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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)

**ANNOUNCEMENT**  
**IN RESPECT OF A WRIT OF SUMMONS**  
**ISSUED BY THE COMPANY**

This announcement is made by China HealthCare Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (the “**SFO**”, Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 8 April 2014, 30 September 2014, 15 January 2015, 30 January 2015, 15 April 2015, 30 April 2015, 30 June 2015, 28 August 2015, 15 September 2015, 18 September 2015, 30 September 2015, 13 October 2015 and 3 November 2015, and the circular of the Company dated 19 October 2015 in relation to, among other matters, the subscription (the “**Subscription**”) of convertible notes by and grant of options to subscribe for convertible notes to each of Zheng Hua Investment Limited (“**Zheng Hua**”) and Pacas Worldwide Limited (“**Pacas**”).

Upon investigation, the board of directors of the Company (the “**Board**”) discovered that the subscription agreement (the “**Subscription Agreements**”) dated 8 April 2014 and entered into between the Company and each of Zheng Hua and Pacas in relation to the Subscription and the related transaction(s) including the convertible note(s) were procured by a director of the Company in breach of his fiduciary duties owed to the Company, and that such breach was known to each of Zheng Hua and Pacas. Accordingly, the Company issued a rescission notice to each of Zheng Hua and Pacas on 10 December 2015 notifying each of them that the Subscription Agreements and the related transaction(s) including the convertible note(s) are voidable and that the Subscription Agreements and the related transaction(s) including the convertible note(s) are thereby avoided by the Company.

\* *for identification purposes only*

On 11 December 2015, the Company issued a writ of summons against each of Mr. Chung Ho (“**Mr. Chung**”), Zheng Hua and Pacas in the High Court of Hong Kong claiming for, among others:

- (a) damages and/or equitable compensation in respect of loss and damage suffered by the Company as a result of breaches of fiduciary duties and/or breaches of contractual duties and/or breaches of the duty of care and skill owed by Mr. Chung arising out of his role as director or employee of the Company;
- (b) separate declarations in relation to Zheng Hua and Pacas respectively that the Subscription Agreements and the related transaction(s) including the convertible note(s) pursuant to the Subscription Agreements were procured by Mr. Chung in breach of his fiduciary duties and/or breach of contractual duties and/or breaches of the duty of care and skill owed by him arising out of his role as director or employee of the Company, and that such breaches were known to each of Zheng Hua and Pacas;
- (c) separate declarations in relation to Zheng Hua and Pacas respectively that the Subscription Agreements and the related transaction(s) including the convertible note(s) pursuant to the Subscription Agreements issued to each of Zheng Hua and Pacas are voidable and that the Company is entitled to and has lawfully avoided the Subscription Agreements and the related transaction(s) including the convertible note(s); and
- (d) further or in the alternative, as against Zheng Hua and Pacas, damages in addition to or in lieu of rescission of the Subscription Agreements and the related transaction(s) including the convertible note(s) pursuant to the Subscription Agreements.

Save for the possible repayment of the gross subscription moneys paid of HK\$225 million under the Subscription Agreements, the Company considers that the proceedings mentioned above will not have a material adverse impact on the business operation and financial position of the Group because (a) proceeds received under the Subscription Agreements have not been utilised, and can thus be applied toward repayment to Zheng Hua and Pacas; (b) the Company has sufficient financial resources for its present operations; and (c) the Group does not foresee Zheng Hua or Pacas would suffer any material loss arising from the legal proceedings.

Further announcement(s) will be made by the Company as and when appropriate to keep its shareholders and potential investors informed of the material developments in this matter.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 11 December 2015 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 14 December 2015.

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

Hong Kong, 11 December 2015

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