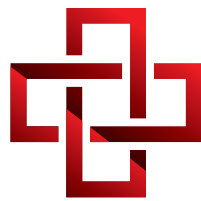

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in **China Wah Yan Healthcare Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



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;
CHANGE IN BOARD LOT SIZE;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting of the Company (the “EGM”) to be held at Room 4608, 46th Floor, The Centre, 99 Queen’s Road Central, Hong Kong on Friday, 17 November 2017 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the office of the Company at 36th Floor, Times Tower, 391–407 Jaffe Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. Delivery of an instrument appointing a proxy shall not preclude you from attending and voting in person at the EGM and in such event, the instrument appointing a proxy shall be deemed revoked.

1 November 2017

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DEFINITIONS

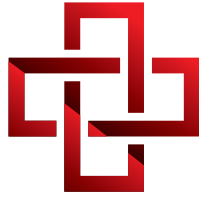
In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of the Directors
“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, the issued shares of which 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
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Room 4608, 46th Floor, The Centre, 99 Queen’s Road Central, Hong Kong, on Friday, 17 November 2017 at 10:00 a.m. for the Shareholders to consider and, if thought fit, approve the resolution relating to the Share Consolidation
“Existing Shares”	ordinary shares of the Company in issue before the Share Consolidation having become effective
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	The Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	27 October 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share Consolidation”	the proposed consolidation of every twenty (20) Existing Shares into one (1) Consolidated Shares
“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	the Existing Shares and/or the Consolidated Shares, as the context may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Chan Ka Chung (*Chairman*)
Mr. Cheung Wai Kwan
Mr. Wang Jianguo

Registered office:

36th Floor, Times Tower
391–407 Jaffe Road
Wanchai
Hong Kong

Independent non-executive Directors:

Mr. Chan Yee Ping, Michael
Mr. Lam Chun Ho
Ms. Hu Xuezhen

1 November 2017

To the Shareholders

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION;
CHANGE IN BOARD LOT SIZE;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 19 October 2017. The purpose of this circular is to provide you with information relating to (i) the proposed Share Consolidation and the change on board lot size and (ii) a notice of the EGM and the corresponding proxy form.

SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation on the basis that every twenty (20) Existing Shares in issue will be consolidated into one (1) Consolidated Share. Fractional Consolidated Shares, if any, arising from the Share Consolidation, will be disregarded

LETTER FROM THE BOARD

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 only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders who concern about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling the Existing Shares in a number sufficient to make up an entitlement to receive a whole number of the Consolidated Shares.

Effects of the Share Consolidation

As at the Latest Practicable Date, 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 Latest Practicable Date 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.

As at the Latest Practicable Date, there were (i) 13,250,176 outstanding share options ("Scheme 2001 Options") of the Company granted under the share option scheme of the Company adopted in 2001, comprising (a) 7,410,676 Scheme 2001 Options entitling the holders thereof to subscribe for 7,410,676 new Existing Shares at the subscription price of HK\$2.23 per Existing Share; and (b) 5,839,500 Scheme 2001 Options entitling the holders thereof to subscribe for 5,839,500 new Existing Shares at the subscription price of HK\$3.46 per Existing Share; (ii) 144,539,615 outstanding unlisted warrants (the "Warrants") of the Company which entitle the holder(s) thereof to subscribe for up to 144,539,615 new Existing Shares at the subscription price of HK\$0.467 per Existing Share; and (iii) 541,221,128 outstanding share options ("Scheme 2014 Options") of the Company granted under the share option scheme of the Company adopted in 2014 entitling the holders thereof to subscribe for 541,221,128 new Existing Shares at the subscription price of HK\$0.0198 per Existing Share (as detailed in the announcement of the Company dated 27 October 2017). Upon the Share Consolidation becoming effective, there will be (i) an aggregate of 662,508 Scheme 2001 Options outstanding which entitle the holders thereof to subscribe for 370,533 new Consolidated Shares at the subscription price of HK\$44.6 per new Consolidated Share and 291,975 new Consolidated Shares at the subscription price of HK\$69.2 per new Consolidated Share; (ii) 7,226,981 outstanding Warrants which entitle the holder(s) thereof to subscribe for up to 7,226,981 new Consolidated Shares at the subscription price of HK\$9.34 per new Consolidated Share; and (iii) 27,061,052 Scheme 2014 Options outstanding which entitle the holders thereof to subscribe for 27,061,052 new Consolidated Shares at the subscription price of HK\$0.396 per new Consolidated Shares.

