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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)

Wisdom Eighteen Limited

(Incorporated in the British Virgin Islands with limited liability)

**FURTHER UPDATE INFORMATION ON
THE 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 OF THE OUTSTANDING SHARE OPTIONS
OF XINHUA NEWS MEDIA**

Joint Financial Advisers to the Offeror



華泰金融控股(香港)有限公司

HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Nuada Limited

References are made to (i) the circular (the “Circular”) of China Wah Yan Healthcare Limited (the “Wah Yan Healthcare”) dated 22 May 2017 relating to, among other things, the Very Substantial Acquisition, and containing the notice of the Wah Yan Healthcare EGM; (ii) the offer document (the “Offer Document”) dated 22 May 2017 jointly issued by Wah Yan Healthcare and the Offeror in relation to the Offers; (iii) the announcement jointly issued by Wah Yan Healthcare and Rui Kang Pharmaceutical Group Investments Limited (“Rui Kang Pharmaceutical”) dated 15 June 2017 relating to the disposal (the “Disposal”) of all the shares

of Rui Kang Pharmaceutical owned by Wah Yan Healthcare (the “15 June 2017 Announcement”). Unless the context otherwise required, capitalised terms used in this announcement shall have the same meaning as those defined in the Circular and the Offer Document.

As disclosed in the 15 June 2017 Announcement, the Disposal will result in the Wah Yan Healthcare Group having recorded a gain of over HK\$62.9 million, which is required to be disclosed in the 15 June 2017 Announcement pursuant to the Listing Rules (the “Required Financial Information”). 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 the 15 June 2017 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 the 15 June 2017 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 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.

Further announcement(s) regarding the Disposal will be made by the Wah Yan Healthcare as and when appropriate in accordance with the relevant requirements of the Listing Rules and the Takeovers Code.

WARNING

The Xinhua News Media Shareholders and the Xinhua News Media Optionholders should be aware that the Disposal, if materialise and proceed to completion, may impact the value of the new Wan Yan Healthcare Shares that may fall to be issued to the Xinhua News Media Shareholder(s) and/or the Xinhua News Media Optionholder(s) who accept the Share Offer and the Option Offer. The Xinhua News Media Shareholders and the Xinhua News Media Optionholders should therefore exercise caution in deciding whether or not to accept the Share Offer and/or the Option Offer.

The Xinhua News Media Shareholders, the Xinhua News Media Optionholders and potential investors of Xinhua News Media should be aware that the Share Offer is subject to the satisfaction or waiver (where applicable) of the conditions of the Share Offer, and the Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. Accordingly, the Offers may or may not become unconditional.

Further, the Xinhua News Media Shareholders, the Xinhua News Media Optionholders and potential investors of Xinhua News Media should be aware that there is no assurance that the Disposal will materialise or eventually be consummated and the discussions may or may not lead to the making of an offer (as defined in the Takeovers Code) for the shares of Rui Kang Pharmaceutical.

The Xinhua News Media Shareholders, the Xinhua News Media Optionholders and potential investors of Xinhua News Media 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.

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

Hong Kong, 15 June 2017

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 Xuezhe and Mr. Lam Chun Ho.

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

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, 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.