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China Wah Yan Healthcare Limited

中國華仁醫療有限公司

(Incorporated in the Hong Kong with limited liability)

(Stock Code: 648)

VOLUNTARY ANNOUNCEMENT PROPOSED ISSUE OF BONDS

The Company announces that on 29 July 2015, the Company entered into the Placing Agreement with the Placing Agent in respect of the Placing of the Bonds in the aggregate principal amount of up to HK\$200 million on a best effort basis.

Shareholders of the Company and potential investors should note that under the Placing Agreement, the Placing is undertaken on a best effort basis. As the Placing may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by China Wah Yan Healthcare Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The Company announces that on 29 July 2015, the Company as the issuer and Convoy Asset Management Limited as the placing agent (the “**Placing Agent**”), entered into a placing agreement (the “**Placing Agreement**”) pursuant to which the Placing Agent agreed to act as the placing agent of the Company, on a best effort basis, to procure places who are not a connected person (as defined under the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)) to subscribe for bonds due 2017 (the “**Bonds**”) to be issued by the Company in the aggregate principal amount of up to HK\$200 million maturing on the second anniversary of the date of issue of the Bonds at the placing price equal to 100% of the principal amount of the Bonds (the “**Placing**”).

The Bonds shall constitute direct, unconditional, unsubordinated, unsecured obligations of the Company and rank equally and without any preference amongst themselves and rank *pari passu* with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Company. No listing of the Bonds will be sought on the Stock Exchange or any other stock exchanges.

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiry, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are not a connected person (as defined under the Listing Rules) of the Company.

The Company considers that the Placing represents an opportunity to obtain funding to strengthen its working capital base for continuous development of the Group. The directors of the Company are of the view that the transactions contemplated under the Placing Agreement and the issue of the Bonds are in the interest of the Company and its shareholders as a whole.

GENERAL

The Group is principally engaged in and invests in healthcare and well-being business, including the operation of a chain of sports and healthcare clubhouses under the brandname of “Megafit” in China, a chain of medical centres specializing in the diagnosis and treatment of tumors in China and a retail chain of optical products and eye-care services under the brand name “Hong Kong Optical” in Hong Kong, as well as investment and asset management business (such as investment in securities, fixed/capital assets and distressed assets, and loan financing business).

Shareholders of the Company and potential investors should note that under the Placing Agreement, the Placing is undertaken on a best effort basis. As the Placing may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board of
China Wah Yan Healthcare Limited
Chan Ka Chung
Chairman

Hong Kong, 29 July 2015

As at the date of this announcement, the board of Directors comprises three executive Directors, namely Mr. Chan Ka Chung, Mr. Cheung Wai Kwan and Mr. Wang Jianguo; and four independent non-executive Directors, namely, Mr. Chan Yee Ping, Michael, Mr. Lam Chun Ho, Ms. Hu Xuezhen and Ms. Wu Yan.