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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, 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 and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any share in China HealthCare Holdings Limited.

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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)

SUBSCRIPTION OF CONVERTIBLE NOTES

Financial Adviser to China HealthCare Holdings Limited

Hercules

Hercules Capital Limited

A notice convening a special 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 Thursday, 13 May 2010 at 10:00 a.m. is set out on pages 13 to 14 of this circular. A form of proxy for use at the special general meeting is also enclosed. Whether or not you are able to attend the special general meeting, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, 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 special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish.

* *For identification purpose only*

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the entire equity interest of GeneHarbor Technologies Inc. by the Group in accordance with the terms and conditions of the sale and purchase agreement dated 24 March 2010 and the supplemental agreement dated 29 March 2010 entered into between Novogain Holdings Limited and GeneHarbor Holdings Limited, details of which were set out in the announcement of the Company dated 8 April 2010
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	China HealthCare Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration CN”	the convertible notes in principal amount of US\$6.0 million and the subordinated convertible notes in principal amount of US\$64.5 million to be issued by the Company to GeneHarbor Holdings Limited as part of the consideration for the Acquisition
“Convertible Notes”	Convertible Notes 1 and Convertible Notes 2
“Convertible Notes 1”	the zero coupon subordinated convertible notes due 2011 in aggregate principal amount of HK\$15.0 million to be issued by the Company to the CN1 Subscribers pursuant to the CN1 Subscription Agreements
“Convertible Notes 2”	the zero coupon subordinated convertible notes due 2011 in aggregate principal amount of HK\$50.0 million to be issued by the Company to the CN2 Subscribers pursuant to the CN2 Subscription Agreements
“CN1 Subscribers”	nine independent subscribers who subscribed for the Convertible Notes 1
“CN1 Subscription”	the issue of the Convertible Notes 1 by the Company to the CN1 Subscribers pursuant to the terms of the CN1 Subscription Agreements

DEFINITIONS

“CN1 Subscription Agreements”	the subscription agreements dated 5 April 2010 entered into between the Company and the CN1 Subscribers in respect of the CN1 Subscription
“CN2 Conversion Shares”	the new Shares to be issued upon the exercise of the conversion rights attaching to the Convertible Notes 2
“CN2 Subscribers”	ZhongXing Limited, Crown Impact Limited, Mr. Chen Jinsheng and Ms. Zhang Jianhua, who have subscribed for the Convertible Notes 2 in principal amount of HK\$20.0 million, HK\$10.0 million, HK\$10.0 million and HK\$10.0 million respectively
“CN2 Subscription”	the issue of the Convertible Notes 2 by the Company to the CN2 Subscribers pursuant to the terms of the CN2 Subscription Agreements
“CN2 Subscription Agreements”	the subscription agreements dated 5 April 2010 entered into between the Company and the CN2 Subscribers in respect of the CN2 Subscription
“Directors”	the directors of the Company
“Existing Convertible Notes”	the convertible notes in principal amounts of (i) US\$6.6 million issued by the Company to certain independent investors; and (ii) HK\$20 million issued by the Company to Panjinfenyuan Technology Investment Limited as part of the consideration for the acquisition of 30% equity interest of Shanghai Harvest Network Technology Co. Limited
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	15 March 2010, being the last trading day for the Shares on the Stock Exchange prior to the publication of the announcement of the Company dated 8 April 2010 in relation to, among others, the CN2 Subscription
“Latest Practicable Date”	21 April 2010, being the latest practicable date for ascertaining certain information referred to in this circular prior to the printing of this circular

DEFINITIONS

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Och-Ziff Group”	OZ Master Fund, Ltd., OZ Asia Master Fund, Ltd., OZ Global Special Investments Master Fund, L.P. and Gordel Holdings Limited (formerly known as Fleet Maritime, Inc.)
“Preference Shares”	15,000 redeemable convertible cumulative preference shares issued by the Company to the Och-Ziff Group in accordance with the terms and conditions of the subscription agreement dated 5 April 2006 entered into between the Company and the Och-Ziff Group, which were subsequently transferred to Capital Foresight Limited
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the CN2 Subscription
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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:

