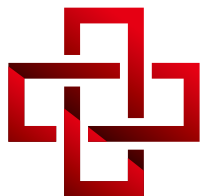


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China Wah Yan Healthcare Limited

中國華仁醫療有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 648)

PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE IN BOARD LOT SIZE

PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE IN BOARD LOT SIZE

The Company proposes to implement the Share Consolidation on the basis that every twenty Existing Shares in issue will be consolidated into one Consolidated Share and to change the board lot size for trading in the Consolidated Shares from 2,500 Existing Shares to 5,000 Consolidated Shares upon the Share Consolidation becoming effective. The Share Consolidation is subject to the approval of the Shareholders.

A general meeting will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing further information on the Share Consolidation and a notice to convene the general meeting will be despatched to the Shareholders on or before 27 October 2017.

Shareholders and potential investors should be aware that the Share Consolidation is conditional upon satisfaction of the conditions precedent set out in this announcement and the change in board lot size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and, if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation on the basis that every twenty Existing Shares in issue will be consolidated into one Consolidated Share. Fractional Consolidated Shares, if any, arising from the Share Consolidation, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will arise in respect of only the entire shareholding of a holder of the Consolidated Shares regardless of the number of share certificates held by such holder.

Effects of the Share Consolidation

As at the date of this announcement, the Company had 6,520,736,569 Existing Shares in issue. Upon the Share Consolidation becoming effective and assuming that no new Existing Share is issued or repurchased from the date hereof until the effective date of the Share Consolidation, not less than 326,036,828 Consolidated Shares will be in issue.

The Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Company's articles of association. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following:

- (i) the passing of the ordinary resolution(s) by the Shareholders to approve the Share Consolidation at the general meeting of the Company;
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares to be issued; and
- (iii) the compliance with the relevant procedures and requirements under Hong Kong laws (where applicable) and the Listing Rules to effect the Share Consolidation.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation taking effect.

Subject to the granting of the listing of, and the permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

PROPOSED CHANGE OF BOARD LOT SIZE

The Company also proposed to change the board lot size for trading in the Shares from 2,500 Existing Shares to 5,000 Consolidated Shares upon the Share Consolidation becoming effective.

EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Consolidation having become effective, Shareholders may during the specified period submit share certificates for Existing Shares to the Company's share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange, at the expense of the Company, for new share certificates for Consolidated Shares. Thereafter, certificates for Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for Existing Shares cancelled or each new share certificate issued for Consolidated Shares, whichever number of certificates cancelled/issued is higher. Nevertheless, certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for certificates for Consolidated Shares at any time.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Shareholders should note that matching of the sale and purchase of odd lots of the Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders in relation to the Share Consolidation.

EXPECTED TIMETABLE

Set out below is the tentative timetable for the implementation of the Share Consolidation and change in board lot size. The expected timetable is subject to the results of the relevant general meeting and is therefore for indicative purpose only. All times and dates in this announcement refer to Hong Kong local times and dates.

2017

Despatch of circular on or before Friday, 27 October

Latest date and time for lodging transfer documents
in order to qualify for attending and voting at
the general meeting 4:30 p.m.
on Wednesday, 8 November

Closure of register of members for the entitlement
to attend and vote at the general meeting Thursday, 9 November to
Tuesday, 14 November
(both days inclusive)

Latest time for lodging proxy form 11:30 a.m.
on Sunday, 12 November*

Proposed date of general meeting 11:30 a.m.
on Tuesday, 14 November*

Announcement of results of general meeting Tuesday, 14 November

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation:

Effective date of Share Consolidation Wednesday, 15 November

First day of free exchange of existing share
certificates for new share certificates Wednesday, 15 November

Commencement of dealings in the
Consolidated Shares 9:00 a.m.
on Wednesday, 15 November

Original counter for trading in Shares in board
lots of 2,500 Existing Shares (in the form of
existing share certificates) temporarily closes 9:00 a.m.
on Wednesday, 15 November

Temporary counter for trading in the Consolidated Shares in board lots of 125 Consolidated Shares (in the form of existing share certificates) opens 9:00 a.m.
on Wednesday, 15 November

Original counter for trading in Consolidated Shares in new board lots of 5,000 Consolidated Shares (in the form of new share certificates) re-opens 9:00 a.m.
on Wednesday, 29 November

Parallel trading in Consolidated Shares (in the form of new share certificates and existing share certificate) commences 9:00 a.m.
on Wednesday, 29 November

Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares 9:00 a.m.
on Wednesday, 29 November

Temporary counter for trading in Consolidated Shares in board lots of 125 Consolidated Shares (in the form of existing share certificates) closes 4:00 p.m.
on Tuesday, 19 December

Parallel trading in Consolidated Shares in the form of new share certificates and existing share certificates closes 4:00 p.m.
on Tuesday, 19 December

Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares 4:00 p.m.
on Tuesday, 19 December

2018

Last day for free exchange of existing share certificates for new share certificates Wednesday, 10 January

* *details of the time and venue of the proposed general meeting and the latest time for lodging the proxy form will be disclosed in the circular of the Company to be despatched to the Shareholders.*

REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer is required either to change the trading method or to proceed with a consolidation or splitting of its securities. As such, the Company proposes to implement the Share Consolidation so as to comply with the relevant trading requirements under the Listing Rules. Accordingly, the directors of the Company are of the view that the Share Consolidation for compliance with the Listing Rules is in the interest of the Company and the Shareholders as a whole.

GENERAL

A general meeting will be convened and held for the Shareholders to consider and if, thought fit, approve the Share Consolidation. A circular containing further information on the Share Consolidation and a notice to convene the general meeting will be despatched to the Shareholders on or before 27 October 2017.

Shareholders and potential investors should be aware that the Share Consolidation is conditional upon satisfaction of the conditions precedent set out in this announcement and the change in board lot size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and, if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	China Wah Yan Healthcare Limited, a company incorporated in Hong Kong with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 648)
“Consolidated Shares”	ordinary shares of the Company after the Share Consolidation having become effective
“Existing Shares”	ordinary shares of the Company in issue before the Share Consolidation having become effective

“HKSCC”	The Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share Consolidation”	the proposed consolidation of every twenty (20) Existing Shares into one (1) Consolidated Shares in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Share(s)”	the Existing Shares or the Consolidated Shares, as the context may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 19 October 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.