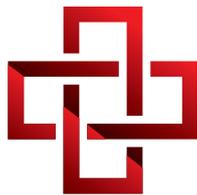


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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Wah Yan Healthcare or Xinhua News Media nor shall there be any sale, purchase or subscription for securities of Wah Yan Healthcare or Xinhua News Media in any jurisdiction in which such offer, solicitation or sale would be unlawful absent the filing of a registration statement or the availability of an applicable exemption from registration or other waiver. This announcement is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.*



## **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)**

## **Wisdom Eighteen Limited**

*(Incorporated in the British Virgin Islands with limited liability)*

### **ANNOUNCEMENT**

**(1) REVISED VOLUNTARY CONDITIONAL  
SECURITIES EXCHANGE OFFERS BY HUATAI FINANCIAL AND NUADA  
ON BEHALF OF**

**WISDOM EIGHTEEN LIMITED**

**(A WHOLLY-OWNED SUBSIDIARY OF WAH YAN HEALTHCARE)**

**TO ACQUIRE ALL THE ISSUED SHARES**

**OF XINHUA NEWS MEDIA**

**AND**

**TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF  
XINHUA NEWS MEDIA;**

**(2) VERY SUBSTANTIAL ACQUISITION;**

**(3) SPECIFIC MANDATE TO ISSUE NEW SHARES;**

**(4) CONNECTED TRANSACTION — ISSUANCE OF NEW SHARES TO A  
CONNECTED PERSON UNDER THE SPECIFIC MANDATE;**

**(5) FURTHER DELAY IN DESPATCH OF OFFER DOCUMENT AND CIRCULAR  
AND**

**(6) RESUMPTION OF TRADING IN THE SHARES**

Joint Financial Advisers to the Offeror



Nuada Limited

**Independent Financial Adviser to the board of directors of Wah Yan Healthcare  
and the sole director of Wisdom Eighteen Limited**

**and**

**Independent Financial Adviser to the Independent Board Committee and  
the independent Wah Yan Healthcare Shareholders**



**REORIENT Financial Markets Limited**

**(1) INTRODUCTION**

Reference is made to (i) the 2016 Offer Announcement; (ii) and the announcements of Wah Yan Healthcare dated 3, 11 and 24 January 2017 and 20 February 2017 in relation to the delay in despatch of the circular of Wah Yan Healthcare and/or the Offer Document. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the 2016 Offer Announcement.

On 4 December 2016, the Offeror, a direct wholly-owned subsidiary of Wah Yan Healthcare, informed the board of directors of Xinhua News Media that it will make voluntary conditional securities exchange offers (i) to acquire all of the issued shares of Xinhua News Media held by the Xinhua News Media Shareholders (including Weluck) (other than those already owned by the Offeror, Wah Yan Healthcare and parties acting in concert with it (except Weluck)); and (ii) to cancel all of the outstanding Xinhua News Media Options.

Wah Yan Healthcare and the Offeror hereby jointly announce that on 9 March 2017 and 16 March 2017 (both after trading hours), Huatai Financial and Nuada, for and on behalf of the Offeror, informed the board of directors of Xinhua News Media about the terms of the Revised Offers.

**(2) CONSIDERATION FOR THE REVISED OFFERS**

Huatai Financial and Nuada will, for and on behalf of the Offeror, make the Revised Offers on the following basis:

**The Revised Share Offer:**

For every 1 Xinhua News Media Share . . . . . 9 new Wah Yan Healthcare Shares

**The Revised Option Offer:**

An appropriate offer will be made by Huatai Financial and Nuada, for and on behalf of the Offeror, to the Xinhua News Media Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Xinhua News Media Options in exchange for new Wah Yan Healthcare Shares:

For cancellation of every 1  
Xinhua News Media Option . . . . . 4 new Wah Yan Healthcare Shares

**(3) CONDITIONS TO THE REVISED OFFERS**

Save for the above revisions, all the proposed terms and conditions of the Offers (in particular, the conditions of the Offers as previously disclosed in the 2016 Offer Announcement) will remain unchanged and will apply to the Revised Offers.

The Revised Option Offer will be conditional upon the Revised Share Offer becoming or being declared unconditional in all respects.

**(4) ADVICE FROM THE WAH YAN HEALTHCARE IFA ON THE REVISED OFFERS**

Since the maximum number of new Wah Yan Healthcare Shares that may fall to be issued upon completion of the Revised Offers (assuming all Xinhua News Media Shareholders and Xinhua News Optionholders validly elect to accept the Revised Share Offer and the Revised Option Offer respectively and based on 1,367,486,040 Xinhua News Media Shares and 80,675,400 Xinhua News Media Options in issue as at the date of this announcement) represents more than 100% of the existing number of issued Wah Yan Healthcare Shares as at the date of this announcement, the Revised Offers will constitute a reverse takeover under Note 2 to Rule 2.4 of the Takeovers Code. In this connection, the board of directors of Wah Yan Healthcare and the sole director of the Offeror have engaged the Wah Yan Healthcare IFA as their independent financial adviser to advise the board of directors of Wah Yan Healthcare and the sole director of the Offeror on whether the Revised Offers are in the interests of the respective shareholders of the Offeror and Wah Yan Healthcare pursuant to Rule 2.4 of the Takeovers Code. The Wah Yan Healthcare IFA has indicated that having taken into account, among others, the respective terms of the Revised Share Offer and the Revised Option Offer, the benefits of the implementation of the Revised Offers as expected by Wah Yan Healthcare from the potential business developments of the Xinhua News Media Group after the Wah Yan Healthcare Group has obtained control over Xinhua News Media pursuant to the Revised Offers, the Wah Yan Healthcare IFA considers that the Revised Offers are in the interests of the respective shareholders of Wah Yan Healthcare and the Offeror as a whole. The full advice of Wah Yan Healthcare IFA will be included in the circular of Wah Yan Healthcare which will be despatched to the shareholders of Wah Yan Healthcare in connection with the Revised Offers.

