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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)

**MAJOR TRANSACTION —
TERMINATION OF TRANCHE TWO SHARE TRANSFER**

TERMINATION OF THE TRANCHE TWO SHARE TRANSFER

The Company announced that on 27 March 2017, the Company entered into the Termination Deed with the Purchaser to terminate the Tranche Two Share Transfer.

Reference is made to the circular (the “Circular”) of the Company dated 26 January 2017 and the poll results announcement of the Company dated 15 February 2017, both in relation to the Share Transfer. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Circular.

TERMINATION OF THE TRANCHE TWO SHARE TRANSFER

As disclosed in the Circular, one of the conditions precedent to completion of the Tranche Two Share Transfer is the obtaining of the approval of the sale and purchase of the Tranche Two Sale Shares by the shareholders of the Company and New Ray Medicine at their respective general meetings on or before 30 April 2017 (or such later date as may be agreed between the Company and the Purchaser, the “Long Stop Date”). The resolution in relation to the Tranche Two Share Transfer was voted down by the Shareholders at the extraordinary general meeting of the Company held on 15 February 2017. As it is unlikely for both the Company and New Ray Medicine to obtain approval from their respective shareholders on or before the Long Stop Date and both parties cannot come to a consensus as to the extension of the Long Stop Date, the Company and the Purchaser have agreed not to proceed with the Tranche Two Share Transfer and have entered into a deed of termination (the “Termination Deed”) on 27 March 2017 to terminate the Tranche Two Share Transfer, without prejudice to the Tranche One Share Transfer, completion of the Tranche One Share Transfer and any matters incidental thereto.

Save for the termination of the Tranche Two Share Transfer, all other terms and conditions of the Share Transfer Agreement shall remain in full force and effect.

The Company is of the view that termination of the Tranche Two Share Transfer shall have no material adverse impact on the existing business, operation and financial condition of the Group.

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

Hong Kong, 27 March 2017

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