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GENIUS LEAD LIMITED
(Incorporated in Samoa with limited liability)


China Wah Yan Healthcare Limited
中國華仁醫療有限公司
(Incorporated in Hong Kong with limited liability)
(Stock code: 648)


**RUI KANG PHARMACEUTICAL GROUP
INVESTMENTS LIMITED**
銳康藥業集團投資有限公司
*(Incorporated in the Cayman Islands and continued in
Bermuda with limited liability)*
(Stock code: 8037)

ANNOUNCEMENT

**(1) MAJOR AND CONNECTED TRANSACTION
OF WAH YAN HEALTHCARE –
DISPOSAL OF RUI KANG PHARMACEUTICAL SHARES
BY WAH YAN HEALTHCARE**

AND

**(2) POSSIBLE UNCONDITIONAL MANDATORY GENERAL CASH OFFER BY
GUOYUAN CAPITAL (HONG KONG) LIMITED**

AND

**ZHAOBANGJI INTERNATIONAL CAPITAL LIMITED
FOR AND ON BEHALF OF GENIUS LEAD LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF RUI KANG PHARMACEUTICAL
(OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY
GENIUS LEAD LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**

Joint financial advisers to the Offeror

 **國元融資(香港)有限公司**
GUOYUAN CAPITAL (HONG KONG) LTD

 **ZHAOBANGJI
INTERNATIONAL**

Financial adviser to Rui Kang Pharmaceutical

Nuada Limited

THE SALE AND PURCHASE AGREEMENT

The Offeror, Wah Yan Healthcare and Rui Kang Pharmaceutical jointly announce that on 15 June 2017 (after the trading hours of the Stock Exchange), the Offeror and Wah Yan Healthcare entered into the Sale and Purchase Agreement, pursuant to which Wah Yan Healthcare has conditionally agreed to sell and the Offeror has conditionally agreed to acquire 406,023,891 Sale Shares, representing approximately 51.5% of the issued share capital of Rui Kang Pharmaceutical as at the date of this announcement. The consideration for the Sale Shares pursuant to the Sale and Purchase Agreement is HK\$207,072,184.41 (equivalent to HK\$0.51 per Sale Share).

Completion is conditional upon the fulfillment of a number of conditions, including but not limited to obtaining the approval of the independent Wah Yan Healthcare Shareholders at the Wah Yan Healthcare EGM in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder. Upon Completion, Wah Yan Healthcare will cease to have any interest in Rui Kang Pharmaceutical.

POSSIBLE UNCONDITIONAL MANDATORY GENERAL CASH OFFER

As at the date of this announcement, Mr. Liu, being the ultimate beneficial owner of the Offeror and therefore an associate of and a party acting in concert with the Offeror, is interested in 93,820,000 Rui Kang Pharmaceutical Shares, representing approximately 11.9% of the issued share capital of Rui Kang Pharmaceutical as at the date of this announcement. Upon Completion, the Offeror and parties acting in concert with it will become interested in a total of 499,843,891 Rui Kang Pharmaceutical Shares, representing approximately 63.4% of the issued share capital of Rui Kang Pharmaceutical. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror and the parties acting in concert with it will be required to make an unconditional mandatory general offer in cash for all the issued Rui Kang Pharmaceutical Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

Subject to and upon Completion, Guoyuan Capital and Zhaobangji will make the Offer, which will be unconditional in all respects pursuant to Note 1 to Rule 26.2 of the Takeovers Code, for and on behalf of the Offeror on the terms to be set out in the Composite Document in compliance with the Takeovers Code on the following basis:

For each Offer Share.HK\$0.51 in cash

The Rui Kang Pharmaceutical Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Offer Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the Offer Date. Any dividends or other distributions the record date of which is before the Offer Date will be paid by Rui Kang Pharmaceutical to the Rui Kang Pharmaceutical Shareholders who are qualified for such dividends or distributions.

As at the date of this announcement, Rui Kang Pharmaceutical has 788,366,750 shares in issue, of which 499,843,891 Rui Kang Pharmaceutical Shares (representing approximately 63.4% of the entire issued share capital of Rui Kang Pharmaceutical) will be held by the Offeror and parties acting in concert with it upon Completion. Save as disclosed above, Rui Kang Pharmaceutical has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

The Offer Price of HK\$0.51 per Offer Share is the same as the consideration per Sale Share payable by the Offeror under the Sale and Purchase Agreement, which represents a premium of approximately 4.08% over the closing price of HK\$0.49 per Rui Kang Pharmaceutical Share as quoted on the Stock Exchange on 15 June 2017, being the Last Trading Day.

On the basis of the consideration of HK\$0.51 per Offer Share under the Offer, the entire issued share capital of Rui Kang Pharmaceutical as at the Last Trading Day was valued at HK\$402,067,042.50. On the assumption that the Offer is accepted in full by the holders of the Offer Shares and on the basis that there will be 288,522,859 Offer Shares, the value of the Offer is HK\$147,146,658.09.

The total consideration payable under the Offer shall be payable in cash. The Offeror intends to finance the total consideration payable under the Offer with a loan facility granted by Guoyuan Securities. Guoyuan Capital and Zhaobangji are satisfied that sufficient financial resources are available to the Offeror to satisfy its maximum payment obligations upon full acceptance of the Offer.

IMPLICATION OF THE LISTING RULES

By virtue of Mr. Liu, the ultimate beneficial owner of the Offeror, being a substantial shareholder of Rui Kang Pharmaceutical, the Offeror is a connected person of Wah Yan Healthcare and the Disposal is therefore a connected transaction of Wah Yan Healthcare under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is higher than 25% but less than 75%, the Disposal also constitutes a major transaction of Wah Yan Healthcare and is subject to the notification, announcement and the independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Wah Yan Healthcare

The Wah Yan Healthcare Independent Board Committee has been formed to advise the independent Wah Yan Healthcare Shareholders as to whether the Disposal is on normal commercial terms, fair and reasonable and is in the interests of the independent Wah Yan Healthcare Shareholders as a whole. An independent financial adviser of Wah Yan Healthcare will be appointed to advise the Wah Yan Healthcare Independent Board Committee and the independent Wah Yan Healthcare Shareholders in respect of the Disposal.