Li Zhong Yuan
Zhou Bao Yi

Non-executive Director:

Martin Treffer

Independent Non-executive Directors:

Mu Xiangming
Jiang Bo
Yan Shi Yun

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place
of business in Hong Kong:*

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

27 April 2010

*To the Shareholders, and for information only,
the holders of the Preference Shares
and the Existing Convertible Notes*

Dear Sirs,

SUBSCRIPTION OF CONVERTIBLE NOTES

INTRODUCTION

On 5 April 2010, the Company and the CN2 Subscribers entered into the CN2 Subscription Agreements, pursuant to which the Company agreed to issue, and the CN2 Subscribers agreed to subscribe for, the Convertible Notes 2 with an aggregate principal amount of HK\$50.0 million. The Convertible Notes 2 carries the rights to convert into CN2 Conversion Shares at the initial conversion price of HK\$0.3201 (subject to usual anti-dilution adjustments).

The purpose of this circular is to provide you with, inter alia, further details of the CN2 Subscription and the notice of the SGM, at which resolution will be proposed and, if consider appropriate, passed to approve the CN2 Subscription.

* *For identification purpose only*

LETTER FROM THE BOARD

THE CN2 SUBSCRIPTION

Pursuant to the CN2 Subscription Agreements, the Company agreed to issue, and the CN2 Subscribers agreed to subscribe for, the Convertible Notes 2 in an aggregate principal amount of HK\$50.0 million.

CN2 Subscribers

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the beneficial owner of ZhongXing Limited held 8,595,000 Shares, representing approximately 3.28% of the issued share capital of the Company, as at the Latest Practicable Date while Crown Impact Limited and its ultimate beneficial owner, Mr. Chen Jinsheng, and Ms. Zhang Jianhua are third parties independent of the Company and its connected persons. Crown Impact Limited, Mr. Chen Jinsheng and Ms. Zhang Jianhua are parties acting in concert but they are independent of ZhongXing Limited. Each of the CN2 Subscribers and their respective concert parties and associates shall become a substantial Shareholder (but not a controlling Shareholder) upon full conversion of its/his/her respective portion of the Convertible Notes 2, assuming there are no changes in the issued share capital of the Company after the Latest Practicable Date and prior to the conversion of its/his/her respective portion of the Convertible Notes 2.

Principal terms of the Convertible Notes 2

Aggregate principal amount:	HK\$50.0 million
Interest rate:	Nil
Maturity date:	The date falling one year after the date of issue of the Convertible Notes 2.
Conversion right:	The holders of the Convertible Notes 2 shall have the right to convert the whole or part of the principal amount of the Convertible Notes 2 (in the amount of HK\$10,000 or integral multiples thereof) into CN2 Conversion Shares at any time during the conversion period, at their discretion.
Conversion period:	The period commencing from the issue date of the Convertible Notes 2 and ending on the maturity date of the Convertible Notes 2.
Conversion price:	The initial conversion price is HK\$0.3201 per CN2 Conversion Share and is subject to general anti-dilution adjustments such as share split or consolidation, dividends, bonus issues, capitalization of profits or reserves, capital distribution or other events.

LETTER FROM THE BOARD

The initial conversion price of HK\$0.3201 per CN2 Conversion Share represents:

- (i) a discount of approximately 19.98% to the closing price of HK\$0.4000 per Share on the Last Trading Day;
- (ii) a discount of approximately 15.54% to the average closing price of HK\$0.3790 per Share for the last five trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 16.09% to the average closing price of HK\$0.3815 per Share for the last ten trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 40.72% to the closing price of HK\$0.5400 per Share on the Latest Practicable Date.

The initial conversion price was arrived at after arm's length negotiation between the Company and the CN2 Subscribers with reference to the prevailing market price of the Shares. The Directors consider that the initial conversion price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Redemption:

The Company may redeem the Convertible Notes 2 in whole at 100% of the issue price at any time after six months from the issue date of the Convertible Notes 2 and prior to the maturity date by way of a notice in advance of twenty business days. The holders of the Convertible Notes 2 retain the right of conversion prior to the completion of such redemption.

