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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)**

**DISCLOSEABLE TRANSACTION —  
PARTICIPATION IN RIGHTS ISSUE OF  
IR RESOURCES LIMITED**

**THE IR RESOURCES RIGHTS ISSUE AND THE UNDERTAKING**

The Company is pleased to announce that after the trading hours on 24 February 2016, the Company has signed and provided the Undertaking to IR Resources and the IR Resources Underwriter, pursuant to which the Company has irrevocably undertaken that it will subscribe for 7,100,000,000 IR Resources Rights Shares to be provisionally allotted to the Company as a shareholder of IR Resources under the IR Resources Rights Issue for a consideration of approximately HK\$71 million. The IR Resources Rights Issue is conditional upon, among others, the IR Capital Reorganization becoming effective. Upon completion of the IR Resources Rights Issue and taking into account of the Undertaking, the Company will remain as its single largest shareholder and beneficially own 7,868,698,967 IR Resources New Shares, representing approximately 27.3% of the enlarged issued share capital of IR Resources.

Since the applicable percentage ratios (as defined under the Listing Rules) in respect of the IR Resources Rights Issue on part of the Company are greater than 5% but less than 25%, the Company's participation in the IR Resources Rights Issue pursuant to the Undertaking will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

**THE IR RESOURCES RIGHTS ISSUE AND THE UNDERTAKING**

**Background**

The Company currently holds 768,698,967 IR Resources Shares, representing approximately 29.3% of the total IR Resources Shares in issue as at the date of this announcement. On 24 February 2016, IR Resources announces that it proposes to raise funds by way of rights issue on the basis of ten (10) IR Resources Rights Shares for every one (1) IR Resources New Share

in issue upon the IR Capital Reorganization becoming effective, at the Subscription Price of HK\$0.01 per IR Resources Rights Share. Details of the IR Resources Rights Issue are disclosed in the announcement (the “**Announcement**”) of IR Resources dated 24 February 2016.

### **The Undertaking**

On 24 February 2016 (after trading hours), the Company signed and provided the Undertaking to IR Resources and the IR Resources Underwriter, pursuant to which the Company has irrevocably undertaken to IR Resources and the IR Resources Underwriter that it, among other things:

- (i) will remain as the beneficial owner of the 768,698,967 IR Resources Shares currently held by it up to and including the record date of the IR Resources Rights Issue; and
- (ii) will apply and pay for the 7,100,000,000 IR Resources Rights Shares to be provisionally allotted to the Company pursuant to the IR Resources Rights Issue.

Under the IR Resources Rights Issue, IR Resources proposes to raise funds by way of rights issue at the Subscription Price on the basis of ten IR Resources Rights Shares for every one IR Resources New Share in issue upon the IR Capital Reorganization becoming effective. Based on the 768,698,967 IR Resources Shares beneficially owned by the Company as at the date of this announcement, the Company will be entitled to subscribe for 7,686,989,670 IR Resources Rights Shares to be provisionally allotted to it under the IR Resources Rights Issue, of which 7,100,000,000 IR Resources Rights Shares are undertaken to be subscribed by the Company under the Undertaking.

Upon completion of the IR Resources Rights Issue and taking into account of the Undertaking, the Company will beneficially own 7,868,698,967 IR Resources New Shares, representing approximately 27.3% of the enlarged issued share capital of IR Resources.

### **The Subscription Price**

The Subscription Price for the IR Resources Rights Shares is HK\$0.01 per IR Resources Rights Share.

As at the date of this announcement, the Company beneficially owns 768,698,967 IR Resources Shares. Based on the Subscription Price of HK\$0.01 per IR Resources Rights Share, the consideration payable by the Company under the IR Resources Rights Issue pursuant to the Undertaking will amount to approximately HK\$71 million, which will be funded by the Group’s internal resources and/or financing. Given the significant discount of approximately 87% to the closing prices of the IR Resources Shares as represented by the Subscription Price, the Company considers that the Subscription Price is fair and reasonable.

### **REASONS FOR AND BENEFITS OF PARTICIPATING IN THE IR RESOURCES RIGHTS ISSUE**

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 “Hong Kong Optical” in Hong Kong, as well as (ii) asset management business (including investment in financial/fixed/distressed assets and loan financing).