**(5) VERY SUBSTANTIAL ACQUISITION, ALLOTMENT AND ISSUE OF NEW WAH YAN HEALTHCARE SHARES UNDER SPECIFIC MANDATE AND ALLOTMENT AND ISSUE OF NEW WAH YAN HEALTHCARE SHARES TO WELUCK**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the acquisition of Xinhua News Media Shares by the Offeror pursuant to the Revised Offers is more than 100%, the Revised Offers constitute a very substantial acquisition for Wah Yan Healthcare under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The allotment and issue of new Wah Yan Healthcare Shares to the Xinhua News Media Shareholders and the Xinhua News Media Optionholders who accept the Revised Offers is also subject to the approval of Wah Yan Healthcare Shareholders at Wah Yan Healthcare EGM pursuant to Rule 13.36(1)(a) of the Listing Rules.

Weluck, being a party acting in concert with the Offeror and a Xinhua News Media Shareholder holding 67,502,000 Xinhua News Media Shares (representing approximately 4.94% of total issued Xinhua News Media Shares) as at the date of this announcement, is a wholly-owned subsidiary of a company which is a substantial shareholder (as defined under the Listing Rules) of a non wholly-owned subsidiary of Wah Yan Healthcare and therefore is a Connected Person of Wah Yan Healthcare by virtue of Rule 14A.07(1) of the Listing Rules. The allotment and issue of Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers therefore constitutes a connected transaction for Wah Yan Healthcare under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent Wah Yan Healthcare Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

The Wah Yan Healthcare EGM will be held to consider and, if thought fit, pass the requisite resolution(s) to approve the Revised Offers, the Very Substantial Acquisition, the allotment and issue by Wah Yan Healthcare of new Wah Yan Healthcare Shares to the Xinhua News Media Shareholders and Xinhua News Media Optionholders who accept the Revised Offers and the allotment and issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers. A circular containing, *inter alia*, (i) further details of the Revised Offers which constitute the Very Substantial Acquisition; (ii) further details in relation to the allotment and issue of new Wah Yan Healthcare Shares to the Xinhua News Media Shareholders and the Xinhua News Media Optionholders who accept the Revised Offers under the specific mandate; (iii) further details in relation to the issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers; (iv) the recommendation from the Independent Board Committee on the issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers; (v) the advice from the Wah Yan Healthcare IFA to the Independent Board Committee and the independent Wah Yan Healthcare Shareholders on the issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers; (vi) the advice from the Wah Yan Healthcare IFA to the board of directors of Wah Yan Healthcare and the Offeror on whether the Revised Offers are in the interests of the respective shareholders of the Offeror and Wah Yan Healthcare pursuant to Rule 2.4 of the Takeovers Code; and (vii) other information as required to be contained in the circular under the Listing Rules together with a notice convening the Wah Yan Healthcare EGM will be despatched to the Wah Yan Healthcare Shareholders on or before 31 March 2017.

#### **(6) SUSPENSION AND RESUMPTION OF TRADING**

At the request of Wah Yan Healthcare, trading in the Wah Yan Healthcare Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 10 March 2017 pending the release of this announcement. Application has been made by Wah Yan Healthcare for resumption of trading in the Wah Yan Healthcare Shares on the Stock Exchange with effect from 9:00 a.m. on 17 March 2017.

#### **WARNING**

**Completion of the Revised Offers is subject to the conditions of the Revised Offers being fulfilled or waived, as applicable. Completion may or may not take place and, accordingly, the Revised Offers may or may not proceed. Shareholders and potential investors in Wah Yan Healthcare and/or Xinhua News Media are advised to exercise caution when dealing in the Wah Yan Healthcare Shares and the Xinhua News Media Shares. Persons who are in doubt as to the actions they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## INTRODUCTION

Reference is made to (i) the 2016 Offer Announcement; (ii) and the announcements of Wah Yan Healthcare dated 3, 11 and 24 January 2017 and 20 February 2017 in relation to the delay in despatch of the circular of the Wah Yan Healthcare and/or the Offer Document. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the 2016 Offer Announcement.

On 4 December 2016, the Offeror, a direct wholly-owned subsidiary of Wah Yan Healthcare, informed the board of directors of Xinhua News Media that it will make voluntary conditional securities exchange offers (i) to acquire all of the issued shares of Xinhua News Media held by the Xinhua News Media Shareholders (including Weluck) (other than those already owned by the Offeror, Wah Yan Healthcare and parties acting in concert with it (except Weluck)); and (ii) to cancel all of the outstanding Xinhua News Media Options.

Wah Yan Healthcare and the Offeror hereby jointly announce that on 9 March 2017 and 16 March 2017 (both after trading hours), Huatai Financial and Nuada, for and on behalf of the Offeror, informed the board of directors of Xinhua News Media about the terms of the Revised Offers.

To the best of knowledge, information and belief of the directors of Wah Yan Healthcare and the sole director of the Offeror having made all reasonable enquiry,

1. as at the date of this announcement, each of Xinhua News Media, the Xinhua News Media Shareholders (except Weluck) and the Xinhua News Media Optionholders and each of their respective ultimate beneficial owners is a third party independent of Wah Yan Healthcare and its Connected Persons; and
2. Weluck, being a party acting in concert with the Offeror and a Xinhua News Media Shareholder holding 67,502,000 Xinhua News Media Shares (representing 4.94% of total issued Xinhua News Media Shares) as at the date of this announcement, is the wholly-owned subsidiary of a company which is a substantial shareholder (as defined under the Listing Rules) of a non wholly-owned subsidiary of Wah Yan Healthcare and therefore is a Connected Person of Wah Yan Healthcare by virtue of Rule 14A.07(1) of the Listing Rules.

The Revised Offers will be made in compliance with the Takeovers Code, which is administered by the Executive. The Offeror will continue to retain Huatai Financial and Nuada as its joint financial advisers in respect of the Revised Offers.

Based on the publicly available information, as at the date of this announcement, there are 1,367,486,040 Xinhua News Media Shares in issue and outstanding Xinhua News Media Options in respect of 80,675,400 Xinhua News Media Shares.

Based on the publicly available information, the exercise price of the outstanding Xinhua News Media Options and the period in which they are exercisable are set out below:

<b>Exercise Price</b>	<b>Number of outstanding Xinhua News Media Options</b>	<b>Exercise Period</b>
HK\$0.1882	80,675,400	29 September 2016 to 28 September 2026

**CONSIDERATION FOR THE REVISED OFFERS**

Huatai Financial and Nuada will, for and on behalf of the Offeror, make the Revised Offers on the following basis:

**The Revised Share Offer:**

For every 1 Xinhua News Media Share . . . . . 9 new Wah Yan Healthcare Shares

On the basis of an ascribed value of HK\$0.369 per Xinhua News Media Share under the Revised Share Offer (based on the closing price of each Wah Yan Healthcare Share of HK\$0.041 as quoted on the Stock Exchange on the Last Trading Day and the exchange ratio of 9 new Wah Yan Healthcare Shares per 1 Xinhua News Media Share), the entire issued share capital of Xinhua News Media (including the Xinhua News Media Shares held by Weluck) is valued at approximately HK\$504,602,349.