LETTER FROM THE BOARD

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares; 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.

As at the Latest Practicable Date, none of the conditions above had been fulfilled.

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.

Subject to the granting of the listing of, and the permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation becoming effective, 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.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange. Upon the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing, or permission to deal in, the Consolidated Shares is being or is proposed to be sought.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company before and immediately after the Share Consolidation becoming effective (assuming that there will be no change in the number of issued Existing Shares from the Latest Practicable Date up to the effective date of the Share Consolidation):

	As at the Latest Practicable Date		Immediately after the Share Consolidation becoming effective	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Director	101,250,000	1.55%	5,062,500	1.55%
Public Shareholders	<u>6,419,486,569</u>	<u>98.45%</u>	<u>320,974,328</u>	<u>98.45%</u>
	<u>6,520,736,569</u>	<u>100.00%</u>	<u>326,036,828</u>	<u>100.00%</u>

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 period as specified in the paragraph headed “Expected Timetable” in this circular submit share certificates for the 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 the Consolidated Shares. Thereafter, certificates for the 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 the Existing Shares cancelled or each new share certificate issued for the Consolidated Shares, whichever number of certificates cancelled/issued is higher. Nevertheless, certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for certificates for the 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 arising from the Share Consolidation, the Company has appointed Nine Rivers Capital Partners Limited as an agent 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, from 9:00 a.m. on Monday, 4 December 2017 to

LETTER FROM THE BOARD

4:00 p.m. on Friday, 22 December 2017 (both days inclusive). Shareholders who wish to take advantage of this facility should contact Mr. Tsang Kwok Fung of Nine Rivers Capital Partners Limited at 26th Floor, Times Tower, 391–407, Jaffe Road, Wanchai, Hong Kong and at telephone number 3469 7005 during office hours. Shareholders should note that successful matching of the sale and purchase of odd lots of the consolidated Shares is not guaranteed. Please refer to the section headed “Expected Timetable” below for the period during which the Company will provide matching service for the sale and purchase of odd lots of the Consolidated Shares.

EXPECTED TIMETABLE

Set out below is the tentative timetable for the implementation of the Share Consolidation and change in board lot size. All times and dates set out below refer to Hong Kong local times and dates.

2017

Latest date and time for lodging transfer documents
in order to qualify for attending and voting at
the EGM. 4:30 p.m.
on Monday, 13 November

Closure of register of members of the Company
for the entitlement to attend and vote at the EGM Tuesday, 14 November to
Friday, 17 November
(both days inclusive)

Latest time for lodging proxy form for the EGM. 10:00 a.m.
on Wednesday, 15 November

Date of the EGM 10:00 a.m.
on Friday, 17 November

Announcement of results of the EGM Friday, 17 November

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

Effective date of the Share Consolidation Monday, 20 November

First day of free exchange of existing share
certificates for new share certificates Monday, 20 November

Commencement of dealings in the
Consolidated Shares 9:00 a.m.
on Monday, 20 November

LETTER FROM THE BOARD

Original counter for trading in the Existing Shares in board lots of 2,500 Existing Shares (in the form of existing share certificates) temporarily closes 9:00 a.m.
on Monday, 20 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 Monday, 20 November

Original counter for trading in the 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 Monday, 4 December

Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificate) commences. 9:00 a.m.
on Monday, 4 December

Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares 9:00 a.m.
on Monday, 4 December

Temporary counter for trading in the Consolidated Shares in board lots of 125 Consolidated Shares (in the form of existing share certificates) closes 4:00 p.m.
on Friday, 22 December

Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) closes. 4:00 p.m.
on Friday, 22 December

Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares 4:00 p.m.
on Friday, 22 December

2018

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

LETTER FROM THE BOARD

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 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.

