



China HealthCare Holdings Limited

中國衛生控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 673)

CLARIFICATION

Reference is made to the Company's results announcement for the year ended 31 March 2006 published on the Stock Exchange's website on 14 July 2006. The Board would like to clarify that the B/C Dates for the Annual General Meeting should be 11 August 2006 to 14 August 2006.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of **China HealthCare Holdings Limited** (the "Company") will be held on Monday, 14 August 2006 at 10:00 a.m. at Room 1001-2, 10/F, Man Yee Building, 68 Des Voeux Road Central, Hong Kong for the following purposes:

1. To receive and adopt the audited financial statements of the Company and the reports of the directors and auditors of the Company for the year ended 31 March 2006.
2. To re-elect the retiring Directors and to authorise the board of directors of the Company to fix their remuneration.
3. To re-appoint Messrs. RSM Nelson Wheeler as the auditors of the Company and authorise the board of directors of the Company to fix their remuneration.
4. As special business, to consider and if thought fit, pass with or without amendments, the following resolutions as an ordinary resolutions:

ORDINARY RESOLUTIONS

A. "THAT:

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options, including warrants to subscribe for shares of the Company, which 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 (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to a Rights Issue (as defined in paragraph (d) below); any issue of shares of the Company on the exercise of the subscription rights or conversion attaching to any warrants which may be issued by the Company from time to time or any securities which are convertible into shares of the Company from time to time outstanding; on the exercise of any options granted under the share option scheme of the Company or any similar arrangement providing an allotment and issue of shares of the Company in lieu of the whole or part of a dividend on shares in accordance with the bye-laws of the Company in force from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) 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 law to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given under this resolution; and

“**Rights Issue**” means an offer of shares open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (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, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

B. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of securities of the Company authorised to be repurchased by the Company pursuant to the approval in paragraph (a) above of this resolution during the Relevant Period (as defined in paragraph (c) below) shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) 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 law to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given under this resolution.

- C. **“THAT** conditional on the passing of the resolutions set out in items 4A and 4B of the notice convening this meeting, the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares of the Company pursuant to the resolution set out in items 4A of the said notice be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution set out in item 4B of the said notice, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution.”

SPECIAL RESOLUTION

5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as a Special Resolution:

“**THAT** the bye-laws of the Company be and are hereby amended as follows:

(a) Bye-law 66

(i) by deleting the full stop at the end of paragraph (d) of the existing Bye-law 66 and replacing it with a semicolon and the word “or”;

(ii) by adding the following new paragraph after paragraph (d) of the existing Bye-law 66:

“(e)if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five (5) per cent. or more of the total voting rights at such 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.”;

(b) Bye-law 67

by inserting the words “, in the former case,” before the words “the demand is not withdrawn”;

(c) Bye-law 68

by deleting the last sentence of the existing Bye-law 68 and replacing it with the following:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”; and

(d) Bye-law 86

by deleting the words “special resolution” and replacing them with the words “ordinary resolution” in the existing Bye-law 86(4).”

By Order of the Board
China HealthCare Holdings Limited
Dr. Li Zhong Yuan
Chairman

Hong Kong, 21 July 2006

Notes:

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company.
2. A form of proxy for use at the annual general meeting is enclosed herewith. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting if he so wishes. In the event of a member who has lodged a form of proxy attending the meeting, his form of proxy will be deemed to have been revoked.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be lodged with the Company's branch share registrar in Hong Kong, 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.
5. Where there are joint holders of any shares, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such shares as if they are solely entitled thereto, provided that if more than one of such joint holders be present at the meeting personally or by proxy, the person whose name stands first on the register of members in respect of such shares shall alone be entitled to vote in respect thereof.
6. The retiring Directors standing for re-election under item 2 are Dr. Li Zhong Yuan, Mr. Deng Ku Hon and Mr. Martin Treffer.
7. The Company's principal place of business in Hong Kong is at Room 1001-2, 10th Floor, Man Yee Building, 68 Des Voeux Road Central, Hong Kong.

As at the date hereof, the Board comprises Dr. Li Zhong Yuan, Mr. Lee Jong Dae, Dr. Ni Aimin, and Mr. Deng Ku Hon as executive directors, Mr. Robin Willi and Mr. Martin Treffer as non-executive directors, Mr. Li Xiao Ru, Dr. Ma Yin Ming and Mr. Mu Xiangming as independent non-executive directors.

** For identification purpose only*

Please also refer to the published version of this announcement in The Standard.