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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)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the Group's loss for the year ended 31 December 2015 is expected to be increased substantially as compared to the loss for the year ended 31 December 2014.

Shareholders and potential investors should therefore exercise caution in placing reliance on this announcement in assessing the merits and demerits of the Offers and/or when dealing in the securities of the Company.

Reference is made to the joint announcement of China Wah Yan Healthcare Limited (the "Company", together with its subsidiaries, the "Group") and Rui Kang Pharmaceutical Group Investments Limited ("Rui Kang") dated 17 February 2016 in relation to the voluntary conditional securities exchange offers by the Company to acquire all the issued shares in the capital of Rui Kang (other than those already owned by the Company and parties acting in concert with it) and cancel all outstanding share options of Rui Kang (the "Offers").

This announcement is made by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

The board (the “Board”) of directors of the Company wishes to inform the shareholders of the Company (the “Shareholders”) and the potential investors that based on assessment by the Board of the latest available unaudited consolidated management accounts of the Group, the Group’s loss for the year ended 31 December 2015 is expected to be increased substantially as compared to the loss of HK\$42 million for the year ended 31 December 2014, due to, among other factors:

- impairment losses on the accounts receivable and/or decrease in the Group’s turnover from the operation of the Group’s medical centres specialising in the diagnosis and treatment of tumour in The People’s Republic of China;
- the potential tax provision as a result of the Group’s restructuring of its interest in certain healthcare related investments/assets; and
- the decrease in the fair value of the Group’s financial and capital assets.

The Group is still in the process of preparing and finalising its results for the year ended 31 December 2015. The information contained in this announcement is only based on the Board’s assessment of the latest available unaudited consolidated management accounts of the Group as at the date of this announcement, which have not been audited by the Company’s auditors and may be subject to adjustments. It is expected that the annual results announcement will be published later this month in accordance with the Listing Rules. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2015 when it is published.

This profit warning announcement constitutes a profit forecast under Rule 10 of the Code on Takeovers and Mergers (the “Takeovers Code”) and must be reported on in accordance with Rule 10 of the Takeovers Code unless the annual results announcement for the twelve months ended 31 December 2015 has been published prior to the next document to be sent to the Shareholders in relation to the Offers.

Since this announcement is required to be made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO, which require the Company to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code. This profit warning is normally required to be separately reported on by its auditor or accountant and such report is required to be contained in the next document to be issued by the Company to its Shareholders in connection with the Offers as announced in the announcement of the Company dated 17 February 2016. The profit warning will be reported on in accordance with Rule 10 of the Takeovers Code unless the annual results announcement for the twelve months ended 31 December 2015 has been published prior to the next document to be sent to the Shareholders in relation to the Offers.

Shareholders and potential investors should note that this announcement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. Shareholders and potential investors should therefore exercise caution in placing reliance on this announcement in assessing the merits and demerits of the Offers and/or 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, 1 March 2016

As at the date of this announcement, the board of directors of the Company 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, Ms. Hu Xuezheng, Mr. Lam Chun Ho and Ms. Wu Yan.

All directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.