The exchange ratio of 9 new Wah Yan Healthcare Shares per 1 Xinhua News Media Share was determined by the Offeror based on the prevailing market prices of the Wah Yan Healthcare Shares and the Xinhua News Media Shares.

Save for Weluck’s interest in the 67,502,000 Xinhua Media Shares, neither the Offeror, Wah Yan Healthcare nor the parties acting in concert with the Offeror or Wah Yan Healthcare holds or has control or discretion over any Xinhua News Media Shares or holds any convertible securities, warrants or options in respect of any Xinhua News Media Shares as at the date of this announcement.

**The Revised Option Offer:**

An appropriate offer will be made by Huatai Financial and Nuada, for and on behalf of the Offeror, to the Xinhua News Media Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Xinhua News Media Options in exchange for new Wah Yan Healthcare Shares:

For the cancellation of every 1  
Xinhua News Media Option . . . . . 4 new Wah Yan Healthcare Shares

The above Revised Option Offer is determined with reference to the see-through price based on the difference between the ascribed value of HK\$0.369 per Xinhua News Media Share under the Revised Offer and the exercise price of HK\$0.1882 of the Xinhua News Media Options.

The Revised Option Offer will be conditional upon the Revised Share Offer becoming or being declared unconditional in all respects. Further information on the Revised Option Offer will be set out in the Offer Document containing details of the Revised Option Offer which will be sent to the Xinhua News Media Optionholders in accordance with the Takeovers Code.

Following acceptance of the Revised Option Offer, the relevant Xinhua News Media Options together with all rights attaching thereto will be entirely cancelled and renounced.

Based on the publicly available information on the principal terms of the Share Option Scheme, if the Revised Share Offer becomes or is declared unconditional, the Xinhua News Media Optionholders shall be entitled to exercise their Xinhua News Media Option (to the extent not already exercised) at any time before the close of such offer. Subject to the above, a Xinhua News Media Option will lapse automatically (to the extent not exercised) on the date on which such offer closes.

Based on the publicly available information, Xinhua News Media has no other outstanding Xinhua News Media Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Xinhua News Media Shares or other types of securities in Xinhua News Media as at the date of this announcement.

Based on an exchange ratio of (i) 9 new Wah Yan Healthcare Shares per 1 Xinhua News Media Share and 1,367,486,040 Xinhua News Media Shares in issue; and (ii) 4 new Wah Yan Healthcare Shares per 1 Xinhua News Media Option and 80,675,400 Xinhua News Media Options in issue as at the date of this announcement, and assuming that (i) all Xinhua News Media Shareholders (including Weluck) validly elect to accept the Revised Offers; and (ii) there will be no change in the number of issued Xinhua News Media Shares since the date of this announcement and up to the Closing Date, the maximum number of new Wah Yan Healthcare Shares that may fall to be issued in connection with the Revised Share Offer and the Revised Option Offer will be (a) 12,630,075,960 (assuming that no Xinhua News Media Options will be exercised prior to the Closing Date), representing approximately 193.69% of the 6,520,736,569 existing issued Wah Yan Healthcare Shares as at the date of this announcement and approximately 65.95% of the enlarged issued share capital of Wah Yan Healthcare of 19,150,812,529 Wah Yan Healthcare Shares immediately following the issue of the aforesaid number of new Wah Yan Healthcare Shares; or (b) 13,033,452,960 (assuming that all Xinhua News Media Options will be exercised prior to the Closing Date), representing approximately 199.88% of the 6,520,736,569 existing issued Wah Yan Healthcare Shares as at the date of this announcement and approximately 66.65% of the enlarged issued share capital of Wah Yan Healthcare of 19,554,189,529 Wah Yan Healthcare Shares immediately following the issue of the aforesaid number of new Wah Yan Healthcare Shares.

Xinhua News Media Shareholders and Xinhua News Media Optionholders should be aware that in accepting the Revised Offers, any resulting fractions of a new Wah Yan Healthcare Share will be disregarded and such fractions of a new Wah Yan Healthcare Share will not be issued.

Xinhua News Media Shareholders and Xinhua News Media Optionholders should also be aware that Wah Yan Healthcare Shares are traded in board lots of 2,500 shares and no arrangements are intended to be made for the trading of odd lots of Wah Yan Healthcare Shares resulting from the acceptance of the Revised Offers.

As at the date of this announcement, the Offeror or Wah Yan Healthcare has not received any notice from any Xinhua News Media Shareholders or Xinhua News Media Optionholders relating to their acceptance or rejection of the Revised Offers.

### **Comparisons of value**

The ascribed value of HK\$0.369 per each Xinhua News Media Share (equivalent to the closing price of Wah Yan Healthcare Shares of HK\$0.041 as quoted on the Stock Exchange on the Last Trading Day multiplied by 9 for each Xinhua News Media Share) represents:

- (i) a premium of approximately 2.50% to the closing price of Xinhua News Media Share of HK\$0.36, as quoted on the Stock Exchange on 9 March 2017, being the Last Trading Day;
- (ii) a premium of approximately 2.22% to the average closing price of approximately HK\$0.361 per Xinhua News Media Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 5.13% to the average closing price of approximately HK\$0.351 per Xinhua News Media Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day; and
- (iv) a premium of approximately 284.38% to the audited consolidated net assets per Xinhua News Media Share of approximately HK\$0.096 as at 30 September 2016 (being the date to which the latest unaudited consolidated interim results of the Xinhua News Media Group were made up), calculated based on the Xinhua News Media Group's unaudited consolidated net assets attributable to its shareholders of approximately HK\$131.75 million as at 30 September 2016 and 1,367,486,040 Xinhua News Media Shares in issue as at the date of this announcement.

