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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 18 February 2016, the Company entered into the Bond Placing Agreement with the Bond Placing Agent for the placing of the Bonds in the principal amount of up to HK\$100 million on a best effort basis.

Shareholders of the Company and potential investors should note that under the Bond Placing Agreement, the Bond Placing is undertaken on a best effort basis. As the Bond 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 18 February 2016, the Company as the issuer and Convoy Asset Management Limited as the bond placing agent (the “**Bond Placing Agent**”), entered into a bond placing agreement (the “**Bond Placing Agreement**”), pursuant to which the Bond Placing Agent agreed to, on a best effort basis, 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**”)) of the Company to subscribe for bonds due 2017 (the “**Bonds**”) to be issued by the Company in the principal amount of up to HK\$100 million at the bond placing price representing 100% of the principal amount of the Bonds (the “**Bond Placing**”). The Bonds shall mature on the first anniversary of the date of issuance and shall bear an annual coupon rate of 7%.

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 Bond Placing Agent and its ultimate beneficial owners are not a connected person (as defined under the Listing Rules) of the Company.

The Group has been actively looking for appropriate investment opportunities and implementing plans to develop its healthcare and health management platform towards its business goal of becoming an integrated healthcare and well-being service provider. The proceeds from the Bond Placing will be applied for general working capital to develop the Group's principal businesses (healthcare and well-being as well as investment and asset management) and investment opportunities. Accordingly, the directors of the Company are of the view that the issue of the Bonds is in the interest of Company and its shareholders as a whole.

GENERAL

The Group is principally engaged in the (i) healthcare and well-being business, including the operation of a chain of sports and healthcare clubhouses under the brand name "Megafit", a chain of medical centres specialising in the diagnosis and treatment of tumours in the PRC and a chain of optical products and eye-care services retail shops under the brand name of "Hong Kong Optical" in Hong Kong, as well as (ii) asset management business (including investment in financial/fixed/distressed assets and loan financing).

Shareholders of the Company and potential investors should note that under the Bond Placing Agreement, the Bond Placing is undertaken on a best effort basis. As the Bond 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, 18 February 2016

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.