The Company shall repay the principal amount outstanding under the Convertible Notes 2 to the holders on the maturity date, subject to the right of the Company to redeem the Convertible Notes 2 by issuance of new Shares at the higher of the then market value or HK\$0.3201 per Share at the maturity date.

Conversion shares:

The number of CN2 Conversion Shares to be issued upon full conversion of the Convertible Notes 2 will be 156,201,185 CN2 Conversion Shares, representing (i) approximately 59.61% of the existing share capital of the Company; and (ii) approximately 37.35% of the share capital of the Company as enlarged by the issue of the CN2 Conversion Shares upon full conversion of the Convertible Notes 2.

LETTER FROM THE BOARD

The CN2 Conversion Shares shall be issued under a specific mandate to be approved by the Shareholders (except the beneficial owner of ZhongXing Limited) at the SGM. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the CN2 Conversion Shares. The CN2 Conversion Shares shall be subject to a non-disposal requirement during three months from the issue date and will rank pari passu in all respects with the existing Shares in issue. The CN2 Conversion Shares shall be issued free and clear from all liens, charges, encumbrances, claims, options and third party rights and with all rights attaching thereto as at the date of conversion, including the right to receive all dividends and other distributions thereafter declared, paid or made on the CN2 Conversion Shares.

Voting: The holders of the Convertible Notes 2 will not be entitled to attend or vote at any shareholders' meeting of the Company by reason only of being the holders of the Convertible Notes 2.

Status: The Convertible Notes 2 will constitute direct, unconditional, subordinated and unsecured obligations of the Company and rank pari passu among themselves but be subordinated to all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Company.

Listing: No applications will be made for the listing of the Convertible Notes 2 on any stock exchange.

Conditions Precedent

The completion of the CN2 Subscription Agreements shall be conditional upon the passing of the necessary resolution by the Shareholders at the SGM to approve the CN2 Subscription Agreements and the transactions contemplated thereunder and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the CN2 Conversion Shares.

LETTER FROM THE BOARD

REASONS FOR THE CN2 SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in investment holding, e-commerce business in relation to consumer services in e-distribution of mobile pre-charge, procurement of healthcare services and sales of medical devices and consumables.

The total gross proceeds from the CN2 Subscription amounts to approximately HK\$50.0 million while the net proceeds from the CN2 Subscription, after the deduction of related expenses of approximately HK\$0.5 million, amounts to approximately HK\$49.5 million. Together with the net proceeds from the CN1 Subscription of approximately HK\$14.85 million, the aggregate net proceeds are estimated to be approximately HK\$64.35 million, of which approximately HK\$19.38 million shall be used for the Acquisition, if materialized and completed, and the remaining balance of the net proceeds is planned for general working capital purposes.

The Directors consider that the CN2 Subscription shall provide the required funding for the Acquisition and additional working capital for the Group's business development, in particular, support a solution to the insolvency problem of the Group. In addition, the CN2 Subscription (if the conversion rights attaching to the Convertible Notes 2 are exercised) will broaden the capital and shareholder base of the Company. The Directors consider that the terms of the CN2 Subscription Agreements, which were negotiated on an arm's length basis and agreed on normal commercial terms between the parties involved, are fair and reasonable, and the CN2 Subscription is in the interest of the Company and the Shareholders as a whole.

CHANGE IN THE SHAREHOLDING STRUCTURE

Set out below is a summary of the shareholding in the Company as at the Latest Practicable Date and, for illustrative purposes only, (i) upon full conversion of the Convertible Notes 2; and (ii) upon conversion of the Consideration CN, Convertible Notes and the existing convertible securities of the Company subject to the conversion restrictions attaching to the Consideration CN, each prepared on the basis that there would be no changes in the issued share capital of the Company after the Latest Practicable Date and prior to the completion of the CN2 Subscription.