Rui Kang Pharmaceutical

The Rui Kang Pharmaceutical Independent Board Committee has been formed to advise the Rui Kang Pharmaceutical Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer. Further announcement(s) will be made upon the appointment of the independent financial adviser to the Rui Kang Pharmaceutical Independent Board Committee to advise the Rui Kang Pharmaceutical Independent Board Committee and the Rui Kang Pharmaceutical Independent Shareholders in respect of the Offer and in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Rui Kang Pharmaceutical Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the independent financial adviser to the Rui Kang Pharmaceutical Independent Board Committee and the recommendation of the Rui Kang Pharmaceutical Independent Board Committee to the Rui Kang Pharmaceutical Independent Shareholders in respect to the Offer, before deciding whether or not to accept the Offer.

WAH YAN HEALTHCARE EGM

The Wah Yan Healthcare EGM will be convened at which resolution(s) will be proposed to seek the approval of the independent Wah Yan Healthcare Shareholders for the Disposal by way of poll. A circular containing, among other things, details regarding (i) the Sale and Purchase Agreement; (ii) a letter from the Wah Yan Healthcare Independent Board Committee to the independent Wah Yan Healthcare Shareholders; (iii) a letter from independent financial adviser of Wah Yan Healthcare (to be appointed) to the Wah Yan Healthcare Independent Board Committee and the independent Wah Yan Healthcare Shareholders regarding the Disposal; and (iv) a notice of the Wah Yan Healthcare EGM and the corresponding proxy form is expected to be despatched to the Wah Yan Healthcare Shareholders on or before 31 July 2017.

COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Composite Document containing, among others, the terms and conditions of the Offer and the form of acceptance to the Rui Kang Pharmaceutical Shareholders within twenty-one (21) days of the date of this announcement or such later date as the Executive may approve. As there is a pre-condition (i.e. Completion) to the making of the Offer, an application will be made by the Offeror for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to within seven (7) days from the fulfillment of such pre-condition (i.e. Completion).

If the Offer materialises, it is the intention of the Offeror and the Rui Kang Pharmaceutical Board to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document (accompanied by the form of acceptance) in connection with the Offer setting out, inter alia, (i) details of the Offer (including the expected timetable); (ii) a letter of recommendation from the Rui Kang Pharmaceutical Independent Board Committee to the Rui Kang Pharmaceutical Independent Shareholders; and (iii) a letter of advice from the independent financial adviser (to be appointed) to the Rui Kang Pharmaceutical Independent Board Committee and the Rui Kang Pharmaceutical Independent Shareholders in respect of the Offer, will be despatched jointly by the Offeror and Rui Kang Pharmaceutical to the Rui Kang Pharmaceutical Shareholders.

WARNING: Shareholders and/or potential investors of Wah Yan Healthcare and Rui Kang Pharmaceutical should be aware and take note that the sale and purchase of the Sale Shares is conditional upon satisfaction of the conditions precedent in the Sale and Purchase Agreement, and therefore may or may not proceed. The Offer is a possible unconditional mandatory general cash offer and will only be made if Completion takes place. Accordingly, the sale and purchase of the Sale Shares may or may not be completed and the Offer may or may not proceed. Shareholders and/or potential investors of Wah Yan Healthcare and Rui Kang Pharmaceutical should therefore exercise caution when dealing in the securities of Wah Yan Healthcare and Rui Kang Pharmaceutical. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

INTRODUCTION

Reference is made to the joint announcement (the “**5 June Announcement**”) of Wah Yan Healthcare and Rui Kang Pharmaceutical dated 5 June 2017 pursuant to Rule 3.7 of the Takeovers Code and Rule 13.09 of the Listing Rules and Rule 17.10 of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

The Offeror, Wah Yan Healthcare and Rui Kang Pharmaceutical jointly announce that on 15 June 2017 (after the trading hours of the Stock Exchange), Wah Yan Healthcare and the Offeror entered into the Sale and Purchase Agreement, details of which are set out below:

THE SALE AND PURCHASE AGREEMENT

Date

15 June 2017 (after the trading hours of the Stock Exchange)

Parties

- (i) Wah Yan Healthcare, as the vendor; and
- (ii) the Offeror, as the purchaser

Sale Shares and the consideration

Pursuant to the terms of the Sale and Purchase Agreement, Wah Yan Healthcare has conditionally agreed to sell and the Offeror has conditionally agreed to acquire the Sale Shares (being 406,023,891 Rui Kang Pharmaceutical Shares and representing approximately 51.5% of the issued share capital of Rui Kang Pharmaceutical as at the date of this announcement).

The consideration (the “**Consideration**”) for the Sale Shares pursuant to the Sale and Purchase Agreement is HK\$207,072,184.41, equivalent to HK\$0.51 per Sale Share, which was determined after arm’s length negotiations between the Offeror and Wah Yan Healthcare with reference to the prevailing market price of the Rui Kang Pharmaceutical Shares. The Consideration shall be payable in cash by the Offeror in the following manner: (i) as to HK\$50,000,000 (the “**Deposit**”) upon the signing of the Sale and Purchase Agreement and (ii) as to the remaining balance of HK\$157,072,184.41 upon Completion.

In the event that the Sale and Purchase Agreement cannot be completed due to the non-fulfilment of the conditions precedent, the Deposit will be refunded, without interest, to the Offeror within three (3) Business Days after the termination of the Sale and Purchase Agreement.