The implied issue price of HK\$0.04 per each new Wah Yan Healthcare Share (equivalent to the closing price of HK\$0.36 per Xinhua News Media Share as quoted on the Stock Exchange on the Last Trading Day divided by 9 for each new Wah Yan Healthcare Share) represents:

- (i) a discount of approximately 2.44% to the closing price of Wah Yan Healthcare Share of HK\$0.041, as quoted on the Stock Exchange on 9 March 2017, being the Last Trading Day;
- (ii) a discount of approximately 1.48% to the average closing price of approximately HK\$0.0406 per Wah Yan Healthcare Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 1.96% to the average closing price of approximately HK\$0.0408 per Wah Yan Healthcare Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day; and

(iv) a premium of approximately 25% to the unaudited consolidated net assets per Wah Yan Healthcare Share of approximately HK\$0.032 as at 30 June 2016 (being the date to which the latest unaudited consolidated interim results of the Wah Yan Healthcare Group were made up), calculated based on the Wah Yan Healthcare Group's unaudited consolidated net assets attributable to its shareholders of approximately HK\$211.22 million as at 30 June 2016 and 6,520,736,569 Wah Yan Healthcare Shares in issue as at the date of this announcement.

## **VALUE OF THE REVISED OFFERS**

Based on the publicly available information, as at the date of this announcement, there are 1,367,486,040 Xinhua News Media Shares in issue. On the basis of the ascribed value of HK\$0.369 per Xinhua News Media Share and assuming that (i) there will be no change in the number of Xinhua News Media Shares in issue; and (ii) all Xinhua News Media Shareholders accept the Revised Share Offer, the Revised Share Offer is valued at HK\$504,602,349 (assuming that no outstanding Xinhua News Media Options are exercised prior to the Closing Date) or HK\$534,371,571 (assuming that all outstanding Xinhua News Media Options are exercised prior to the Closing Date).

As at the date of this announcement, there are 80,675,400 Xinhua News Media Options outstanding entitling the Xinhua News Media Optionholders to subscribe for, pursuant to the Share Option Scheme, 80,675,400 Xinhua News Media Shares at an exercise price of HK\$0.1882. Assuming none of the outstanding Xinhua News Media Options are exercised prior to the Closing Date, based on the closing price of Wah Yan Healthcare Shares of HK\$0.041 as quoted on the Stock Exchange on the Last Trading Day and the exchange ratio of 4 new Wah Yan Healthcare Shares for every 1 Xinhua News Media Option, the Revised Option Offer is valued at approximately HK\$13,230,766.

Based on the above, the Revised Offers are valued at HK\$517,833,115 in aggregate (assuming no Xinhua News Media Options are exercised prior to the Closing Date) or HK\$534,371,571 (assuming all of the outstanding Xinhua News Media Options are exercised prior to the Closing Date).

## **CONDITIONS OF THE REVISED OFFERS**

Save for the above revisions, all the proposed terms and conditions of the Offers (in particular, the conditions of the Offers as previously disclosed in the 2016 Offer Announcement) will remain unchanged and will apply to the Revised Offers.

The Revised Option Offer will be conditional upon the Revised Share Offer becoming or being declared unconditional in all respects.

**WARNING:**

**The Xinhua News Media Shareholders, the Xinhua News Media Optionholders and potential investors of Xinhua News Media should be aware that the Revised Share Offer is subject to the satisfaction or waiver (where applicable) of the conditions of the Revised Share Offer, and the Revised Option Offer is subject to and conditional upon the Revised Share Offer becoming or being declared unconditional in all respects. Accordingly, the Revised Offers may or may not become unconditional. The Xinhua News Media Shareholders, the Xinhua News Media Optionholders and potential investors should therefore exercise caution when dealing in the Xinhua News Media Shares, exercising the Xinhua News Media Options or other rights in respect of any of them. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

**ADVICE FROM THE WAH YAN HEALTHCARE IFA ON THE REVISED OFFERS**

Since the maximum number of new Wah Yan Healthcare Shares that may fall to be issued upon completion of the Revised Offers (assuming all Xinhua News Media Shareholders and Xinhua News Optionholders validly elect to accept the Revised Share Offer and the Revised Option Offer respectively and based on 1,367,486,040 Xinhua News Media Shares and 80,675,400 Xinhua News Media Options in issue as at the date of this announcement) represents more than 100% of the existing number of issued Wah Yan Healthcare Shares as at the date of this announcement, the Revised Offers will constitute a reverse takeover under Note 2 to Rule 2.4 of the Takeovers Code. In this connection, the board of directors of Wah Yan Healthcare and the sole director of the Offeror have engaged the Wah Yan Healthcare IFA as their independent financial adviser to advise the board of directors of the Offeror and Wah Yan Healthcare on whether the Revised Offers are in the interests of the respective shareholders of the Offeror and Wah Yan Healthcare pursuant to Rule 2.4 of the Takeovers Code. The Wah Yan Healthcare IFA has indicated that having taken into account, among others, the respective terms of the Revised Share Offer and the Revised Option Offer, the benefits of the implementation of the Revised Offers as expected by Wah Yan Healthcare from the potential business developments of the Xinhua News Media Group after the Wah Yan Healthcare Group has obtained control over Xinhua News Media pursuant to the Revised Offers, the Wah Yan Healthcare IFA considers that the Revised Offers are in the interests of the respective shareholders of Wah Yan Healthcare and the Offeror as a whole. The full advice of Wah Yan Healthcare IFA will be included in the circular of Wah Yan Healthcare which will be despatched to the shareholders of Wah Yan Healthcare in connection with the Revised Offers.

## **REASONS FOR THE REVISED OFFERS**

In view of (i) the increase in the share price of Xinhua News Media Shares (from the closing price of Xinhua News Media Shares increased by 100% from HK\$0.18 on 2 December 2016 (being the last trading day prior to the publication of the 2016 Offer Announcement) to HK\$0.36 on the Last Trading Day); and (ii) the decrease in the share price of Wah Yan Healthcare since the 2016 Offer Announcement (the closing price of Wah Yan Healthcare decreased by approximately 10.9% from HK\$0.046 on 2 December 2016 to HK\$0.041 on the Last Trading Day), the directors of Wah Yan Healthcare and the sole director of the Offeror are of the view that the increase in the exchange ratios under the Revised Offers with reference to their respective recent trading prices of Wah Yan Healthcare and Xinhua News Media could provide enhanced incentive for the Xinhua News Media Shareholders and the Xinhua News Media Optionholders to tender their acceptances for the Revised Offers.

