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China HealthCare Holdings Limited
中國衛生控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 673)

**UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS
AND
RESUMPTION OF TRADING**

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board of directors (the “Board”) of China HealthCare Holdings Limited (the “Company”) has noted the recent increases in price of, and trading volume in, the shares of the Company (the “Shares”) and wishes to state that the Board is not aware of any reason for such movements save and except the matters disclosed below.

POSSIBLE ACQUISITION

The Company is in preliminary negotiations with an independent third party for a possible acquisition (the “Possible Acquisition”), which may constitute a notifiable transaction of the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) if materializes. As at the date hereof, the Company has not entered into any legally-binding agreement with respect to the Possible Acquisition and the structure of the transaction has not been finalised yet. If the Possible Acquisition materialises, further announcement will be made by the Company in accordance with the Listing Rules as and when appropriate.

Save as disclosed above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, and neither is the Board aware of any matter discloseable under the general obligation of disclosure imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

* *for identification purposes only*

PROGRESS OF LITIGATION

Reference is made to the Company's announcement dated 1 March 2012 and various announcements and circular therein referred to regarding an ongoing litigation of the Company. The Company is in negotiation with the defendants of the litigation for a possible settlement. As at the date hereof, the Company has not entered into any legally-binding agreement in respect of the proposed settlement. Should negotiations be successful and an agreement be entered into, a further announcement will be made.

As the Possible Acquisition and the settlement of the litigation may or may not materialize, shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 1:00 p.m. on 18 October 2012, pending the issue of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on 19 October 2012.

This announcement is made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

By order of the Board
China HealthCare Holdings Limited
Zhou Bao Yi
Executive Director

Hong Kong, 19 October 2012

As at the date of this announcement, the executive directors of the Company are Dr. Li Zhong Yuan and Mr. Zhou Bao Yi; the non-executive director of the Company is Mr. Martin Treffer; and the independent non-executive directors of the Company are Mr. Mu Xiang Ming, Mr. Jiang Bo and Dr. Yan Shi Yun.