EGM

A notice convening the EGM to be held at Room 4608, 46th Floor, The Centre, 99 Queen's Road Central, Hong Kong on Friday, 17 November 2017 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. Resolutions will be proposed at the EGM to approve, among other things, the proposed Share Consolidation.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published at the websites of the Stock Exchange at www.hkex.com.hk and the Company at www.chinawahyan.com. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company at 36th Floor, Times Tower, 391-407 Jaffe Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such event, the instrument appointing a proxy shall be deemed revoked.

The resolution(s) proposed to be approved at the EGM will be taken by poll and an announcement will be made by the Company after the EGM on the results of the EGM.

RECOMMENDATION

Based on the above, the Directors consider that the proposed Share Consolidation and change in board lot size are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolution approving the Share Consolidation to be proposed at the EGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

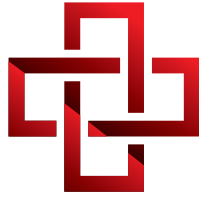
GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the resolution(s) relating to the Share Consolidation to be proposed at the EGM and no Shareholder is required to abstain from voting on such resolution(s) at the EGM.

Shareholders and potential investors should be aware that the Share Consolidation is conditional upon satisfaction of the conditions precedent set out in the paragraph "Conditions of the Share Consolidation" in this circular and the change in board lot size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the change in board lot size 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.

Yours faithfully,
For and on behalf of the Board
China Wah Yan Healthcare Limited
Chan Ka Chung
Chairman

NOTICE OF THE EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of China Wah Yan Healthcare Limited (the “Company”) will be held at Room 4608, 46th Floor, The Centre, 99 Queen’s Road Central, Hong Kong on Friday, 17 November 2017 at 10:00 a.m. for the purposes of considering and, if thought fit, passing the following ordinary resolution (with or without modifications):

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon, among others, the granting by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Consolidated Shares (as defined below) to be in issue upon the Share Consolidation (as defined below) becoming effective:

- (a) with effect from the day immediately following the date on which this resolution is passed, being a day on which shares (the “Shares”) of the Company are traded on the Stock Exchange, every twenty (20) ordinary shares in issue in the share capital of the Company be consolidated into one (1) consolidated share (each a “Consolidated Share”) (the “Share Consolidation”), such Consolidated Shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company;
- (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefits of the Company in such manner and on such terms as the Director(s) may think fit; and

NOTICE OF THE EGM

- (c) the Director(s) be and are authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary, desirable or expedient to give effect to the foregoing arrangements for the Share Consolidation.”

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

Hong Kong, 1 November 2017

Notes:

- (1) Unless otherwise specified, all the terms used in this notice shall have the same meaning as defined in the circular of the Company dated 1 November 2017.
- (2) A member entitled to attend and vote at the above meeting is entitled to appoint one proxy or, if he/she/it is a holder of more than one share, more proxies to attend and vote instead of him/her/it. A proxy needs not be a member of the Company.
- (3) Where there are joint holders of any share of the Company, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such share as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (4) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be lodged with the registered office of the Company at 36th Floor, Times Tower, 391–407, Jaffe Road, Wanchai, Hong Kong for registration not less than 48 hours before the time appointed for holding the meeting.
- (5) Completion and return of the form of proxy will not preclude a member from attending the meeting and voting in person at the meeting or any adjournment thereof if he/she/it so desires. If a member attends the meeting after having deposited the form of proxy, his/her/its form of proxy will be deemed to have been revoked.
- (6) For determining the entitlement of the Shareholders of the Company to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 14 November 2017 to Friday, 17 November 2017 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for entitlement to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 13 November 2017.