterprise Market (“GEM”) of the Stock Exchange. Save as aforesaid, Ms. Wong does not hold any other positions in the Company and other members of the Group and has not held any other directorships in any listed companies in the last three years.

Mr. Hsu William Shiu Foo, aged 57, was appointed as an independent non-executive Director on 2 November 2001. Mr. Hsu is an Associate Professor at the School of Business at Brigham Young University, Hawaii. Mr. Hsu has over 15 years’ global business experience in tourism and related fields in various international corporations.

Mr. Hsu holds a bachelor of arts degree from the Brigham Young University, Hawaii, a master degree from Cornell University, New York, in the United States and a doctoral degree in business administration from the University of Western Sydney in Australia. Mr. Hsu is currently an independent non-executive director of KanHan Technologies Group Limited and MP Logistics International Holdings Limited, which issued shares are listed on GEM. Mr. Hsu was also previously an independent non-executive director of Kinetana International Biotech Pharma Limited, which has now been delisted from GEM since 1 September 2006.

Mr. Yu Chai Mei, aged 51, was appointed as an independent non-executive Director on 2 November 2001. Mr. Yu is a Professor in the Department of Chemistry and the Director of Studies in Environmental Science Programme of The Chinese University of Hong Kong. Mr. Yu possesses extensive knowledge in pollution treatment and environmental monitoring. Mr. Yu obtained his doctoral degree in Chemistry at the University of Idaho, in the United States. Mr. Yu has made contributions by advising the Group on development potentials of the technology in photocatalytic oxidation, an oxidation process that is catalysed under the supply of light source (UV light) (“PCO”) and has helped the Group to carry out research on the functions of PCO reactors in the early stage of the Group’s business development.

- (g) The English text of this circular shall prevail over the Chinese text in case of inconsistency.

(9) DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Room 1902, 19/F., Sing Pao Building, No. 101 King's Road, North Point, Hong Kong during normal business hours on any Business Day, from the date of this circular up to and including the date of the EGM and at the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the two years ended 31 March 2006 and 31 March 2007 respectively;
- (c) the unaudited interim report 2007/08 of the Company for the six months ended 30 September 2007;
- (d) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (e) Director's service contracts referred to in the paragraph headed "Director's Service Contracts" in this appendix;
- (f) the letter of consent from HLB Hodgson Impey Cheng for the working capital sufficiency and the indebtedness as set out in appendix I in this circular;
- (g) copy of the circular of the Company dated 16 April 2007 issued in relation to, among other matters, a major transaction regarding the acquisition by the Group of the entire issued share capital of Hero Vision and the subscription of new shares in the share of Hero Vision;
- (h) copy of the circular of the Company dated 7 September 2007 issued in relation to, among other matters, i) a discloseable transaction regarding the acquisition by the Group 100% equity interest in Merry Sky; and ii) the re-election of Director; and
- (i) this circular.

NOTICE OF THE EGM



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Hua Xia Healthcare Holdings Limited (the “**Company**”) will be held on Friday, 7 December 2007 at 11:00 a.m. at Room 1902, 19/F., Sing Pao Building, No. 101 King’s Road, North Point, Hong Kong for the purpose of considering and, if thought fit, passing, with or without amendment(s), the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTION 1

“**THAT:**

- (a) the disposal agreement (“**Agreement**”) dated 31 October 2007 entered into between the Company, Spring Vision Group Limited and Mr. Kuan Kam Long in relation to disposal of the entire equity interest in Righttime Development Limited and all debts, liabilities and obligations of Righttime owing or incurred by Righttime (“**Righttime**”) to the Company as at the date of completion of the Disposal as set out in the circular (a copy of the Agreement has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) and all the transactions contemplated thereby be and they are hereby approved; and
- (b) the directors of the Company (the “**Directors**”) be and they are hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Agreement, or any of the transactions contemplated under the Agreement.”

ORDINARY RESOLUTION 2

“**THAT** Ms. Wong Ka Wai, Jeanne be re-elected as an independent non-executive Director.”

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

Hong Kong, 20 November 2007

* *For identification purpose only*

NOTICE OF THE EGM

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Room 1902
19/F., Sing Pao Building
No. 101 King's Road
North Point
Hong Kong

Notes:

1. A member entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the articles of association of the Company, vote in his/her/its stead. A proxy need not be a member of the Company but must be present in person to represent the member.
2. A form of proxy for use at the EGM is enclosed to the circular of the Company dated 20 November 2007. In order to be valid, the form of proxy attached to this circular must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, at the Company's head office and principal place of business in Hong Kong at Room 1902, 19/F., Sing Pao Building, No. 101 King's Road, North Point, Hong Kong not less than 48 hours before the time for holding the EGM or adjourned meeting. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the EGM or any adjournment thereof should he/she/it so wish.
3. Where there are joint holders of any share of the Company, any one of such holders may vote at the EGM either personally or by proxy in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such holders be present at the EGM personally or by proxy, then one of such holders whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.