Conditions precedent to Completion

Completion is conditional upon the following conditions precedent being fulfilled or waived (as the case may be):

- (a) the obtaining of approval of the independent Wah Yan Healthcare Shareholders at the Wah Yan Healthcare EGM in respect of the Sale and Purchase Agreement for the sale of the Sale Shares and the transactions contemplated thereunder in a manner as required by the Stock Exchange or under the Listing Rules and the articles of association of Wah Yan Healthcare and the applicable legislation;

- (b) the trading of the Rui Kang Pharmaceutical Shares on the Stock Exchange not having been suspended for a period longer than fourteen (14) consecutive trading days, save for any temporary suspension required by relevant regulatory authorities for approving the announcements in connection with the transactions contemplated under the Sale and Purchase Agreement and the Offer;
- (c) the listing of the Rui Kang Pharmaceutical Shares not having been cancelled or withdrawn and neither the Stock Exchange nor the SFC having indicated that the trading of the Rui Kang Pharmaceutical Shares on the Stock Exchange will be suspended, cancelled or withdrawn after Completion or that it will object to the continued listing of the Rui Kang Pharmaceutical Shares on the Stock Exchange; and
- (d) the warranties of Wah Yan Healthcare contained in the Sale and Purchase Agreement remaining true and accurate in all material respects and not misleading in any material respect.

The warranties mentioned in paragraph (d) above are mainly in respect of (among others) the Sale Shares and the share capital, corporate matters, legal compliance, business, operations, capital commitments, assets and liabilities, litigation, tax, material change since 31 December 2016 and solvency in relation to Rui Kang Pharmaceutical.

Completion

Completion shall take place on either (i) if the trading in the Rui Kang Pharmaceutical Shares on the Stock Exchange is not halted or suspended on such date, the third Business Day falling after the satisfaction of condition (a) set out in the paragraph headed “Conditions precedent to Completion” above; or (ii) if the trading in the Rui Kang Pharmaceutical Shares on the Stock Exchange is halted or suspended on the date set out in (i) above, the second Business Day following the subsequent resumption of trading in the Rui Kang Pharmaceutical Shares on the Stock Exchange (or such other date as may be agreed between the Offeror and Wah Yan Healthcare).

If any of the conditions precedent to the Sale and Purchase Agreement have not been fulfilled (or waived by the Offeror) on or before 15 September 2017 (or such other date as may be agreed between the Offeror and Wah Yan Healthcare), the Sale and Purchase Agreement shall terminate whereupon none of the parties shall have any claim against the other for costs, damages, compensation or otherwise (save in respect of any prior breach of the Sale and Purchase Agreement) and the Offer will not be made.

Further announcement(s) will be made as soon as practicable in relation to Completion.

Upon Completion, Wah Yan Healthcare will cease to have any interest in Rui Kang Pharmaceutical.

Based on (i) the audited consolidated net asset value of Rui Kang Pharmaceutical attributable to Wah Yan Healthcare as at 31 December 2016; (ii) the exchange reserve to be released as a result of the Disposal; and (iii) the Consideration, it is estimated that the Wah Yan Healthcare Group will record a gain of approximately HK\$62.9 million as a result of the Disposal. However, the actual gain or loss in respect of the Disposal to be recorded by Wah Yan Healthcare Group will be subject to the then financial position of the Rui Kang Pharmaceutical Group upon Completion.

Wah Yan Healthcare intends to apply the proceeds from the Disposal for the purposes of general working capital, repayment of debts and potential investment opportunities.

POSSIBLE UNCONDITIONAL MANDATORY GENERAL CASH OFFER

As at the date of this announcement, Mr. Liu, being the ultimate beneficial owner of the Offeror and therefore an associate of and a party acting in concert with the Offeror, is interested in 93,820,000 Rui Kang Pharmaceutical Shares, representing approximately 11.9% of the entire issued share capital of Rui Kang Pharmaceutical as at the date of this announcement.

Upon Completion, the Offeror and parties acting in concert with it will become interested in a total of 499,843,891 Rui Kang Pharmaceutical Shares, representing approximately 63.4% of the entire issued share capital of Rui Kang Pharmaceutical. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror and the parties acting in concert with it will be required to make an unconditional mandatory general offer in cash for all the issued Rui Kang Pharmaceutical Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

PRINCIPAL TERMS OF THE OFFER

Subject to and upon Completion, Guoyuan Capital and Zhaobangji will make the Offer, which will be unconditional in all respects pursuant to Note 1 to Rule 26.2 of the Takeovers Code, for and on behalf of the Offeror on the terms be set out in the Composite Document in compliance with the Takeovers Code on the following basis:

For each Offer Share. HK\$0.51 in cash

The Offer Price is the same as the price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The Rui Kang Pharmaceutical Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Offer Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the Offer Date. Any dividends or other distributions the record date of which is before the Offer Date will be paid by Rui Kang Pharmaceutical to the Rui Kang Pharmaceutical Shareholders who are qualified for such dividends or distributions.

As at the date of this announcement, Rui Kang Pharmaceutical has 788,366,750 shares in issue, of which 499,843,891 Rui Kang Pharmaceutical Shares (representing approximately 63.4% of the entire issued share capital of Rui Kang Pharmaceutical) will be held by the Offeror and parties acting in concert with it upon Completion. Save as disclosed above, Rui Kang Pharmaceutical has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

The Offer Price

The Offer Price of HK\$0.51 per Offer Share represents:

- (i) a premium of approximately 4.08% over the closing price of HK\$0.49 per Rui Kang Pharmaceutical Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 2.2% over the average of the closing prices of the Rui Kang Pharmaceutical Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of HK\$0.499 per Rui Kang Pharmaceutical Share;
- (iii) a premium of 2% over the average of the closing prices of the Rui Kang Pharmaceutical Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of HK\$0.5 per Rui Kang Pharmaceutical Share;
- (iv) a discount of approximately 1.92% to the average of the closing prices of the Rui Kang Pharmaceutical Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.52 per Rui Kang Pharmaceutical Share; and
- (v) a premium of 50% over the audited consolidated net asset value attributable to its shareholders per Rui Kang Pharmaceutical Share as at 31 December 2016 of approximately HK\$0.34 (which was calculated by dividing the audited consolidated net asset value of the Rui Kang Pharmaceutical Group attributable to its shareholders as at 31 December 2016 of approximately HK\$265.51 million by 788,366,750 Rui Kang Pharmaceutical Shares in issue as at the date of this announcement).

Highest and Lowest Share Prices

During the six-month period immediately prior to and including the Last Trading Day, the highest closing price per Rui Kang Pharmaceutical Share as quoted on the Stock Exchange was HK\$0.7 on 25 May 2017 and the lowest closing price per Rui Kang Pharmaceutical Share as quoted on the Stock Exchange was HK\$0.3 on 23 January 2017.