LETTER FROM THE BOARD

	As at the Latest Practicable Date		Upon full conversion of the Convertible Notes 2		Upon conversion of the Consideration CN, Convertible Notes and the existing convertible securities of the Company (Note 6) subject to the conversion restrictions (Note 7)	
					Number of	%
	Shares		Shares		Shares	
Dr. Li Zhong Yuan and his associates (Note 1)	24,443,000	9.33	24,443,000	5.84	30,687,000	2.43
China Healthcare Services Limited	17,541,000	6.69	17,541,000	4.19	17,541,000	1.39
Orient Access International Inc.	17,300,000	6.60	17,300,000	4.14	17,300,000	1.37
Mr. Martin Treffer and his associates (Note 2)	1,545,000	0.59	1,545,000	0.37	3,447,000	0.27
Mr. Zhou Bao Yi (Note 3)	–	–	–	–	1,002,000	0.08
Mr. Mu Xiangming (Note 3)	–	–	–	–	471,000	0.04
Dr. Yan Shi Yun (Note 3)	–	–	–	–	261,000	0.02
Mr. Jiang Bo (Note 3)	–	–	–	–	261,000	0.02
Mr. Lee Jong Dae (Note 3)	3,026,500	1.16	3,026,500	0.72	3,026,500	0.24
Capital Foresight Limited	–	–	–	–	363,750,000	28.81
CN1 Subscribers	–	–	–	–	46,860,356	3.71

LETTER FROM THE BOARD

	As at the Latest Practicable Date		Upon full conversion of the Convertible Notes 2		Upon conversion of the Consideration CN, Convertible Notes and the existing convertible securities of the Company (Note 6) subject to the conversion restrictions (Note 7)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
ZhongXing Limited and its associates (Note 4)	8,595,000	3.28	71,075,474	16.99	71,075,474	5.63
Mr. Chen Jinsheng and his concert parties and associates (Note 4)	-	-	93,720,711	22.41	93,720,711	7.43
GeneHarbor Holdings Limited (Note 5)	-	-	-	-	378,623,928	29.99
Other public Shareholders	<u>189,571,077</u>	<u>72.35</u>	<u>189,571,077</u>	<u>45.34</u>	<u>234,473,626</u>	<u>18.57</u>
Total	<u>262,021,577</u>	<u>100.00</u>	<u>418,222,762</u>	<u>100.00</u>	<u>1,262,500,595</u>	<u>100.00</u>
Non-public Shareholders	29,014,500	11.07%	193,810,685	46.34%	781,529,428	61.90%
Public Shareholders	<u>233,007,077</u>	<u>88.93%</u>	<u>224,412,077</u>	<u>53.66%</u>	<u>480,971,167</u>	<u>38.10%</u>
	<u>262,021,577</u>	<u>100.00%</u>	<u>418,222,762</u>	<u>100.00%</u>	<u>1,262,500,595</u>	<u>100.00%</u>

Notes:

- (1) These Shares included 11,147,000 Shares held by Pacific Annex Capital Limited and 13,296,000 Shares held by Dr. Li Zhong Yuan. Since Pacific Annex Capital Limited is wholly-owned by Dr. Li Zhong Yuan, Dr. Li Zhong Yuan is deemed to be interested in the Shares held by Pacific Annex Capital Limited.
- (2) These Shares included 1,295,000 Shares held by 2Trade Group Limited and 250,000 Shares held by Mr. Martin Treffer. Since 2Trade Group Limited is beneficially owned as to 35% by Mr. Martin Treffer, Mr. Martin Treffer is deemed to be interested in the Shares held by 2Trade Group Limited.
- (3) Mr. Zhou Bao Yi, Mr. Mu Xiangming, Dr. Yan Shi Yun and Mr. Jiang Bo are Directors while Mr. Lee Jong Dae was a Director within the preceding 12 months from the Latest Practicable Date.
- (4) Being the CN2 Subscribers. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the CN2 Subscribers and/or their respective ultimate beneficial owners has relationship with any of the CN1 Subscribers and/or their respective ultimate beneficial owners.

