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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)

**TERMINATION OF  
A VERY SUBSTANTIAL ACQUISITION**

The Purchaser has served a formal notice to the Vendor to terminate the Agreement on 14 July 2010.

Reference is made to the announcements of the Company dated 8 April 2010 and 29 April 2010 in relation to the acquisition of the entire equity interest in GeneHarbor Technologies Inc. (the “Announcements”). Terms defined in the Announcements shall have the same meanings when used herein unless the context requires otherwise.

Since the Vendor is unable to accommodate the Company’s needs to conduct the necessary due diligence on the Target Group and provide the necessary information for the preparation of the circular relating to the Acquisition to be issued to the investors and Shareholders, the Purchaser served a formal notice to the Vendor to terminate the Agreement on 14 July 2010.

The Company shall continue to seek for suitable investment or business opportunities for further development of the Group and the Board has reached an understanding with the Company’s major creditors such that the Company is given more time for bringing in viable projects and/or external resources for solving the insolvency problem of the Group. The Board considers that the termination of the Agreement will not have any material adverse impact on the existing business of the Group.

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

Hong Kong, 14 July 2010

*As at the date of this announcement, the Board comprises two executive Directors, namely Dr. Li Zhong Yuan and Mr. Zhou Bao Yi; one non-executive Director, namely Mr. Martin Treffer; and three independent non-executive Directors, namely Mr. Mu Xiangming, Mr. Jiang Bo and Dr. Yan Shi Yun.*

\* *for identification purpose only*