Based on the above, the directors of Wah Yan Healthcare and the sole director of the Offeror are of the view that terms and conditions of the Revised Offers and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms. Having considered the terms and conditions of the Revised Offers and the transactions contemplated thereunder, the directors of the Offeror Wah Yan Healthcare are of the view that the Revised Offers and the transactions contemplated thereunder are in the interest of Wah Yan Healthcare and its shareholders as a whole.

## **INFORMATION ON THE OFFEROR AND THE WAH YAN HEALTHCARE GROUP**

The Wah Yan Healthcare Group is principally engaged in (i) the health management business; (ii) the medical and well-being business; and (iii) the asset management business.

The Offeror is a wholly-owned subsidiary of Wah Yan Healthcare and is principally engaged in investment holding.

## **SHAREHOLDING STRUCTURE OF WAH YAN HEALTHCARE**

As at the date of this announcement, there are 6,520,736,569 Wah Yan Healthcare Shares in issue. Save and except for (i) the outstanding share options granted by Wah Yan Healthcare to subscribe for 127,900,787 Wah Yan Healthcare Shares; (ii) the outstanding warrants granted by Wah Yan Healthcare to subscribe for 144,539,615 Wah Yan Healthcare Shares; and (iii) the convertible notes with aggregate principal amounts of HK\$2 million which are convertible into 5,714,286 Wah Yan Healthcare Shares, there are no outstanding options, derivatives, warrants or other securities in issue convertible or exchangeable into Wah Yan Healthcare Shares.

Assuming all Xinhua News Media Shareholders and Xinhua News Media Optionholders validly elect to accept the Revised Share Offer and the Revised Option Offer, respectively and based on the 1,367,486,040 Xinhua News Media Shares and 80,675,400 Xinhua News Media Options in issue as at the date of this announcement, a maximum of 12,630,075,960 new Wah Yan Healthcare Shares may fall to be issued (assuming that no Xinhua News Media Options will be exercised prior to the Closing Date). Assuming that there will be no change in the

existing 6,520,736,569 Wah Yan Healthcare Shares in issue since the date of this announcement and up to the Closing Date, and based on the publicly available information in relation to the shareholding of Xinhua News Media, the shareholding structures of Wah Yan Healthcare, both before and after completion of the Revised Offers, are as follows:

	Prior to completion of the Revised Offers		Immediately after completion of the Revised Offers (assuming that (i) all Xinhua News Media Shareholders and Xinhua News Media Optionholders validly elect to accept the Revised Share Offer and the Revised Option Offer, respectively; (ii) no Xinhua News Media Options will be exercised prior to the Closing Date; and (iii) there will be no other change in the issued share capital of Wah Yan Healthcare)		Immediately after completion of the Revised Offers (assuming that (i) all Xinhua News Media Options will be exercised prior to the Closing Date; (ii) all Xinhua News Media Shareholders validly elect to accept the Revised Offers, and (iii) there will be no other change in the issued share capital of Wah Yan Healthcare)	
	No. of Wah Yan Healthcare Shares	%	No. of Wah Yan Healthcare Shares	%	No. of Wah Yan Healthcare Shares	%
Xinhua News Agency Asia-Pacific Regional Bureau Limited	—	—	1,932,129,360	10.089	1,932,129,360	9.881
Mr. Ju Mengjun (Note 1)	—	—	54,696,000	0.285	123,066,000	0.630
Dr. Lo Kou Hong (Note 1)	—	—	433,641,000	2.264	502,011,000	2.567
Mr. Yu Guang (Note 1)	—	—	1,205,952,600	6.297	1,212,789,600	6.202
Mr. David Wei Ji (Note 1)	—	—	54,696,000	0.285	123,066,000	0.629
Mr. Wen Xin Nian (Note 1)	—	—	54,696,000	0.285	123,066,000	0.629
Mr. Wang Qi (Note 1)	—	—	5,468,000	0.029	12,303,000	0.063
Mr. Tsang Chi Hon (Note 1)	—	—	5,468,000	0.029	12,303,000	0.063
Mr. Ho Hin Yip (Note 1)	—	—	5,468,000	0.029	12,303,000	0.063
	—	—	3,752,214,960	19.592	4,053,036,960	20.727
Other Public Xinhua News Media Shareholders and Xinhua News Media Optionholders (who will cease to be Xinhua News Media Shareholders and Xinhua News Media Optionholders immediately after completion of the Revised Offers assuming they all validly elect to accept the Revised Offers)	—	—	8,877,861,000	46.358	8,980,416,000	45.926
Xinhua News Media Shareholders and Xinhua News Media Optionholders (who will cease to be Xinhua News Media Shareholders and Xinhua News Media Optionholders immediately after completion of the Revised Offers assuming they all validly elect to accept the Revised Offers)	—	—	12,630,075,960	65.950	13,033,452,960	66.653
Mr. Chan Ka Chung (Note 2)	101,250,000	1.55	101,250,000	0.529	101,250,000	0.518
Public Wah Yan Healthcare Shareholders (excluding, for this purpose, Xinhua News Media Shareholders and Xinhua News Media Optionholders who will have validly elected to accept the Revised Offers)	6,419,486,569	98.45	6,419,486,569	33.521	6,419,486,569	32.829
<b>Total</b>	<b>6,520,736,569</b>	<b>100.00</b>	<b>19,150,812,529</b>	<b>100.000</b>	<b>19,554,189,529</b>	<b>100.000</b>

Notes:

1. Directors of Xinhua News Media.
2. An executive director of Wah Yan Healthcare.
3. Based on the above and the disclosure of interest forms made available on the website of the Stock Exchange, it is expected that the issue and allotment of the new Wah Yan Healthcare Shares to the Xinhua News Media Shareholders and the Xinhua News Media Optionholders who accept the Revised Offers will not result in any change of control of Wah Yan Healthcare immediately after completion of the Revised Offers.

## INFORMATION ON XINHUA NEWS MEDIA

According to the publicly available information, the Xinhua News Media Group is principally engaged in the provision of broadcasting information and advertisement on television screen services, the provision of cleaning and related services, and the provision of medical waste treatment services.

