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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)

**UPDATE ON LITIGATION IN RELATION TO
A VERY SUBSTANTIAL ACQUISITION**

Reference is made to the Company's Announcements dated 13 October 2010, 29 December 2010, 17 February 2011, 10 March 2011, 31 March 2011, 2 May 2011, 13 May 2011, 17 May 2011, 24 May 2011, 3 June 2011, 17 June 2011, 15 July 2011, 26 September 2011, 4 October 2011, 16 November 2011, 1 March 2012, 1 February 2013 and the Company's circular dated 23 February 2011 (the "**Circular**"), in relation to, among other things, the Acquisition and the legal proceedings relating to the Acquisition (the "**Proceeding**"). Capitalized terms used herein shall have the same meanings as defined in the Circular or in previous announcements unless otherwise stated or where the context otherwise requires. A reference to the Plaintiffs or the Defendants may mean one or more of the Plaintiffs or Defendants.

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On 6 May 2013 the parties to the Proceeding reached an agreement to settle the Proceeding. The terms of the settlement are confidential, but as a result the Proceeding will be discontinued and this brings to an end the Acquisition.

By Order of the Board
China Healthcare Holdings Limited
Zhou Bao Yi
Executive Director

Hong Kong, 8 May 2013

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Jia Hong Sheng (Chairman), Dr. Li Zhong Yuan, Mr. Zhou Bao Yi and Mr. Chung Ho; and three independent non-executive Directors, namely, Mr. Mu Xiangming, Mr. Jiang Bo and Dr. Yan Shi Yun.

* *for identification purpose only*