

CHINA HEALTHCARE LIMITED

(Company Registration No. 200202500K)

INCREASE OF INVESTMENT IN A SUBSIDIARY

The Board of Directors of China Healthcare Limited (the “Company”) wishes to announce that Econ Healthcare (M) Pte. Ltd., a wholly-owned subsidiary of the Company, has increased its investment in its wholly-owned Malaysian subsidiary, Econ Medicare Centre Sdn Bhd (“EMCSB”) by way of subscribing for an additional 199,900 ordinary shares of RM1 each in the capital of EMCSB at the subscription price of RM199,900 in cash (“Additional Investment”).

With the Additional Investment, the issued and paid up capital of EMCSB has been increased to RM200,000 comprising 200,000 ordinary shares of RM1 each fully paid.

The Additional Investment is not expected to have any material impact on the net tangible assets and earnings per share of the Company and of the Group for the financial year ending 31 March 2007.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the transaction.

By Order of the Board

Ong Chu Poh
Chairman and Managing Director

3 October 2006