The Company is interested in approximately 29.3% of the issued shares capital of IR Resources as at the date of this announcement and is its single largest shareholder. The IR Resources Group is principally engaged in (i) forestry and agricultural business in the Kingdom of Cambodia (“Cambodia”) involving logging of trees, sale of wood products, plantation and agricultural produces in the three forests which IR Resources has been granted the exclusive exploitation concession right; and (ii) resources and logistics business.

As disclosed in the Announcement, the IR Resources Group has entered into agreements with investors and business partners, who have connections and experience in the timber and plantation businesses in Asia, to revitalize its business development in Cambodia. Following completion of the aforementioned agreements, together with the funding from the IR Resources Rights Issue, it is expected that IR Resources will be able to ramp up its forestry business and thus enhance the business and financial performance of IR Resources.

Having considered that (i) the proceed from the IR Resources Rights Issue is intended to be used as the general working capital of the IR Resources Group for development of forestry business, potential investment opportunities and repayment of the outstanding liabilities; (ii) the Company’s interest in IR Resources will be decreased from approximately 29.3% to approximately 2.7% if it does not participate in the IR Resources Rights Issue and, therefore, will not be able to enjoy the future growth of the IR Resources Group as a result of improvement of its capital base and future business development; and (iii) the Subscription Price represents a substantial discount of approximately 87% to the last trading price of the IR Resources Shares, the Company is of the view that its participation in the IR Resources Rights Issue pursuant to the Undertaking is fair and reasonable and is in the interest of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATION**

Since the applicable percentage ratios (as defined under the Listing Rules) in respect of the IR Resources Rights Issue on the part of the Company are greater than 5% but less than 25%, the Company’s participation in the IR Resources Rights Issue pursuant to the Undertaking will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

## **GENERAL**

As disclosed in the announcement of IR Resources dated 24 February 2016 relating to the publication of annual results of the IR Resources Group for the year ended 31 December 2015, the IR Resources Group recorded (i) a consolidated net loss before and after tax of HK\$41.7 million and HK\$41.7 million respectively for the year ended 31 December 2014 and (ii) a consolidated net loss before and after tax of HK\$33.4 million and HK\$35.1 million respectively for the year ended 31 December 2015. As at 31 December 2015, the IR Resources Group had consolidated net asset value of HK\$178.8 million. IR Resources is accounted for as an available-for-sale financial asset of the Company.

## DEFINITION

Unless the context otherwise requires, the following terms used in this announcement shall have the following meanings when used herein:

“Company”	China Wah Yan Healthcare Limited, a company incorporated in Hong Kong, the issued shares of which are listed on The Stock Exchange of Hong Kong Limited
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“IR Capital Reorganization”	the proposed reorganization of the share capital of IR Resources as disclosed in the announcement of IR Resources dated 24 February 2016, pursuant to which, among others, the IR Resources Shares shall become IR Resources New Shares
“IR Resources”	IR Resources Limited, a company incorporated in Bermuda with limited liability and whose issued shares are listed on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“IR Resources Group”	IR Resources and its subsidiaries
“IR Resources Shares”	the ordinary shares of HK\$0.05 each in the issued share capital of IR Resources
“IR Resources New Shares”	the ordinary shares of HK\$0.001 each in the share capital of IR Resources upon the IR Capital Reorganization becoming effective
“IR Resources Rights Issue”	the proposed issue of the IR Resources Rights Shares on the basis of ten IR Resources Rights Shares for every one IR Resources Share in issue at the Subscription Price as contemplated under the underwriting agreement entered into between IR Resources and the IR Resources Underwriter
“IR Resources Rights Shares”	the IR Resources New Shares proposed to be offered to the qualifying shareholders of IR Resources pursuant to the IR Resources Rights Issue
“IR Resources Underwriter”	the underwriter of the IR Resources Rights Issue
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

- “PRC” the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, The Macau Special Administrative Region and Taiwan)
- “Subscription Price” the issue price of HK\$0.01 per IR Resources Rights Share at which the IR Resources Rights Shares are proposed to be offered for subscription
- “Undertaking” the irrevocable undertaking dated 24 February 2016 signed and provided by the Company to IR Resources and the IR Resources Underwriter for the subscription of 7,100,000,000 IR Resources Rights Shares under the IR Resources Rights Issue

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

Hong Kong, 24 February 2016

*As at the date of this announcement, the Board 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.*