Value of the Offer

As at the date of this announcement, Rui Kang Pharmaceutical has 788,366,750 shares in issue, of which 499,843,891 Rui Kang Pharmaceutical Shares (representing approximately 63.4% of the issued share capital of Rui Kang Pharmaceutical) will be held by the Offeror and parties acting in concert with it upon Completion. There are no outstanding warrants, options, derivatives or other securities convertible into Rui Kang Pharmaceutical Shares and Rui Kang Pharmaceutical has not entered into any agreement for the issue of such warrants, options, derivatives or other securities convertible into Rui Kang Pharmaceutical Shares as at the date of this announcement.

On the basis of the consideration of HK\$0.51 per Offer Share under the Offer and there are 788,366,750 Rui Kang Pharmaceutical Shares in issue as at the date of this announcement, the entire issued share capital of Rui Kang Pharmaceutical as at the Last Trading Day was valued at HK\$402,067,042.50. On the assumption that the Offer is accepted in full by the holders of the Offer Shares and on the basis that there will be 288,522,859 Offer Shares, the value of the Offer is HK\$147,146,658.09.

Financial resources available to the Offeror

The total consideration payable under the Offer shall be payable in cash. The Offeror intends to finance the total consideration payable under the Offer with a loan facility granted by Guoyuan Securities (the “**Loan Facility**”). The Offeror does not intend that the payment of interest on, repayment of or security for any liability will depend to any significant extent on the business of the Rui Kang Pharmaceutical Group. Guoyuan Capital and Zhaobangji are satisfied that sufficient financial resources are available to the Offeror to satisfy its maximum payment obligations upon full acceptance of the Offer.

WARNING: The Offer is a possible unconditional mandatory general cash offer and will only be made if Completion takes place, and Completion is conditional upon the fulfillment or waiver (save that condition (a) set out in the paragraph headed “Conditions precedent to Completion” may not be waived) of certain conditions under the Sale and Purchase Agreement. Accordingly, the sale and purchase of the Sale Shares may or may not be completed and the Offer may or may not proceed. Shareholders and/or potential investors of Wah Yan Healthcare and Rui Kang Pharmaceutical should therefore exercise caution when dealing in the securities of Wah Yan Healthcare and Rui Kang Pharmaceutical. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

Effect of Accepting the Offer

The Offer, subject to Completion taking place, will be unconditional in all respects. By accepting the Offer, the Rui Kang Pharmaceutical Shareholders will sell their Rui Kang Pharmaceutical Shares free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Offer Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Offer Date.

Acceptance of the Offer will constitute a warranty to the Offeror by each person accepting that the Rui Kang Pharmaceutical Shares sold by such persons under the Offer are free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Offer Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Offer Date.

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Taxation advice

Rui Kang Pharmaceutical Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror and parties acting in concert with it, Rui Kang Pharmaceutical, Guoyuan Capital, Zhaobangji and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Rui Kang Pharmaceutical Independent Shareholders

The Offeror intends to make the Offer available to all Rui Kang Pharmaceutical Independent Shareholders, including those who are not residents in Hong Kong. The availability of the Offer to persons who are not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to the Rui Kang Pharmaceutical Independent Shareholders whose registered addresses are in jurisdictions outside Hong Kong may be prohibited or affected by the laws or regulations of the relevant jurisdictions. Such Rui Kang Pharmaceutical Independent Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the individual Rui Kang Pharmaceutical Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any regulatory or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

In the event that the receipt of the Composite Document by overseas Rui Kang Pharmaceutical Independent Shareholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such overseas Rui Kang Pharmaceutical Independent Shareholders. The Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Any arrangements for overseas Rui Kang Pharmaceutical Independent Shareholders to collect the Composite Document will be set out in a further announcement.

Any acceptance by any Rui Kang Pharmaceutical Independent Shareholder who is not resident in Hong Kong will be deemed to constitute a representation and warranty from such Rui Kang Pharmaceutical Independent Shareholder to the Offeror that the local laws and requirements have been complied with. All such Rui Kang Pharmaceutical Independent Shareholders should consult their professional advisers if in doubt.

Stamp Duty

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Rui Kang Pharmaceutical Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Rui Kang Pharmaceutical Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of accepting Rui Kang Pharmaceutical Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Rui Kang Pharmaceutical Shares.

Payment

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) of the date on which the duly completed acceptance of the Offer and the relevant documents of title in respect of such acceptance are received by the Offeror (or its agent) to render each such acceptance complete and valid.

Other Information

From 1 to 2 February 2017, Mr. Liu acquired a total of 93,820,000 Rui Kang Pharmaceutical Shares (representing approximately 11.9% of the issued shares of Rui Kang Pharmaceutical) at the prices ranging from HK\$0.315 to HK\$0.33 per Rui Kang Pharmaceutical Share.

Save for the acquisition of 93,820,000 Rui Kang Pharmaceutical Shares by Mr. Liu mentioned above and the transaction contemplated under the Sale and Purchase Agreement, none of the Offeror and parties acting in concert with it has dealt in the Rui Kang Pharmaceutical Shares,

options, derivatives, warrants or other securities convertible into Rui Kang Pharmaceutical Shares during the six-month period prior to 5 June 2017 (being the date of the 5 June Announcement).

The Offeror confirms that, as at the date of this announcement:

- (a) save for the 93,820,000 Rui Kang Pharmaceutical Shares held by Mr. Liu and the 406,023,891 Sale Shares to be held by the Offeror upon Completion, none of the Offeror, its ultimate beneficial owners and/or the parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Rui Kang Pharmaceutical Shares, options, derivatives, warrants or other securities convertible into Rui Kang Pharmaceutical Shares;
- (b) none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them has received any irrevocable commitment to accept the Offer;
- (c) save for the share charges as detailed in the section sub-headed “Share Charges by the Offeror and Mr. Liu” below, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or Rui Kang Pharmaceutical and which might be material to the Offer;
- (d) there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (e) none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them has entered into any arrangements or contracts in relation to any outstanding derivative in respect of the securities in Rui Kang Pharmaceutical;
- (f) none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Rui Kang Pharmaceutical; and
- (g) other than the Consideration, the Offeror, its concert parties, nominees or representatives did not and will not pay any other consideration in whatever form to Wah Yan Healthcare, its concert parties, nominees or representatives in connection with the Sale and Purchase Agreement or otherwise.