## SHAREHOLDING STRUCTURE OF XINHUA NEWS MEDIA

Based on the publicly available information, there are 1,367,486,040 Xinhua News Media Shares in issue as at the date of this announcement. There are no other classes of securities of Xinhua News Media in issue other than the Xinhua News Media Shares and the outstanding Xinhua News Media Options in respect of 80,675,400 Xinhua News Media Shares.

Based on the publicly available information, save and except for the outstanding Xinhua News Media Options in respect of 80,675,400 Xinhua News Media Shares, there were no outstanding options, derivatives, warrants or other securities in issue convertible or exchangeable into the Xinhua News Media Shares as at the date of this announcement.

Based on the publicly available information and assuming all the Xinhua News Media Shareholders tender their acceptances for the Revised Share Offer and none of the outstanding Xinhua News Media Options are exercised and all outstanding Xinhua News Media Options are tendered for cancellation, the shareholding structures of Xinhua News Media, both before and immediately after the completion of the Revised Offers, are as follows:

	Prior to completion of the Revised Offers (Note 1)		Immediately after completion of the Revised Offers	
	No. of Xinhua News Media Shares	%	No. of Xinhua News Media Shares	%
Dr. Lo Kou Hong (Notes 2, 3)	42,105,000	3.08	—	—
Mr. Yu Guang (Note 3)	133,387,000	9.75	—	—
Xinhua News Agency Asia-Pacific Regional Bureau Limited	<u>214,681,040</u>	<u>15.70</u>	<u>—</u>	<u>—</u>
	390,173,040	28.53	—	—
The Offeror	—	—	1,367,486,040	100.00
Public Xinhua News Media Shareholders	<u>977,313,000</u>	<u>71.47</u>	<u>—</u>	<u>—</u>
<b>Total</b>	<u><u>1,367,486,040</u></u>	<u><u>100.00</u></u>	<u><u>1,367,486,040</u></u>	<u><u>100.00</u></u>

Notes:

1. *Details of the shareholdings of the Xinhua News Media are based on the disclosure of interest forms made available on the website of the Stock Exchange.*
2. *Including 2,105,000 Xinhua News Media Shares held by the spouse of Dr. Lo Kou Hong.*
3. *Directors of Xinhua News Media, and based on the disclosure of interest forms made available on the website of the Stock Exchange, each of Dr. Lo Kou Hong and Mr. Yu Guang has 13,674,000 Xinhua News Media Options and 1,367,400 Xinhua News Media Options respectively.*
4. *Based on the disclosure of interest forms made available on the website of the Stock Exchange, (i) each of Mr. Ju Mengjun, Mr. David Wei Ji, and Mr. Wen Xin Nian, who are executive directors of Xinhua News Media, holds 13,674,000, 13,674,000, 13,674,000 Xinhua News Media Options respectively; and (ii) each of Mr. Wang Qi, Mr. Tsang Chi Hon and Mr. Ho Hin Yip, who are independent non-executive directors of Xinhua News Media, holds 1,367,000, 1,367,000 and 1,367,000 Xinhua News Media Options respectively.*
5. *This shareholding table is for illustrative purpose only as trading in the Xinhua News Media Shares will be suspended until the public float as required by the Listing Rules is restored.*

## **INTENTION OF THE OFFEROR AND WAH YAN HEALTHCARE IN RELATION TO XINHUA NEWS MEDIA AND THE ENLARGED GROUP**

The Offeror and Wah Yan Healthcare intend Xinhua News Media to remain listed on the Stock Exchange and have no intention to discontinue any of the existing businesses of Xinhua News Media Group immediately following the completion of the Revised Offers. The Offeror and Wah Yan Healthcare will conduct a comprehensive strategic review on the Enlarged Group and subject to market conditions, the Offeror and Wah Yan Healthcare will explore opportunities to develop, collaborate and expand the businesses of or amongst the businesses of the Wah Yan Healthcare Group, New Ray Medicine and the Xinhua News Media Group, including but not limited to the possibility of undertaking new investments. It is the intention of the Offeror and Wah Yan Healthcare to nominate additional directors to the board of directors of Xinhua News Media following completion of the Revised Offers. Any change to the board of directors of Xinhua News Media will be made in compliance with the Takeovers Code, the Listing Rules and the articles of association of Xinhua News Media. To the best of the knowledge of the directors of Wah Yan Healthcare, as at the date of this announcement, it is expected that there will not be any change in the board of directors of Wah Yan Healthcare immediately upon closing of the Revised Offers.

## **VERY SUBSTANTIAL ACQUISITION, ALLOTMENT AND ISSUE OF NEW WAH YAN HEALTHCARE SHARES UNDER SPECIFIC MANDATE AND ALLOTMENT AND ISSUE OF NEW WAH YAN HEALTHCARE SHARES TO WELUCK**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the acquisition of Xinhua News Media Shares by the Offeror pursuant to the Revised Offers is more than 100%, the Revised Offers constitute a very substantial acquisition for Wah Yan Healthcare under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Wah Yan Healthcare Shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best knowledge, information and belief of the directors of Wah Yan Healthcare, having made all reasonable enquiries, no Wah Yan Healthcare Shareholders will be required to abstain from voting at Wah Yan Healthcare EGM on the resolution relating to the Very Substantial Acquisition. In the event that there are any Wah Yan Healthcare Shareholders who hold Xinhua News Media Shares at the date of the Wah

Yan Healthcare EGM, such shareholders and their close associates are required to abstain from voting at Wah Yan Healthcare EGM on the resolution relating to the Very Substantial Acquisition.

The allotment and issue of new Wah Yan Healthcare Shares to the Xinhua News Media Shareholders and the Xinhua News Media Optionholders who accept the Revised Offers is also subject to the approval of Wah Yan Healthcare Shareholders at Wah Yan Healthcare EGM pursuant to Rule 13.36(1)(a) of the Listing Rules. To the best knowledge, information and belief of the directors of Wah Yan Healthcare, having made all reasonable enquiries, no Wah Yan Healthcare Shareholders will be required to abstain from voting at Wah Yan Healthcare EGM on the resolution relating to the allotment and issue of new Wah Yan Healthcare Shares. In the event that there are any Wah Yan Healthcare Shareholders who hold Xinhua News Media Shares at the date of the Wah Yan Healthcare EGM, such shareholders are required to abstain from voting at Wah Yan Healthcare EGM on the resolution relating to the allotment and issue of new Wah Yan Healthcare Shares.

