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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 SPECIFIC 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 11 November 2016.

Reference is made to the circular (the “Circular”) of the Company dated 7 October 2016 relating to the Placing. Unless otherwise stated herein, capitalised terms used in this announcement shall have the same meaning as those defined in the Circular.

**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 11 November 2016. 1,800,000,000 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, its ultimate beneficial owner(s), is not a 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 1,800,000,000 Placing Shares represent approximately 27.6% 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, is estimated to be approximately HK\$95.7 million. The Company intends to apply not less than 90% of the net proceeds for debt repayment and the remaining balance as general working capital.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structures of the Company immediately before and upon completion of the Placing:

	Immediately before completion of the Placing		Upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximately</i>	<i>Number of Shares</i>	<i>Approximately</i>
<b>Shareholders</b>				
Director	101,250,000	2.14%	101,250,000	1.55%
The Placees ( <i>Note</i> )	25,900,000	0.55%	1,825,900,000	28.00%
Other public shareholders	<u>4,593,586,569</u>	<u>97.31%</u>	<u>4,593,586,569</u>	<u>70.45%</u>
	<u>4,720,736,569</u>	<u>100.00%</u>	<u>6,520,736,569</u>	<u>100.00%</u>

*Note: one of the Placees owned 25,900,000 Shares immediately before completion of the Placing.*

## ADJUSTMENT TO CONVERTIBLE SECURITIES OF THE COMPANY

Immediately prior to completion of the Placing, there were (i) 139,175,258 unlisted warrants of the Company (the “Warrants”) entitling the holders thereof to subscribe for up to 139,175,258 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 5,405,405 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\$0.467 and the number of new Shares that can be subscribed for under the outstanding Warrants will be adjusted to 144,539,615 Shares; and (ii) the conversion price of the outstanding Convertible Notes will be adjusted to HK\$0.35 and the number of Shares that can be converted into by the Convertible Notes will be adjusted to 5,714,286 Shares.

## FUND RAISING ACTIVITIES OF THE COMPANY SINCE 2015

The Company has completed the following equity fund raising exercises since 2015 and up to the date of this announcement:

Date of announcement	Event	Net proceed raised	Intended use of proceeds	Actual use of proceeds
<b>2014</b>				
9 October	Issue of convertible bonds	HK\$43 million	General working capital, reduction of debts and investment	HK\$43 million used for debt repayment
<b>2015</b>				
29 March	Placing of new Shares	HK\$41 million	General working capital, reduction of debt and future investment	(i) HK\$22 million used for debt repayment; (ii) HK\$9.4 million used as contribution to the optical products and eye-care services business; and (iii) HK\$9.6 million used as general working capital
1 June	Placing of new Shares	HK\$117 million	General working capital, reduction of debt and future investment	(i) HK\$70 million used for debt repayment; (ii) HK\$35 million used for asset management business; and (iii) HK\$12 million used as general working capital
10 December	Placing of new Shares	HK\$47 million	General working capital for development of the Group's principal businesses and capital structure enhancement	(i) HK\$27 million for the Group's investment in the obstetric and gynaecological business, ophthalmic business and New Ray Medicine International Holding Limited; and (ii) HK\$20 million used for debt repayment

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceed raised</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
<b>2016</b> 23 August	Placing of new Shares	HK\$41 million	General working capital, investment opportunities and capital structure enhancement	(i) HK\$18 million used for debt repayment; and (ii) the remaining balance to be used as intended

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

Hong Kong, 11 November 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 three independent non-executive Directors, namely, Mr. Chan Yee Ping, Michael, Ms. Hu Xuezhen and Mr. Lam Chun Ho.*