SHAREHOLDING STRUCTURE OF RUI KANG PHARMACEUTICAL

The following table sets out the shareholding structure of Rui Kang Pharmaceutical (i) as at the date of this announcement; and (ii) immediately after Completion:

	As at the date of this announcement		Immediately after Completion	
	<i>Number of Rui Kang Pharmaceutical Shares held</i>	<i>Approximate % of Rui Kang Pharmaceutical Shares in issue</i>	<i>Number of Rui Kang Pharmaceutical Shares held</i>	<i>Approximate % of Rui Kang Pharmaceutical Shares in issue</i>
Wah Yan Healthcare	406,023,891	51.5%	–	–
<i>Offeror and parties acting in concert with it</i>				
The Offeror	–	–	406,023,891	51.5%
Mr. Liu (<i>Note</i>)	93,820,000	11.9%	93,820,000	11.9%
<i>Sub-total</i>	93,820,000	11.9%	499,843,891	63.4%
<i>Other Rui Kang Pharmaceutical Shareholder</i>				
China New Rich Medicine Holding Co. Limited	86,700,000	11.0%	86,700,000	11.0%
<i>Public</i>				
Public Rui Kang Pharmaceutical Shareholders	201,822,859	25.6%	201,822,859	25.6%
Total	788,366,750	100.0%	788,366,750	100.0%

Note: As at the date of this announcement, Mr. Liu is the sole director of the Offeror and also indirectly holds all the issued shares in the Offeror through Genius Earn Limited.

INFORMATION ON THE RUI KANG PHARMACEUTICAL GROUP

The principal activity of Rui Kang Pharmaceutical is investment holding and through its subsidiaries, the Rui Kang Pharmaceutical Group is principally engaged in the (i) manufacture, research and development, sale and distribution of health related and pharmaceutical products in the PRC and Hong Kong; (ii) provision of medical laboratory testing services and health check services in Hong Kong; and (iii) trading of securities in Hong Kong. The Rui Kang Pharmaceutical Group is also engaged in the research and development, manufacture and distribution of branded cosmetic products through a joint venture in Switzerland.

Financial Information

The following table is a summary of certain audited financial information of the Rui Kang Pharmaceutical Group for the two financial years ended 31 December 2015 and 31 December 2016.

	Year ended 31 December 2015 (HK\$'000) (audited)	Year ended 31 December 2016 (HK\$'000) (audited)
Turnover	34,127	86,565
Loss before tax	(60,040)	(95,139)
Loss for the year from continuing operations	(59,651)	(95,618)
(Loss)/profit for the year from discontinued operation	(8,109)	35,526
Loss for the year	(67,760)	(60,092)
	As at 31 December 2015 (HK\$'000) (audited)	As at 31 December 2016 (HK\$'000) (audited)
Total assets	478,018	322,956
Total liabilities	(135,280)	(47,739)
Net assets (including non-controlling interest)	342,738	275,217

REASONS FOR AND BENEFITS OF THE DISPOSAL

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 Rui Kang Pharmaceutical Group became a subsidiary of Wah Yan Healthcare following the securities exchange offers completed in May 2016. It was the initial intention of Wah Yan Healthcare that the acquisition of Rui Kang Pharmaceutical will complement the Wah Yan Healthcare Group in achieving its business goal of becoming a strategic healthcare and financial group. However, as disclosed in the annual report of the Rui Kang Pharmaceutical Group for the year ended 31 December 2016 (the “**RKP 2016 Annual Report**”), the financial results and prospects of the major business segments of the Rui Kang Pharmaceutical Group have been unsatisfactory, including (i) the segment loss of approximately HK\$33.0 million (including an impairment loss recognised on goodwill of approximately HK\$27.7 million) for the year ended 31 December 2016 in respect of its medical laboratory testing services and health check services business acquired in December 2015 due to the intensifying competition and weak consumption sentiment in the medical laboratory testing services and health check services in Hong Kong; and (ii) the continuous segment loss recorded by the manufacture and sale of health related and pharmaceutical products business segment of approximately HK\$14.3 million and approximately HK\$21.6 million for the years ended 31 December 2015 and 2016 respectively.

Given (i) the continuous loss incurred by the Rui Kang Pharmaceutical Group and its key business segments; (ii) the remote likelihood of the financial performance of Rui Kang Pharmaceutical’s medical laboratory testing services and health check services business to turnaround and that such business segment will remain challenging with great uncertainties and fierce competition as disclosed in the RKP 2016 Annual Report; (iii) the Consideration representing a significant premium over the audited consolidated net asset value of the Rui Kang Pharmaceutical Group; and (iv) the estimated gain on disposal as a result of the Disposal, the Wah Yan Healthcare Directors (excluding the independent non-executive Wah Yan Healthcare Directors whose view in respect of the Disposal will be rendered after taking into account the advice from the independent financial adviser of Wah Yan Healthcare) are of the view that the terms of the Disposal are fair and reasonable and on normal commercial terms and the Disposal is in the interests of Wah Yan Healthcare and the Wah Yan Healthcare Shareholders as whole.

INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in Samoa with limited liability and is wholly-owned by Genius Earn Limited.

Genius Earn Limited is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Liu. Mr. Liu, aged 47, is the partner of an investment company, which is mainly engaged in investments in the PRC and Hong Kong. Mr. Liu graduated from The Macau University of Science and Technology in 2005 with a MBA master degree. Mr. Liu possesses over 20 years of experience in investment, equity fund management, and mergers and acquisitions. From 2007 to 2014, Mr. Liu was a partner and chief mainland China representative in an international private equity fund.

As at the date of this announcement, Mr. Liu is the sole director of the Offeror.

