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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China HealthCare Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED GRANTING OF GENERAL MANDATES  
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES OF THE COMPANY  
AND  
RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY  
AND  
NOTICE OF THE 2009 ANNUAL GENERAL MEETING OF THE COMPANY**

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A notice convening an annual general meeting of China HealthCare Holdings Limited to be held at 5/F., Building 88, 1199 North Qin Zhou Road, Caohejing Hi-Tech Park, Xuhui District, Shanghai, China on 28 August 2009 at 10:00 a.m. is set out on pages 13 to 16 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinahealthcareltd.com](http://www.chinahealthcareltd.com)).

If you are not able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Branch Share Registrar of the Company in Hong Kong, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

31 July 2009

\* *for identification purposes only*

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
 <b>Letter from the Board</b>	
1.    Introduction .....	3
2.    Proposed granting of the Issuance and Buyback Mandates .....	4
3.    Proposed re-election of the retiring Directors .....	5
4.    2009 AGM and proxy arrangement .....	5
5.    Voting by way of poll .....	6
6.    Recommendation .....	6
7.    General information .....	6
 <b>Appendix I – Explanatory Statement on the Buyback Mandate</b> .....	 7
 <b>Appendix II – Details of the retiring Directors proposed to                   be re-elected at the 2009 AGM</b> .....	  10
 <b>Notice of the 2009 AGM</b> .....	 13

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## DEFINITIONS

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

“2009 AGM”	an annual general meeting of the Company to be held at 5/F., Building 88, 1199 North Qin Zhou Road, Caohejing Hi-Tech Park, Xuhui District, Shanghai, China, on 28 August 2009 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 13 to 16 of this circular, or any adjournment thereof
“Board”	the board of Directors
“Buyback Mandate”	as defined in paragraph 2(b) of the Letter from the Board
“Company”	China HealthCare Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Current Bye-laws”	the bye-laws of the Company currently in force
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuance Mandate”	as defined in paragraph 2(a) of the Letter from the Board
“Latest Practicable Date”	30 July 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Dr. Li Zhong Yuan (*Chairman*)  
Mr. Lee Jong Dae  
Mr. Zhou Bao Yi

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Non-executive Director:*

Mr. Martin Treffer

*Head Office and Principal Place  
of Business in Hong Kong:*

*Independent Non-executive Directors:*

Mr. Mu Xiang Ming  
Mr. Jiang Bo  
Dr. Yan Shi Yun

Unit C, 19/F,  
Entertainment Building  
30 Queen's Road  
Central  
Hong Kong

31 July 2009

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED GRANTING OF GENERAL MANDATES  
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES OF THE COMPANY  
AND  
RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY  
AND  
NOTICE OF THE 2009 ANNUAL GENERAL MEETING OF THE COMPANY**

**1. INTRODUCTION**

The purpose of this circular is to provide Shareholders with information in respect of the resolutions to be proposed at the 2009 AGM for (i) the granting of the Issuance Mandate to the Directors; (ii) the granting of the Buyback Mandate to the Directors; (iii) the extension of the Issuance Mandate by adding to it the nominal amount of issued Shares repurchased by the Company under the Buyback Mandate; and (iv) the re-election of the retiring Directors.

\* *for identification purposes only*

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## LETTER FROM THE BOARD

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### 2. PROPOSED GRANTING OF THE ISSUANCE AND BUYBACK MANDATES

At the annual general meeting of the Company held on 5 September 2008, general mandates were granted to the Directors to exercise the powers of the Company to issue new Shares and to repurchase Shares respectively. Up to the Latest Practicable Date, such mandates have not been used and will lapse at the conclusion of the 2009 AGM if they are not used by that time.

Ordinary resolutions will be proposed at the 2009 AGM to approve the granting of new general mandates to the Directors:

- (a) to allot, issue or deal with new Shares of an aggregate nominal amount not exceeding 20% of the total nominal amount of the issued share capital of the Company on the date of passing of such resolution (i.e. an aggregate nominal amount of Shares up to HK\$4,687,351.5 (equivalent to 46,873,515 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of the 2009 AGM) (the “Issuance Mandate”);
- (b) to purchase Shares on the Stock Exchange of an aggregate nominal amount not exceeding 10% of the total nominal amount of the issued share capital of the Company on the date of passing of such resolution (i.e. an aggregate nominal amount of Shares up to HK\$2,343,675.7 (equivalent to 23,436,757 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of the 2009 AGM) (the “Buyback Mandate”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of issued Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Issuance Mandate and the Buyback Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the 2009 AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 4 and 5 of the notice of the 2009 AGM as set out on pages 13 to 16 of this circular. With reference to the Issuance Mandate and the Buyback Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any new Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### 3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Bye-law 87 of the Current Bye-laws, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest but not less than one-third) shall retire from office by rotation provided that every Director (including Director(s) appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment. As between persons who became or were last re-elected Directors on the same day, the person(s) to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election by the Shareholders at the relevant annual general meeting.