LETTER FROM THE BOARD

- (5) Being the vendor of the Acquisition. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the vendor of the Acquisition and/or its ultimate beneficial owners has relationship with any of the CN1 Subscribers, the CN2 Subscribers and/or their respective ultimate beneficial owners.
- (6) The existing convertible securities of the Company include the Preference Shares, the Existing Convertible Notes and an aggregate of 25,706,000 outstanding share options with exercise prices in the range of HK\$0.5 to HK\$8.6 each. Save as aforementioned, the Company had no other convertible securities outstanding as at the Latest Practicable Date.
- (7) Pursuant to the terms of the Consideration CN, the holders of the Consideration CN shall not convert the Consideration CN into Shares if (i) the holder and parties acting in concert with it, taken together, will directly or indirectly, control or be interested in 30% or more of the entire issued Shares (or in such lower percentage as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer); and/or (ii) the allotment and issue of the Shares upon exercise of the conversion right of the Consideration CN will cause the Company to be in breach of the minimum public float requirement stipulated under Rule 8.08 of the Listing Rules.

It is expected that none of the holders of the Convertible Notes 2 and their respective concert parties shall become a controlling Shareholder in each of the above scenarios. There will not be any change in control of the Company upon completion of the Acquisition, the CN1 Subscription and/or the CN2 Subscription as the transactions shall not result in any person or a group of persons or any of his/their associates gaining a shareholding of 30% or above in the Company and the Company will be able to meet the minimum public float requirement upon completion of the Acquisition, the CN1 Subscription and the CN2 Subscription.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activity in the 12 months immediately preceding the Latest Practicable Date.

SGM

A SGM will be convened and held for the Shareholders (except the beneficial owner of ZhongXing Limited) to consider and, if thought fit, to approve the CN2 Subscription, by way of poll. The beneficial owner of ZhongXing Limited, one of the CN2 Subscribers, holding 8,595,000 Shares, representing approximately 3.28% of the issued share capital of the Company as at the Latest Practicable Date, shall abstain from voting in respect of the proposed resolution to approve the CN2 Subscription Agreements and the transactions contemplated thereunder at the SGM.

Set out on pages 13 to 14 of this circular is a notice of the SGM, at which resolution will be proposed and, if considered appropriate, passed to approve the CN2 Subscription. A form of proxy for use at the SGM is also enclosed. Whether or not you are able to attend the SGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, 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 SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM if you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the terms and conditions of the CN2 Subscription Agreements are fair and reasonable and the entering into of the CN2 Subscription Agreements are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the CN2 Subscription Agreements and the transactions contemplated thereunder.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

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

NOTICE OF SPECIAL GENERAL MEETING



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 a special 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 Thursday, 13 May 2010 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution of the Company:

ORDINARY RESOLUTION

“THAT

1. (a) the convertible note subscription agreements dated 5 April 2010 entered into between the Company and, ZhongXing Limited, Crown Impact Limited, Mr. Chen Jinsheng and Ms. Zhang Jianhua, respectively (“the Subscription Agreements”), a copy of which marked “A” has been produced to the meeting and signed by the Chairman of the meeting for the purpose of identification, pursuant to which the Company agreed to issue, and ZhongXing Limited, Crown Impact Limited, Mr. Chen Jinsheng and Ms. Zhang Jianhua agreed to subscribe for, the convertible notes in an aggregate principal amount of HK\$50.0 million (the “Convertible Notes”), and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and
- (b) the directors of the Company be and are hereby authorized to issue the Convertible Notes pursuant to the Subscription Agreements and to allot and issue the new shares upon the exercise of the conversion rights attaching to the Convertible Notes and to do all such acts and things and execute such further documents and take all steps which, in their opinion may be necessary, desirable, or expedient to implement and give effect to the terms of, and all transactions contemplated under, the Subscription Agreements for and on behalf of the Company and to approve any change and amendment thereto as they may consider necessary, desirable or expedient.”

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

Hong Kong, 27 April 2010

* *For identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

Principal Place of Business in Hong Kong:

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

Notes:

1. A member entitled to attend and vote at the special general meeting is entitled to appoint one or more proxies to attend and vote instead of him/her in the special general meeting. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude any member from attending and voting in person at the special general meeting or any adjourned meeting thereof should he/she so wishes.
3. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
4. As at the date of this notice, the executive directors of the Company were Dr. Li Zhong Yuan and Mr. Zhou Bao Yi; the non-executive director of the Company was Mr. Martin Treffer; and the independent non-executive director of the Company were Mr. Mu Xiangming, Mr. Jiang Bo and Dr. Yan Shi Yun.