Share Charges by the Offeror and Mr. Liu

It is the term of the loan agreement for the Loan Facility that the Offeror and Mr. Liu will charge all the Rui Kang Pharmaceutical Shares owned by the Offeror (including the Sale Shares and the Offer Shares to be acquired by the Offeror under the Offer) and the 93,820,000 Rui Kang Pharmaceutical Shares owned by Mr. Liu respectively to Guoyuan Securities as security for the Offeror's obligations under the Loan Facility, which are immediately enforceable upon the occurrence of certain events including but not limited to failure of the Offeror to pay any sums payable under the Loan Facility or failure of the Offeror to perform or observe any of its obligations under the Loan Facility.

INTENTION OF THE OFFEROR IN RELATION TO THE RUI KANG PHARMACEUTICAL GROUP

The Offeror intends to continue the existing businesses of the Rui Kang Pharmaceutical Group. As at the date of this announcement, the Offeror has no plan to inject any assets or businesses into the Rui Kang Pharmaceutical Group or to procure the Rui Kang Pharmaceutical Group to acquire or dispose of any assets. Immediately after the close of the Offer, the Offeror will conduct a review of the financial position and operations of the Rui Kang Pharmaceutical Group in order to formulate a long-term strategy for the Rui Kang Pharmaceutical Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the date of this announcement, the Offeror has not identified such investment or business opportunities.

The Offeror has no intention to terminate the employment of any employees of the Rui Kang Pharmaceutical Group or to make significant changes to any employment (except for the proposed changes as detailed in the section sub-headed "Proposed Change to the Composition of the Rui Kang Pharmaceutical Board and resignation of chairman and chief executive officer of Rui Kang Pharmaceutical" below) or to dispose of or re-allocate the Rui Kang Pharmaceutical Group's assets which are not in the ordinary and usual course of business of the Rui Kang Pharmaceutical Group.

Proposed Change to the Composition of the Rui Kang Pharmaceutical Board and resignation of chairman and chief executive officer of Rui Kang Pharmaceutical

Upon the closing of the Offer, some of the existing Rui Kang Pharmaceutical Directors will resign with effect from the earliest time as permitted under the Takeovers Code which is the day of the closing of the Offer. Furthermore, Mr. Chan Ka Chung and Mr. Leung Pak Hou Anson will resign as the chairman and chief executive officer of Rui Kang Pharmaceutical respectively with effect from the day of the closing of the Offer. The Offeror intends to nominate new Rui Kang Pharmaceutical Directors to the Rui Kang Pharmaceutical Board with effect from the earliest time as permitted under the Takeovers Code, which is the date on which the Composite Document is posted. Any changes to the Rui Kang Pharmaceutical

Board will be made in compliance with the Takeovers Code and the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

Maintaining the Listing Status of Rui Kang Pharmaceutical

The Offeror has no intention to privatise the Rui Kang Pharmaceutical Group and intends to maintain the listing of the Rui Kang Pharmaceutical Shares on the Stock Exchange. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the issued share capital of Rui Kang Pharmaceutical will be held by the public at all times following closing of the Offer.

Pursuant to the GEM Listing Rules, if, at the closing of the Offer, less than the minimum prescribed percentage applicable to Rui Kang Pharmaceutical, being 25% of the issued Rui Kang Pharmaceutical Shares, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Rui Kang Pharmaceutical Shares;
or
- (ii) there are insufficient Rui Kang Pharmaceutical Shares in public hands to maintain an orderly market,

the Stock Exchange will consider exercising its discretion to suspend dealing in the Rui Kang Pharmaceutical Shares.

IMPLICATIONS OF THE LISTING RULES AND THE TAKEOVERS CODE IN RELATION TO WAH YAN HEALTHCARE

By virtue of Mr. Liu, the ultimate beneficial owner of the Offeror, being a substantial shareholder of Rui Kang Pharmaceutical, the Offeror is a connected person of Wah Yan Healthcare and the Disposal is therefore a connected transaction for Wah Yan Healthcare under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is higher than 25% but less than 75%, the Disposal constitutes a major transaction for Wah Yan Healthcare. In view of the foregoing, the Disposal is subject to the notification, announcement and approval of the independent shareholders requirements under Chapters 14 and 14A of the Listing Rules. As a result, certain financial information relating to the Disposal (the “**Required Financial Information**”), including the financial information on the gain expected to accrue to Wah Yan Healthcare, is required to be disclosed in this announcement pursuant to the Listing Rules.

Reference is made to the joint announcements issued by Wah Yan Healthcare and Wisdom Eighteen, a wholly-owned subsidiary of Wah Yan Healthcare, dated 8 December 2016 and 16 March 2017, respectively, in relation to the voluntary conditional securities exchange offers by Huatai Financial Holdings (Hong Kong) Limited and Nuada Limited on behalf of Wisdom Eighteen (i) to acquire all of the issued shares in the share capital of Xinhua News Media held by the Xinhua News Media Shareholders (including Weluck) (other than those

already owned by Wisdom Eighteen, Wah Yan Healthcare and parties acting in concert with it (except Weluck)); and (ii) to cancel all of the outstanding Xinhua News Media Options (the “**Voluntary Securities Exchange Offers**”). With the publication of the abovementioned announcements, the offer period of the Voluntary Securities Exchange Offers has commenced since 8 December 2016.

Pursuant to Rule 10 of the Takeovers Code, the Required Financial Information constitutes a profit forecast under Rule 10 of the Takeovers Code and must be reported on by Wah Yan Healthcare’s financial adviser and its auditors or accountants in accordance with the Takeovers Code and such reports must be lodged with the Executive in accordance with Rule 10.4 of the Takeovers Code. As additional time is required for the Wah Yan Healthcare’s financial adviser and its auditors or accountants to report on the Required Financial Information in compliance with the requirements of Rule 10 of the Takeovers Code, the Required Financial Information disclosed in this announcement does not meet the standard, and has not been reported on, as required by Rule 10 of the Takeovers Code. According to Practice Note 2 to the Takeovers Code on issues relating to profit forecasts under Rule 10 of the Takeovers Code dated 31 March 2015, as the only reason for the disclosure of the Required Financial Information is the requirement of the Listing Rules, the Executive is prepared to permit publication of the Required Financial Information in this announcement without full compliance with Rule 10 of the Takeovers Code. The Required Financial Information will be reported on as soon as possible and the relevant reports will be contained in the next document to be sent to the Xinhua News Media Shareholders and in compliance with the requirements of Rule 10 of the Takeovers Code. In this regard, a supplemental offer document in respect of the Voluntary Securities Exchange Offers containing the reports will be sent to the Xinhua News Media Shareholders and holders of Xinhua News Media Options as soon as possible and the supplemental circular to the Wah Yan Healthcare Shareholders will also contain the reports.