Pursuant to Bye-law 86(2) of the Current Bye-laws, the Board shall have 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, subject to authorization by Shareholders in general meeting, 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 (in the case of a Director appointed to fill a casual vacancy) or the next following annual general meeting of the Company (in the case of a Director appointed as an addition to the Board) and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at such meeting pursuant to Bye-law 87.

According to Bye-law 87 of the Current Bye-laws, Mr. Lee Jong Dae, Mr. Mu Xiang Ming and Dr. Yan Shi Yun shall retire by rotation at the 2009 AGM. All of the above three retiring Directors, being eligible, will offer themselves for re-election at the 2009 AGM. Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of Mr. Lee Jong Dae, Mr. Mu Xiang Ming and Dr. Yan Shi Yun are set out in Appendix II to this circular.

### 4. 2009 AGM AND PROXY ARRANGEMENT

The notice of the 2009 AGM is set out on pages 13 to 16 of this circular. At the 2009 AGM, resolutions will be proposed to approve, inter alia, the granting of the Issuance Mandate and the Buyback Mandate, the extension of the Issuance Mandate by the addition thereto of the nominal amount of Shares repurchased by the Company pursuant to the Buyback Mandate and the re-election of the retiring Directors.

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## LETTER FROM THE BOARD

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A form of proxy for use at the 2009 AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinahealthcareltd.com](http://www.chinahealthcareltd.com)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Branch Share Registrar of the Company in Hong Kong, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the 2009 AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2009 AGM or any adjournment thereof if you so wish and in such event, the proxy form shall be deemed to be revoked.

### 5. VOTING BY WAY OF POLL

All the proposed resolutions will be put to vote by way of poll at the 2009 AGM. An announcement on the poll results of the 2009 AGM will be announced by the Company in accordance with the requirements under the Listing Rules.

### 6. RECOMMENDATION

The Directors consider that the granting of the Buyback Mandate, the granting and extension of the Issuance Mandate and the re-election of the retiring Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2009 AGM.

### 7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Buyback Mandate) and Appendix II (Details of the retiring Directors proposed to be re-elected at the 2009 AGM) to this circular.

Yours faithfully,  
By Order of the Board  
**Zhou Bao Yi**  
*Executive Director*



The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the 2009 AGM in relation to the granting of the Buyback Mandate.

### **1. REASONS FOR BUYBACK OF SHARES**

The Directors believe that the granting of the Buyback Mandate is in the interests of the Company and the Shareholders. Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 234,367,577 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the 2009 AGM in respect of the granting of the Buyback Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the 2009 AGM, i.e. being 234,367,577 Shares, the Directors would be authorized under the Buyback Mandate to repurchase, during the period in which the Buyback Mandate remains in force, Shares of an aggregate nominal amount up to HK\$2,343,675.7 (equivalent to 23,436,757 Shares), representing 10% of the aggregate nominal amount of the issued Shares as at the date of the 2009 AGM.

### **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws, the laws of Bermuda and/or any other applicable laws, as the case may be.

The Company is empowered by its Memorandum of Association and the Current Bye-laws to repurchase Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase by a company may only be paid out of the capital paid up on the relevant shares, or funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on a repurchase may only be paid out of the funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the company.

#### 4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2009) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

#### 5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Dr. Li Zhong Yuan, the Chairman of the Board, was interested in 24,443,000 issued Shares, representing 10.43% of the total issued Shares. As far as the Directors are aware, as at the Latest Practicable Date, there was no Shareholder, other than Dr. Li Zhong Yuan, holding an interest of 10% or more in the issued Shares. On the basis that the issued share capital of the Company and the shareholding of Dr. Li Zhong Yuan in the Company remain unchanged immediately before the full exercise of the Buyback Mandate, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the 2009 AGM, the interest of Dr. Li Zhong Yuan in the issued Shares would be increased to approximately 11.59% of the total issued Shares. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchase to be made under the Buyback Mandate.

