
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 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
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY
AND
NOTICE OF THE 2008 ANNUAL GENERAL MEETING OF THE COMPANY**

A notice convening an annual general meeting of China HealthCare Holdings Limited to be held at 9th Floor, Shun Ho Tower, No. 24-30 Ice House Street, Central, Hong Kong on 5 September 2008 at 10:00 a.m. is set out on pages 14 to 17 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) and the Company (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.

30 July 2008

* *for identification purposes only*

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DEFINITIONS

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

“2008 AGM”	an annual general meeting of the Company to be held at 9th Floor, Shun Ho Tower, No. 24-30 Ice House Street, Central, Hong Kong on 5 September 2008 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 14 to 17 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”	28 July 2008, 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;

DEFINITIONS

“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;
“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.

LETTER FROM THE BOARD



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:*

9th Floor, Shun Ho Tower
No. 24-30 Ice House Street
Central
Hong Kong

Independent Non-Executive Directors:

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

30 July 2008

To the shareholders

Dear Sir/Madam,

**PROPOSED GRANTING OF GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES OF THE COMPANY
AND
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY
AND
NOTICE OF THE 2008 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 2008 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*

LETTER FROM THE BOARD

2. PROPOSED GRANTING OF THE ISSUANCE AND BUYBACK MANDATES

At the annual general meeting of the Company held on 29 August 2007, 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 2008 AGM if they are not used by that time.

Ordinary resolutions will be proposed at the 2008 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 2008 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 2008 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 2008 AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 4 and 5 of the notice of the 2008 AGM as set out on pages 14 to 17 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.

LETTER FROM THE BOARD

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, Dr. Li Zhong Yuan and Mr. Martin Treffer shall retire by rotation at the 2008 AGM whereas according to Bye-law 86(2) of the Current Bye-laws, Mr. Jiang Bo (appointed by the Board on 31 July 2007 as an additional Director) shall retire at the 2008 AGM. All of the above three retiring Directors, being eligible, will offer themselves for re-election at the 2008 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(s) 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 Dr. Li Zhong Yuan, Mr. Martin Treffer and Mr. Jiang Bo are set out in Appendix II to this circular.

4. 2008 AGM AND PROXY ARRANGEMENT

The notice of the 2008 AGM is set out on pages 14 to 17 of this circular. At the 2008 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 pursuant to the Buyback Mandate and the re-election of the retiring Directors.

LETTER FROM THE BOARD

A form of proxy for use at the 2008 AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (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 2008 AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2008 AGM or any adjournment thereof if you so wish and in such event, the proxy form shall be deemed to be revoked.

5. PROCEDURE AND RIGHTS FOR DEMANDING A POLL

According to Bye-law 66 of the Current Bye-laws, at any general meeting a resolution put to the vote of the 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 required under the Listing Rules or 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 authorized representative) or by proxy and holding Shares 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 Shares conferring that right; or
- (e) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing 5% or more of the total voting rights at the meeting, and if on a show of hands a meeting votes in the opposite manner to that instructed in those proxies, provided that if it is apparent from the total proxies held that a vote taken on a poll shall not reverse the vote taken on a show of hands, then the Director or Directors shall not be required to demand a poll.

LETTER FROM THE BOARD

In addition, in compliance with the Listing Rules, any vote of shareholders at a general meeting will be taken on a poll where:

- (i) the meeting is to approve connected transactions;
- (ii) the meeting is to approve transactions that are subject to independent shareholders' approval pursuant to the Listing Rules;
- (iii) the meeting is to approve granting of options to a substantial shareholder or an independent non-executive director of the issuer, or any of their respective associates, as required under the Listing Rules; or
- (iv) the meeting is to approve any other transactions in which a shareholder has a material interest and is therefore required to abstain from voting at the general meeting.

6. RECOMMENDATION

The Directors consider that the granting of the Buyback Mandate, the granting/extension of the Issuance Mandate and the re-election of the retiring Directors are in the best interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend Shareholders to vote in favour of the relevant resolutions to be proposed at the 2008 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 2008 AGM) to this circular.

Yours faithfully,
By Order of the Board
Dr. Li Zhong Yuan
Chairman of the Board

The following is an explanatory statement required by the Listing Rules to be sent to Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the 2008 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 2008 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 2008 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 2008 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 2008) 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 requirements of the Company or the gearing levels 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 2008 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 repurchases 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 Shares 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 Shares to the Company, or that they have undertaken not to sell any Shares 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:

Month	Highest HK\$	Lowest HK\$
2007		
July	1.720	0.980
August	1.500	0.700
September	1.140	0.800
October	0.980	0.620
November	0.730	0.405
December	0.700	0.440
2008		
January	0.550	0.400
February	0.650	0.445
March	0.540	0.335
April	0.410	0.355
May	0.930	0.350
June	0.850	0.425
July (up to the Latest Practicable Date)	0.480	0.365

8. REPURCHASES OF SHARES MADE BY THE COMPANY

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

Pursuant to the Listing Rules, the details of the Directors, who will retire and offer themselves for re-election at the 2008 AGM according to the Current Bye-laws, are provided below.

(1) **DR. LI ZHONG YUAN**

Dr. Li Zhong Yuan, aged 46, is an executive Director and the Chairman of the Company and is responsible for the overall strategic planning of the Group. He is also a director of certain subsidiaries of the Company. Other than the aforementioned, Dr. Li does not hold any position in the Company or in any member of the Group. Dr. Li received his PhD. in Mathematics from the University of Michigan at Ann Arbor, the USA and subsequently worked as an Assistant Professor of Mathematics at the Massachusetts Institute of Technology, the USA (“MIT”), where he was consecutively awarded research grants from the National Science Foundation. After MIT, he held senior positions with a number of major international investment banks, including Bankers Trust Company, Salomon Brothers and IBJ Asia Limited and has extensive experience in capital raising and risk management. In late 1996, he was in charge of building up capital markets and derivative businesses in multi-asset classes in Northern Asia and was a director of Rabobank International before setting up a financial and technology investment firm. Dr. Li has not held any other directorships in listed public companies in the last three years.