Shareholders and potential investors of Wah Yan Healthcare and Xinhua News Media should, however, exercise caution in placing reliance on the Required Financial Information in assessing the merits and demerits of the Voluntary Securities Exchange Offers.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Wah Yan Healthcare

The Wah Yan Healthcare Independent Board Committee has been formed to advise the independent Wah Yan Healthcare Shareholders as to whether the Disposal is on normal commercial terms, fair and reasonable and is in the interests of the independent Wah Yan Healthcare Shareholders as a whole. An independent financial advisor of Wah Yan Healthcare will be appointed to advise the Wah Yan Healthcare Independent Board Committee and the independent Wah Yan Healthcare Shareholders in respect of the Disposal.

Rui Kang Pharmaceutical

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance.

The Rui Kang Pharmaceutical Independent Board Committee has been formed to advise the Rui Kang Pharmaceutical Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

Further announcement(s) will be made by Rui Kang Pharmaceutical upon the appointment of the independent financial adviser to the Rui Kang Pharmaceutical Independent Board Committee to advise the Rui Kang Pharmaceutical Independent Board Committee and the Rui Kang Pharmaceutical Independent Shareholders in respect of the Offer and in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Rui Kang Pharmaceutical Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the independent financial adviser to the Rui Kang Pharmaceutical Independent Board Committee and the recommendation of the Rui Kang Pharmaceutical Independent Board Committee to the Rui Kang Pharmaceutical Independent Shareholders in respect to the Offer, before deciding whether or not to accept the Offer.

WAH YAN HEALTHCARE EGM

The Wah Yan Healthcare EGM will be convened at which resolution(s) will be proposed to seek the approval of the independent Wah Yan Healthcare Shareholders for the Disposal by way of poll. A circular containing, among other things, details regarding (i) the Sale and Purchase Agreement; (ii) a letter from the Wah Yan Healthcare Independent Board Committee to the independent Wah Yan Healthcare Shareholders; (iii) a letter from the independent financial adviser of Wah Yan Healthcare (to be appointed) to the Wah Yan Healthcare Independent Board Committee and the independent Wah Yan Healthcare Shareholders regarding the Disposal; and (iv) a notice of the Wah Yan Healthcare EGM and the corresponding proxy form is expected to be despatched to the Wah Yan Healthcare Shareholders on or before 31 July 2017.

COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Composite Document containing, among others, the terms and conditions of the Offer and the form of acceptance to the Rui Kang Pharmaceutical Shareholders within twenty-one (21) days of the date of this announcement or such later date as the Executive may approve. As there is a pre-condition (i.e. Completion) to making of the Offer, an application will be made by the

Offeror for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to within seven (7) days from the fulfillment of such pre-condition (i.e. Completion).

If the Offer materialises, it is the intention of the Offeror and the Rui Kang Pharmaceutical Board to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document (accompanied by the form of acceptance) in connection with the Offer setting out, inter alia, (i) details of the Offer (including the expected timetable); (ii) a letter of recommendation from the Rui Kang Pharmaceutical Independent Board Committee to the Rui Kang Pharmaceutical Independent Shareholders; and (iii) a letter of advice from the independent financial adviser (to be appointed) to the Rui Kang Pharmaceutical Independent Board Committee and the Rui Kang Pharmaceutical Independent Shareholders in respect of the Offer, will be despatched jointly by the Offeror and Rui Kang Pharmaceutical to the Rui Kang Pharmaceutical Shareholders.

GENERAL

Disclosure of Dealings

In accordance with Rule 3.8 of the Takeovers Code, the associates (including any person holding 5% or more of a class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code)) of Rui Kang Pharmaceutical and the Offeror are hereby reminded to disclose their dealings in the securities of Rui Kang Pharmaceutical pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

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 of the Takeovers Code 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 of the Takeovers Code. 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.”

WARNING: Shareholders and/or potential investors of Wah Yan Healthcare and Rui Kang Pharmaceutical should be aware and take note that the sale and purchase of the Sale Shares is conditional upon satisfaction of the conditions precedent in the Sale and Purchase Agreement and therefore may or may not proceed. The Offer is a possible unconditional mandatory general cash offer and will only be made if Completion takes place. Accordingly, the Offer may or may not proceed. Shareholders, and/or potential investors of Wah Yan Healthcare and Rui Kang Pharmaceutical should therefore exercise caution when dealing in the securities of Wah Yan Healthcare and Rui Kang Pharmaceutical. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“acting in concert”	has the meaning as ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto in the Listing Rules or the GEM Listing Rules (as the case may be)
“Business Day(s)”	a day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the Sale and Purchase Agreement
“Composite Document”	the composite document to be issued jointly by the Offeror and Rui Kang Pharmaceutical in relation to the Offer in accordance with the Takeovers Code
“Disposal”	the disposal of the Sale Shares under the Sale and Purchase Agreement
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM

“Guoyuan Capital”	Guoyuan Capital (Hong Kong) Limited, a licensed corporation under the SFO, licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and acting as the joint agents making the Offer for and on behalf of the Offeror and the joint financial advisers to the Offeror
“Guoyuan Securities”	Guoyuan Securities Brokerage (Hong Kong) Limited, a licensed corporation under the SFO, licensed to conduct Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	15 June 2017, being the last trading day immediately prior to the signing of the Sale and Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Liu”	Mr. Liu Xiaolin, who is the sole director of the Offeror and the ultimate beneficial owner of all the issued shares in the Offeror, and also directly owns 93,820,000 shares in Rui Kang Pharmaceutical, as at the date of this announcement
“Offer”	the mandatory unconditional general cash offer to be made by Guoyuan Capital and Zhaobangji for and on behalf of the Offeror to acquire all of the Offer Shares in accordance with the terms and conditions set out in this announcement
“Offer Date”	the date on which the Offer is made, which is the date of the Composite Document
“Offer Period”	has the meaning as ascribed thereto under the Takeovers Code
“Offer Price”	the price at which the Offer will be made, being HK\$0.51 per Offer Share
“Offer Share(s)”	any and all of the issued Rui Kang Pharmaceutical Share(s) not already owned or agreed to be acquired by the Offeror and parties acting in concert with it