#### 6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Share to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Share to the Company, or that they have undertaken not to sell any Share held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Buyback Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

## 7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the following previous months were as follows:

<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2008</b>		
July	0.480	0.365
August	0.430	0.350
September	0.400	0.170
October	0.350	0.155
November	0.245	0.165
December	0.280	0.165
<b>2009</b>		
January	0.270	0.195
February	0.260	0.245
March	0.250	0.160
April	0.180	0.126
May	0.220	0.135
June	0.270	0.190
July (up to the Latest Practicable Date)	0.450	0.180

## 8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchases of Shares have been made by the Company during the previous six months (whether on the Stock Exchange or otherwise).

The details of the Directors, who will retire and offer themselves for re-election at the 2009 AGM according to the Current Bye-laws, are provided below.

**(1) MR. LEE JONG DAE**

**Mr. Lee Jong Dae**, aged 50, is an Executive Director of the Company. He was appointed as an Executive Director of the Company on 8 July 2004. Mr. Lee is an experienced international lawyer and investment banker. He received his undergraduate degree in economics from Haverford College, Pennsylvania, and later obtained his Doctor of Jurisprudence from Georgetown University, Washington, D.C.. He began his practice in Washington, D.C. where he specialized in international trade matters, and moved to Hong Kong in 1988 to join Coudert Brothers. As a partner of Coudert Brothers, he practised in the corporate and finance areas focusing on regional cross border transactions, often involving China. He left full time law practice in 1997 to become a senior investment banker for Rabobank International, Citigroup, and certain other financial institutions, with broad responsibilities for complex cross-border transactions. He serves on the Executive Committee of Lee International IP & Law Group and is an advisor to and director of several corporations. Mr. Lee is an executive director of Eva Holdings Global Limited (a company listed on the GEM board of the Stock Exchange with the stock code 8043). Save as disclosed above, Mr. Lee has not held any other directorship in listed public companies in the last three years.

Mr. Lee is not appointed for any fixed term but be subject to retirement and re-election at the annual general meeting of the Company in accordance with the Current Bye-laws. The provisions of the Current Bye-laws in respect of directors' retirement and re-election are set out in paragraph 3 of the Letter from the Board in this circular.

Mr. Lee is receiving a compensation of HK\$1,000,000 in aggregate per annum at present, which was proposed and determined by the Board.

As far as the Directors are aware, Mr. Lee does not have any relationship with any other Director, senior management, substantial Shareholder (as defined in the Listing Rules), or controlling Shareholder (as defined in the Listing Rules) of the Company. As at the Latest Practicable Date, Mr. Lee beneficially held 3,026,500 Shares and 3,600,000 share options (which entitled him to subscribe for 3,600,000 Shares) of the Company. Save as disclosed above, Mr. Lee was not interested or deemed to be interested in any share or underlying share of the Company or its associated corporations pursuant to Part XV of the SFO as at the Latest Practicable Date.

As far as the Directors are aware, there is no information which is discloseable nor is/was Mr. Lee involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Lee that need to be brought to the attention of the Shareholders.

**(2) MR. MU XIANG MING**

**Mr. Mu Xiang Ming**, aged 53, has been an Independent Non-executive Director since 28 September 2004. He is an experienced international lawyer. He received his L.L.B. degree from Fudan University Law School in Shanghai, China and L.L.M. degree from University of Oregon Law School in the United States. Mr. Mu was a member of Shanghai Municipal Government Foreign Economic Trade Committee and a practising lawyer in a US solicitors firm for four years. He is currently a senior partner of Shanghai Ming & Yuan Law Firm, a law firm with principal office in Shanghai and affiliated offices in the United States and Japan. Mr. Mu is an independent non-executive director of Sun Man Tai Holdings Limited (a company listed on the main board of the Stock Exchange with the stock code 433) and Mitsumaru East Kit (Holdings) Limited (a company listed on the Stock Exchange with the stock code 2358). Save as disclosed above, Mr. Mu has not held any other directorship in listed public companies in the last three years.

Mr. Mu is not appointed for any fixed term but is subject to retirement and re-election at the general meeting of the Company in accordance with the Current Bye-laws. The provisions of the Current Bye-laws in respect of directors' retirement and re-election are set out in paragraph 3 of the Letter from the Board in this circular.