Weluck, being a party acting in concert with the Offeror and a Xinhua News Media Shareholder holding 67,502,000 Xinhua News Media Shares (representing approximately 4.94% of total issued Xinhua News Media Shares) as at the date of this announcement, is the wholly-owned subsidiary of a company which is a substantial shareholder (as defined under the Listing Rules) of a non wholly-owned subsidiary of Wah Yan Healthcare and therefore is a Connected Person of Wah Yan Healthcare by virtue of Rule 14A.07(1) of the Listing Rules. The allotment and issue of the new Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers therefore constitutes a connected transaction for Wah Yan Healthcare under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent Wah Yan Healthcare Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules. In the event that (i) Weluck accepts the Revised Offers; and (ii) the Revised Offers become unconditional in all respects, a total of 607,518,000 new Wah Yan Healthcare Shares will be allotted and issued to Weluck, representing approximately 9.32% of the existing issued Wah Yan Healthcare Shares as at the date of this announcement and approximately 3.11% of the enlarged issued Wah Yan Healthcare Shares upon completion of the Revised Offers (assuming all Xinhua News Media Shareholders accept the Revised Offers and all Xinhua News Media Options will be exercised prior to the Closing Date).

The resolutions relating to (i) the Very Substantial Acquisition, (ii) the allotment and issue of new Wah Yan Healthcare Shares under specific mandate and (iii) the allotment and issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers will be conducted by way of a poll.

The Independent Board Committee has been established to consider the allotment and issue of Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers and to advise the independent Wah Yan Healthcare Shareholders as to whether the issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers is on normal commercial terms, fair and reasonable and in the interests of Wah Yan Healthcare and the Wah Yan Healthcare Shareholders as a whole.

The Wah Yan Healthcare IFA has been appointed by Wah Yan Healthcare as the independent financial adviser to advise (i) the board of directors of Wah Yan Healthcare and the sole director of the Offeror on whether the Revised Offers are in the interest of the respective shareholders of the Offeror and Wah Yan Healthcare pursuant to Rule 2.4 of the Takeovers

Code; and (ii) the Independent Board Committee and the independent Wah Yan Healthcare Shareholders on, among other matters, the fairness and reasonableness of the allotment and issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers.

## **FURTHER DELAY IN DESPATCH OF CIRCULAR AND THE OFFER DOCUMENT**

Further reference is made to (i) the 2016 Offer Announcement; (ii) the announcement of Wah Yan Healthcare dated 20 February 2017 in relation to the further delay in despatch of Circular and further delay in despatch of Offer Document (the “20 February Announcement”); (iii) the announcement of Wah Yan Healthcare dated 3 January 2017 relating to the delay in despatch of the Circular; (iv) the announcement of Wah Yan Healthcare dated 24 January 2017 relating to the further delay in despatch of the Circular (the “24 January Announcement”); and (v) the announcement of Wah Yan Healthcare dated 11 January 2017 (the “11 January Announcement”) in relation to the delay in despatch of the Offer Document.

### **Further Delay in Despatch of Circular**

As disclosed in the 20 February Announcement, a circular (the “**circular**”) in relation to the Very Substantial Acquisition containing, *inter alia*, (i) further details of the Offers which constitutes the Very Substantial Acquisition; (ii) further details in relation to the allotment and issue of new Wah Yan Healthcare Shares to the Xinhua News Media Shareholders and the Xinhua News Media Optionholders who accept the Offers under the specific mandate; (iii) further details in relation to the issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Offers; (iv) the recommendation from the Independent Board Committee on the issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Offers; (v) the advice from the Wah Yan Healthcare IFA on the allotment and issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Offers; and (vi) financial information of the Wah Yan Healthcare Group and the Xinhua News Media Group is expected to be despatched to the Wah Yan Healthcare Shareholders on or before 15 March 2017.

As additional time is required for Wah Yan Healthcare to prepare and finalise information to be included in the Circular to reflect the terms of the Revised Offers (including but not limited to the full advice of Wah Yan Healthcare IFA pursuant to Rule 2.4 of the Takeovers Code) and to address the Stock Exchange’s latest comments on the Circular provided in early February 2017 to which Wah Yan Healthcare is still preparing, the date of despatch of the Circular will be postponed to no later than 31 March 2017.

### **Further Delay in Despatch of Offer Document**

Pursuant to Rule 8.2 of the Takeovers Code, the Offer Document should normally be posted to the Xinhua News Media Shareholders and the Xinhua News Media Optionholders within 35 days from the date of the Offer Announcement in the case of a securities exchange offer. As disclosed in the 20 February Announcement, an application has been made for, and the Executive has later granted, consent for an extension of time for despatch of the Offer Document to 15 March 2017.

As additional time is required for Wah Yan Healthcare to prepare and finalise information to be included in the Offer Document, an application has been made to the Executive for its consent to extend the deadline for despatch of the Offer Document to 28 April 2017. The Executive has indicated that it is minded to grant its consent for such extension.

Further announcement will be made when the Offer Document in respect of the Offers is despatched.

## **WARNING**

**Completion of the Offers is subject to the conditions of the Offers being fulfilled or waived, as applicable. Completion may or may not take place and, accordingly, the Offers may or may not proceed. Shareholders and potential investors in Wah Yan Healthcare and/or Xinhua News Media are advised to exercise caution when dealing in the securities of Wah Yan Healthcare and Xinhua News Media. Persons who are in doubt as to the actions they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## **WAH YAN HEALTHCARE EGM**

The Wah Yan Healthcare EGM will be held to consider and, if thought fit, pass the requisite resolution(s) to approve the Revised Offers, the Very Substantial Acquisition, the allotment and issue by Wah Yan Healthcare of new Wah Yan Healthcare Shares to the Xinhua News Media Shareholders and Xinhua News Media Optionholders who accept the Revised Offers and the allotment and issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers. The Circular containing, *inter alia*, (i) further details of the Revised Offers which constitute the Very Substantial Acquisition; (ii) further details in relation to the allotment and issue of new Wah Yan Healthcare Shares to the Xinhua News Media Shareholders and the Xinhua News Media Optionholders who accept the Revised Offers under the specific mandate; (iii) further details in relation to the issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers; (iv) the recommendation from the Independent Board Committee on the issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers; (v) the advice from the Wah Yan Healthcare IFA to the Independent Board Committee and the independent Wah Yan Healthcare Shareholders on the issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers; (vi) the advice from the Wah Yan Healthcare IFA to the board of directors of Wah Yan Healthcare and the sole director of the Offeror on whether the Revised Offers are in the interest of the respective shareholders of the Offeror and Wah Yan Healthcare pursuant to Rule 2.4 of the Takeovers Code; and (vii) other information as required to be contained in the circular under the Listing Rules together with a notice convening the Wah Yan Healthcare EGM will be despatched to the Wah Yan Healthcare Shareholders on or before 31 March 2017.