“Offeror”	Genius Lead Limited, a company incorporated in Samoa with limited liability with the address of its registered office at Vistra Corporate Services Centre, Ground Floor, NPF Building, Beach Road, Apia, Samoa
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Rui Kang Pharmaceutical”	Rui Kang Pharmaceutical Group Investments Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed and dealt in on GEM (stock code: 8037)
“Rui Kang Pharmaceutical Board”	the board of the Rui Kang Pharmaceutical Directors
“Rui Kang Pharmaceutical Director(s)”	the director(s) of Rui Kang Pharmaceutical
“Rui Kang Pharmaceutical Group”	Rui Kang Pharmaceutical and its subsidiaries
“Rui Kang Pharmaceutical Independent Board Committee”	the independent board committee of Rui Kang Pharmaceutical, comprising the non-executive Rui Kang Pharmaceutical Director and all independent non-executive Rui Kang Pharmaceutical Directors for the purpose of making a recommendation to the Rui Kang Pharmaceutical Independent Shareholders in relation to the Offer
“Rui Kang Pharmaceutical Independent Shareholders”	Rui Kang Pharmaceutical Shareholders, other than the Offeror and parties acting in concert with it
“Rui Kang Pharmaceutical Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of Rui Kang Pharmaceutical
“Rui Kang Pharmaceutical Shareholder(s)”	the holder(s) of Rui Kang Pharmaceutical Shares
“Sale and Purchase Agreement”	the sale and purchase agreement dated 15 June 2017 entered into between the Offeror and Wah Yan Healthcare for the acquisition of the Sale Shares by the Offeror

“Sale Shares”	406,023,891 Rui Kang Pharmaceutical Shares beneficially owned by Wah Yan Healthcare and to be sold by it to the Offeror pursuant to the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers as in force and as amended from time to time
“Wah Yan Healthcare”	China Wah Yan Healthcare Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and dealt in on the Main Board of the Stock Exchange (stock code: 648)
“Wah Yan Healthcare Board”	the board of Wah Yan Healthcare Directors
“Wah Yan Healthcare Director(s)”	the director(s) of Wah Yan Healthcare
“Wah Yan Healthcare EGM”	the extraordinary general meeting of Wah Yan Healthcare to be held and convened for the independent Wah Yan Healthcare Shareholders to consider and, if thought fit, approve the Disposal
“Wah Yan Healthcare Group”	Wah Yan Healthcare and its subsidiaries
“Wah Yan Healthcare Independent Board Committee”	the independent board committee of Wah Yan Healthcare, comprising all the independent non-executive Wah Yan Healthcare Directors, established for the purpose of making a recommendation to the independent Wah Yan Healthcare Shareholders in relation to the Disposal
“Wah Yan Healthcare Shareholder(s)”	the holder(s) of the shares of Wah Yan Healthcare
“Weluck”	Weluck Development Limited
“Wisdom Eighteen”	Wisdom Eighteen Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Wah Yan Healthcare

“Xinhua News Media”	Xinhua News Media Holdings Limited, a company incorporated in the Cayman Islands and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 309)
“Xinhua News Media Option(s)”	share option(s) granted by Xinhua News Media pursuant to the share option scheme of Xinhua News Media adopted pursuant to an ordinary resolution of the Xinhua News Media Shareholders passed on 25 September 2015, whether vested or not
“Xinhua News Media Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of Xinhua News Media
“Xinhua News Media Shareholder(s)”	holder(s) of Xinhua News Media Shares
“Zhaobangji”	Zhaobangji International Capital Limited, a licensed corporation under the SFO, licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and acting as the joint agents making the Offer for and on behalf of the Offeror and the joint financial advisers to the Offeror
“%”	per cent.

By Order of the board of
directors of
**Genius Lead
Limited**
Liu Xiaolin
Sole Director

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

By Order of the board of
directors of
**Rui Kang Pharmaceutical
Group Investments Limited**
Leung Pak Hou Anson
Executive Director

Hong Kong, 15 June 2017

As at the date of this announcement, the Wah Yan Healthcare Board 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, Mr. Lam Chun Ho and Ms. Hu Xuezhen.

As at the date of this announcement, the Rui Kang Pharmaceutical Board comprises three executive directors, namely Mr. Chan Ka Chung (Chairman), Mr. Leung Pak Hou Anson (Chief Executive Officer) and Mr. Cheung Wai Kwan; one non-executive director, namely Mr. Gao Yongping; and three independent non-executive directors, namely Mr. Ho Fung Shan Bob, Mr. Leung Ka Fai and Mr. Yuen Chun Fai.

The Rui Kang Pharmaceutical Directors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to Wah Yan Healthcare, the Wah Yan Healthcare Group, the Offeror and parties acting in concert with the Offeror) contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed (other than that opinions expressed by the directors of Wah Yan Healthcare and the sole director of the Offeror) 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 statement in this announcement misleading.

As at the date of this announcement, Mr. Liu Xiaolin is the sole director of the Offeror.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this announcement (other than the information relating to Wah Yan Healthcare, the Wah Yan Healthcare Group, Rui Kang Pharmaceutical and the Rui Kang Pharmaceutical Group), and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this announcement (other than opinions expressed by the directors of Wah Yan Healthcare and Rui Kang Pharmaceutical) 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 statement in this announcement misleading.

The directors of Wah Yan Healthcare jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to Rui Kang Pharmaceutical, the Rui Kang Pharmaceutical Group, the Offeror and parties acting in concert with the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than opinions expressed by the directors of Rui Kang Pharmaceutical and the sole director of the Offeror) 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.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.ruikang.com.hk.

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.