Mr. Mu is receiving a director's fee of HK\$100,000 per annum at present, which was proposed and determined by the Board.

As far as the Directors are aware, (1) Mr. Mu does not have any relationship with any other Director, senior management, substantial Shareholder (as defined in the Listing Rules), or controlling Shareholder (as defined in the Listing Rules) of the Company; and (2) as at the Latest Practicable Date, Mr. Mu held 210,000 share options of the Company which entitled him to subscribe for 210,000 Shares. Save as disclosed above, Mr. Mu was not interested or deemed to be interested in any share or underlying share of the Company or its associated corporations pursuant to Part XV of the SFO as at the Latest Practicable Date.

As far as the Directors are aware, there is no information which is discloseable nor is/was Mr. Mu involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Mu that need to be brought to the attention of the Shareholders.

**(3) DR. YAN SHI YUN**

**Dr. Yan Shi Yun**, aged 69, was appointed as an Independent Non-executive Director on 29 August 2006. He was the former president of Shanghai University of TCM (上海中醫藥大學). Dr. Yan is a professor at Shanghai University of TCM for over 20 years. He is the president of Shanghai Academy of Chinese Medicine Sciences (上海市中醫藥研究院). Dr. Yan has not held any other directorship in listed public companies in the last three years.

Dr. Yan is not appointed for any fixed term but is subject to retirement and re-election at the general meeting of the Company in accordance with the Current Bye-laws. The provisions of the Current Bye-laws in respect of directors' retirement and re-election are set out in paragraph 3 of the Letter from the Board in this circular.

Dr. Yan is receiving a director's fee of HK\$100,000 per annum at present, which was proposed and determined by the Board.

As far as the Directors are aware, (1) Dr. Yan does not have any relationship with any other Director, senior management, substantial Shareholder (as defined in the Listing Rules), or controlling Shareholder (as defined in the Listing Rules) of the Company; and (2) as at the Latest Practicable Date, Dr. Yan was not interested or deemed to be interested in any share or underlying share of the Company or its associated corporations pursuant to Part XV of the SFO.

As far as the Directors are aware, there is no information which is discloseable nor is/was Dr. Yan involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Dr. Yan that need to be brought to the attention of the Shareholders.

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## NOTICE OF THE 2009 AGM

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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)

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of China HealthCare Holdings Limited (the “Company”) will be held at 5/F., Building 88, 1199 North Qin Zhou Road, Caohejing Hi-Tech Park, Xuhui District, Shanghai, China, on 28 August 2009 at 10:00 a.m. for the following purposes:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the reports of the directors and the auditors for the year ended 31 March 2009;
2. To elect directors, to fix the maximum number of directors, to authorize the board of directors to appoint additional directors, where necessary, and to authorize the board of directors to fix the respective directors’ remuneration;
3. To re-appoint Messrs. SHINEWING (HK) CPA Limited as auditors of the Company and to authorize the board of directors to fix their remuneration;

#### SPECIAL BUSINESS

To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

4. **“THAT:**
  - (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorized and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;

\* *for identification purposes only*

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## NOTICE OF THE 2009 AGM

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- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
- (i) a Rights Issue (as defined below);
  - (ii) any issue of shares of the Company on the exercise of the outstanding subscription rights or conversion rights attaching to the securities issued by the Company which are convertible into shares of the Company;
  - (iii) the exercise of options under a share option scheme of the Company; and
  - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of this resolution and this approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in a general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”;



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## NOTICE OF THE 2009 AGM

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5. **“THAT:**
- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
  - (b) the total nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the issued share capital of the Company on the date of passing of this resolution and the said approval shall be limited accordingly; and
  - (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in a general meeting; and
    - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held.”; and
6. **“THAT** conditional upon the passing of resolutions set out in items 4 and 5 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 4 of the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the shares purchased by the Company pursuant to the mandate referred to in the resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of this resolution.”.

By order of the Board  
**Zhou Bao Yi**  
*Executive Director*

Hong Kong, 31 July 2009

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## NOTICE OF THE 2009 AGM

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*Notes:*

1. Any Member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a Member of the Company. A Member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a Member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. In relation to the ordinary resolutions set out in items 4, 5 and 6 of the above notice, the directors of the Company wish to state that they have no immediate plan to issue any new shares or repurchase any existing shares of the Company.