## **FURTHER AGREEMENTS OR ARRANGEMENTS**

As at the date of this announcement:

- (i) the Offeror, Wah Yan Healthcare and their respective parties acting in concert have not received any irrevocable commitment to accept the Revised Offers;
- (ii) save for Weluck's interest in the 67,502,000 Xinhua Media Shares, the Offeror, Wah Yan Healthcare and their respective parties acting in concert do not hold any shares, convertible securities, warrants or options in Xinhua News Media;
- (iii) there is no outstanding derivative in respect of the securities in Xinhua News Media which has been entered into by the Offeror or Wah Yan Healthcare or any of their respective parties acting in concert;

- (iv) there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the Xinhua News Media Shares or the shares of the Offeror or Wah Yan Healthcare Shares and which might be material to the Revised Offers;
- (v) save as disclosed in the section headed “Conditions of the Offers” in the 2016 Offer Announcement which also apply to the Revised Offers, there are no agreements or arrangements to which the Offeror or Wah Yan Healthcare is a party which relates to the circumstances in which the Offeror or Wah Yan Healthcare may or may not invoke or seek to invoke a condition to the Revised Offers; and
- (vi) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Xinhua News Media which the Offeror, Wah Yan Healthcare or any of their respective parties acting in concert have borrowed or lent.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of Wah Yan Healthcare, trading in the Wah Yan Healthcare Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 10 March 2017 pending the release of this announcement. Application has been made by Wah Yan Healthcare for resumption of trading in the Wah Yan Healthcare Shares on the Stock Exchange with effect from 9:00 a.m. on 17 March 2017

## **DISCLOSURE OF DEALINGS**

In accordance with Rule 3.8 of the Takeovers Code, associates of Xinhua News Media or the Offeror or Wah Yan Healthcare (including persons holding 5% or more of a class of relevant securities of Xinhua News Media, the Offeror or Wah Yan Healthcare) are reminded to disclose their dealings in the securities of Xinhua News Media and Wah Yan Healthcare pursuant to the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

*“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

The Offeror, Wah Yan Healthcare, their nominees or brokers or associates may from time to time make certain purchases of, or arrangements to purchase Xinhua News Media Shares other than pursuant to the Revised Share Offer, before or during the period in which the Revised Share Offer remains open for acceptance in compliance with the Takeovers Code. These purchases may occur either in the open market at prevailing price or in private transactions at negotiated prices. Any information about such purchases will be reported to the SFC and will be available on the SFC website at <http://www.sfc.hk/>.

## WARNING

**Completion of the Revised Offers is subject to the conditions of the Revised Offers being fulfilled or waived, as applicable. Completion may or may not take place and, accordingly, the Revised Offers may or may not proceed. Shareholders and potential investors in Wah Yan Healthcare and/or Xinhua News Media are advised to exercise caution when dealing in the Wah Yan Healthcare Shares and the Xinhua News Media Shares. Persons who are in doubt as to the actions they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“2016 Offer Announcement”	the joint announcement of the Offeror and Wah Yah Healthcare dated 8 December 2016 in relation to the Offers
“Last Trading Day”	9 March 2017, being the last trading day immediately prior to the suspension of trading in the Xinhua News Media Shares and Wah Yan Healthcare Shares pending the release of this announcement
“Offer Document”	the offer document to be issued by or on behalf of Wah Yan Healthcare to all Xinhua News Media Shareholders and the Xinhua New Media Optionholders in accordance with the Takeovers Code, containing, <i>inter alia</i> , details of the Revised Offers, terms and conditions of the Revised Offers
“Revised Offers”	the Revised Share Offer and the Revised Option Offer
“Revised Option Offer”	the revised proposal to be made by Huatai Financial and Nuada, for and on behalf of the Offeror in compliance with Rule 13 of the Takeovers Code to cancel all the outstanding Xinhua News Media Options in accordance with the terms and conditions set out in this announcement
“Revised Share Offer”	the revised voluntary conditional securities exchange offer to be made by Huatai Financial and Nuada, for and on behalf of the Offeror, to acquire all of the issued shares in the share capital of Xinhua News Media (other than those already owned by the Offeror, Wah Yan Healthcare and parties acting in concert with it (except Weluck)) in accordance with the terms and conditions set out in this announcement

“Wah Yan  
Healthcare IFA”

REORIENT Financial Markets Limited (a wholly owned subsidiary of Yunfeng Financial Group Limited), a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed by Wah Yan Healthcare for the purpose of advising (i) the board of directors of Wah Yan Healthcare and the sole director of the Offeror on whether the Revised Offers are in the interest of the respective shareholders of the Offeror and Wah Yan Healthcare pursuant to Rule 2.4 of the Takeovers Code; and (ii) the Independent Board Committee and the independent Wah Yan Healthcare Shareholders on, among other matters, the fairness and reasonableness of the allotment and issue of new Wah Yan Healthcare Shares to Weluck under the terms of the Revised Offers

By order of the board of directors of  
**China Wah Yan Healthcare Limited**  
**CHAN Ka Chung**  
*Chairman*

Hong Kong, 16 March 2017

*The directors of the Offeror and the directors of Wah Yan Healthcare jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to Xinhua News Media and the Xinhua News Media Group, 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.*

*As at the date of this announcement, the sole director of the Offeror is Wah Yan Healthcare.*

*As at the date of this announcement, the board of directors of Wah Yan Healthcare 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.*

*The information relating to Xinhua News Media or the Xinhua News Media Group in this announcement has been extracted from or based on the published information relating to Xinhua News Media or the Xinhua News Media Group, including its annual report for the year ended 31 March 2015 and 31 March 2016 as well as the interim results report for the six months ended 30 September 2016. The only responsibility accepted by the sole director of the Offeror in respect of such information is for the correctness and fairness of its reproduction or presentation.*