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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)

**COMPLETION OF PLACING
OF NEW SHARES UNDER GENERAL MANDATE
AND ADJUSTMENT TO CONVERTIBLE SECURITIES**

The Company is pleased to announce that the conditions precedent to the Placing have been fulfilled and completion of the Placing took place on 22 December 2015.

Reference is made to the announcement of the Company dated 10 December 2015 relating to the Placing. Unless otherwise stated herein, capitalised terms used in this announcement shall have the same meaning as defined in the above-mentioned announcement.

COMPLETION OF THE PLACING

The Board is pleased to announce that the conditions precedent to the Placing have been fulfilled and completion of the Placing took place on 22 December 2015. 435,424,554 Placing Shares have been placed by the Placing Agent at the Placing Price to not less than six Placees, who, to the Placing Agent's best knowledge and belief, having made all reasonable enquiries, are Independent Third Parties. The Placing Agent has also confirmed that none of the Placees becomes a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing. The 435,424,554 Placing Shares represent 16.67% of the total number of issued shares of the Company as enlarged by the allotment and issue of the Placing Shares immediately after completion of the Placing.

The net proceeds from the Placing, after deducting the placing commission and other relevant expenses, amounted to approximately HK\$47 million, and will be used as general working capital of the Group.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structures of the Company immediately prior to and after completion of the Placing:

	Immediately prior to completion of the Placing		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximately</i>	<i>Number of Shares</i>	<i>Approximately</i>
Shareholders				
Director	101,250,000	4.65%	101,250,000	3.88%
The Placee(s)	—	—	435,424,554	16.67%
Other public shareholders	<u>2,075,872,772</u>	<u>95.35%</u>	<u>2,075,872,772</u>	<u>79.45%</u>
	<u><u>2,177,122,772</u></u>	<u><u>100.00%</u></u>	<u><u>2,612,547,326</u></u>	<u><u>100.00%</u></u>

ADJUSTMENT TO CONVERTIBLE SECURITIES OF THE COMPANY

Immediately prior to completion of the Placing, there were (i) 113,866,396 unlisted warrants of the Company (the “Warrants”) entitling the holders thereof to subscribe for up to 113,866,396 new Shares; and (ii) outstanding convertible notes (the “Convertible Notes”) in the aggregate principal amount of HK\$2 million entitling the holders thereof to convert into a maximum of 4,298,302 new Shares. As a result of the issue of the Placing, adjustments shall be made such that (i) the subscription price of the outstanding Warrants will be adjusted to HK\$0.5766 and the number of new Shares that can be subscribed for under the outstanding Warrants will be adjusted to 117,065,556 Shares; and (ii) the conversion price of the outstanding Convertible Notes will be adjusted to HK\$0.4526 and the number of Shares that can be converted into by the Convertible Notes will be adjusted to 4,418,913 Shares.

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

Hong Kong, 22 December 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.