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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 9 September 2016.

Reference is made to the announcement of the Company dated 23 August 2016 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 Company is pleased to announce that the conditions precedent to the Placing have been fulfilled and completion of the Placing took place on 9 September 2016. 778,057,500 Placing Shares have been placed by the Placing Agent at the Placing Price to not less than six Placees. To the best of the Director's knowledge and belief, having made all reasonable enquiries, (i) each of the Placees and where appropriate, their ultimate beneficial owners, is not connected person of the Company (as defined under the Listing Rules) and (ii) none of the Placee will become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing. The 778,057,500 Placing Shares represent 16.48% 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\$41.4 million, and will be used for the Group's general working, capital investment opportunity and enhancement of capital structure.

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	2.57%	101,250,000	2.15%
The Placee(s)	—	—	778,057,500	16.48%
Other public shareholders	<u>3,841,429,069</u>	<u>97.43%</u>	<u>3,841,429,069</u>	<u>81.37%</u>
	<u><u>3,942,679,069</u></u>	<u><u>100.00%</u></u>	<u><u>4,720,736,569</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) 135,270,541 unlisted warrants of the Company (the “Warrants”) entitling the holders thereof to subscribe for up to 135,270,541 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 5,128,205 new Shares. As a result of the Placing, adjustments will be made such that (i) the subscription price of the outstanding Warrants will be adjusted to HK\$0.485 and the number of new Shares that can be subscribed for under the outstanding Warrants will be adjusted to 139,175,258 Shares; and (ii) the conversion price of the outstanding Convertible Notes will be adjusted to HK\$0.37 and the number of Shares that can be converted into by the Convertible Notes will be adjusted to 5,405,405 Shares.

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

Hong Kong, 9 September 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, Ms. Hu Xuezheng, Mr. Lam Chun Ho and Dr. Tong Cheuk Man.