Currently there is no service contract entered into between Dr. Li and the Company and he has not been appointed for any fixed term. However, he is subject to retirement by rotation 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 such directors’ retirement by rotation and re-election have been set out in paragraph 3 of the Letter from the Board in this circular.

The salary and other benefits of Dr. Li amount to HK\$2,507,778 per annum, which has been determined by the Board by reference to his performance, experience, time commitment and responsibilities as well as the prevailing market conditions.

As far as the Directors are aware, Dr. Li does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company. Besides, as at the Latest Practicable Date, Dr. Li had the following interests in the issued/underlying Shares pursuant to Part XV of the SFO:

- (i) he owned 4,635,000 issued Shares personally;
- (ii) he held 3,625,000 share options granted by the Company, which entitled him to subscribe for 3,625,000 Shares; and
- (iii) he was deemed to be interested in 11,147,000 issued Shares held by Pacific Annex Capital Limited and 8,661,000 Shares held by Timenew Limited since both of these two companies were wholly owned by Dr. Li.

Save as disclosed above, Dr. Li was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

There is no information which is discloseable nor is/was Dr. Li 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. Li that need to be brought to the attention of the Shareholders.

(2) MR. MARTIN TREFFER

Mr. Martin Treffer, aged 43, has been a non-executive Director of the Company since October 2004. Other than the aforementioned, Mr. Treffer does not hold any position in the Company or in any member of the Group. He has extensive experience in investment and financial areas. Mr. Treffer holds a Master Degree in Banking and Economics from KV Zurich Business School, Switzerland. He has worked for several major international investment management and financial organizations. He is a founding member and principal partner of 2trade Group Limited, an independent money management company in Switzerland. Mr. Treffer has not held any other directorships in listed public companies in the last three years.

Mr. Treffer has not entered into any service contract with the Company and has not been appointed for any fixed term. However, he is subject to retirement by rotation 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 such directors' retirement by rotation and re-election have been set out in paragraph 3 of the Letter from the Board in this circular.

Mr. Treffer is not entitled to any director's fee but may be granted share options pursuant to the share option scheme of the Company, which is determined by the Board with reference to his performance and the prevailing market conditions.

As far as the Directors are aware, Mr. Treffer does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company. Besides, as at the Latest Practicable Date, Mr. Treffer had the following interests in the issued/underlying Shares pursuant to Part XV of the SFO:

- (i) he owned 250,000 Shares personally;
- (ii) he held 900,000 share options granted by the Company, which entitled him to subscribe for 900,000 Shares; and
- (iii) he was deemed to be interested in 1,295,000 Shares, which were held by 2Trade Group Limited, his controlled corporation.

Save as disclosed above, Mr. Treffer was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

There is no information which is discloseable nor is/was Mr. Treffer 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. Treffer that need to be brought to the attention of the Shareholders.

(3) MR. JIANG BO

Mr. Jiang Bo, aged 50, has been an independent non-executive Director since July 2007. Other than the aforementioned, Mr. Jiang does not hold any position in the Company or in any member of the Group. He is a member of Chinese Institute of Certified Public Accountant (CICPA) and Chinese Institute of Certified Public Valuer (CICPV), and the general manager of Liaoning Reanda Certified Public Accountant Firm in Mainland China. Mr. Jiang has over 10 years of experience in auditing and has participated in various IPO projects of state-owned enterprises in Mainland China and overseas. Mr. Jiang is a director of The Economy and Culture Promoting Association of Liaoning Province, an associate of the Liaoning Assets Appraisal Association and a member of the Liaoning Assets Appraisal Specialists Committee. Mr. Jiang is an independent non-executive director of Brilliance China Automotive Holdings Limited (listed on the Main Board of the Stock Exchange; stock code: 1114). Save as disclosed above, Mr. Jiang has not held any other directorships in listed public companies in the last three years.

Mr. Jiang has not entered into any service contract with the Company and has not been appointed for any fixed term. However, he is 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 such directors' retirement by rotation and re-election have been set out in paragraph 3 of the Letter from the Board in this circular.

Mr. Jiang is not entitled to any director's fee but may be granted share options pursuant to the share option scheme of the Company, which is determined by the Board with reference to his performance and the prevailing market conditions.

As far as the Directors are aware, Mr. Jiang does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company. Besides, as at the Latest Practicable Date, Mr. Jiang was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

There is no information which is discloseable nor is/was Mr. Jiang 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. Jiang that need to be brought to the attention of the Shareholders.

NOTICE OF THE 2008 AGM



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 9th Floor, Shun Ho Tower, No. 24-30 Ice House Street, Central, Hong Kong, on 5 September 2008 at 10:00 a.m. for the following purposes:

1. To consider and receive the audited consolidated financial statements of the Company and the reports of the directors and the auditors for the year ended 31 March 2008;
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. RSM Nelson Wheeler as auditors of the Company and to authorize the board of directors to fix their remuneration;
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“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;
- (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:

* *for identification purposes only*

NOTICE OF THE 2008 AGM

- (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).”;

NOTICE OF THE 2008 AGM

5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“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. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“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
Dr. Li Zhong Yuan
Chairman of the Board

Hong Kong, 30 July 2008

NOTICE OF THE 2008 AGM

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.