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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)

**(1) APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTOR AND
(2) ESTABLISHMENT OF AN INDEPENDENT COMMITTEE**

APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR

The board (the “Board”) of directors (the “Directors”) of China Wah Yan Healthcare Limited (the “Company”) is pleased to announce that Mr. Tsang Hung Kei (“Mr. Tsang”) has been appointed as an independent non-executive Director and a member of the independent committee of the Company with effect from 5 July 2018.

Mr. Tsang, aged 47, has more than 20 years of experience in financial management and reporting and corporate governance. He is a fellow of the Association of Chartered Certified Accountants, a fellow of the Hong Kong Institute of Certified Public Accountants and a fellow of the Institute of Chartered Accountants in England and Wales. Mr. Tsang had years of working experience in an international accounting firm and is currently the chief financial officer of Pak Fah Yeow International Limited (stock code: 239), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and an executive director of its major subsidiaries. Mr. Tsang is also an independent non-executive director of China Success Finance Group Holdings Limited (stock code: 3623), a company listed on the Main Board of the Stock Exchange. Mr. Tsang holds a bachelor’s degree in computer science and accounting at the University of Manchester, United Kingdom.

Save as disclosed above and as far as the Board is aware, Mr. Tsang has not held any directorship in other public listed companies in Hong Kong or overseas in the last three years preceding the date of this announcement and does not have any relationship with any directors, senior management or substantial or controlling shareholders of the

Company. As at the date of this announcement, Mr. Tsang is not interested in or deemed to be interested in any shares, underlying shares or debentures of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed herein, Mr. Tsang does not hold any other position with the Company or its subsidiaries.

There is no service contract entered into between the Company and Mr. Tsang and he will hold office until the next general meeting of the Company and thereafter shall be subject to retirement by rotation and re-election once every three years at the annual general meeting of the Company in accordance with its articles of association. Mr. Tsang is entitled to a director's remuneration of HK\$120,000 per annum which is determined with reference to his duties, responsibilities and performance.

Save as disclosed above and as far as the Board is aware, there is no other information which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") nor are there any other matters in relation to the appointment of Mr. Tsang that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to warmly welcome Mr. Tsang to join the Board.

ESTABLISHMENT OF AN INDEPENDENT COMMITTEE

Reference is made to the announcement of the Company dated 27 November 2017 that the Securities and Futures Commission (the "Commission") on 24 November 2017 issued a direction to suspend trading in the shares of the Company (the "Suspension") on the grounds that it appeared to the Commission that, among other things, the Company's discloseable transaction announcement dated 23 June 2016 (the "Discloseable Transaction Announcement") contained materially false, incomplete or misleading information.

As stated in the announcement of the Company dated 29 March 2018, the Board has resolved to establish an independent committee (the "Independent Committee"). The Independent Committee has now been established comprising all of the four independent non-executive Directors and an independent third party who has substantial experience in corporate restructuring, mergers and acquisitions and compliance with the Listing Rules and The Codes on Takeovers and Mergers and Share Buy-backs. The primary duties of the Independent Committee will include:

- (i) conducting investigation on the matters relating to the Discloseable Transaction Announcement; and
- (ii) advising on matters relating to the Suspension.

The Company will make further announcement(s) to update the shareholders and potential investors of the Company on the progress relating to the above.

GENERAL

Trading in the shares of the Company will continue to be suspended until further notice.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 5 July 2018

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chan Ka Chung, Mr. Cheung Wai Kwan and Mr. Wang Jianguo; and four independent non-executive Directors, namely, Mr. Chan Yee Ping, Michael, Ms. Hu Xuezhen, Mr. Lam Chun Ho and Mr. Tsang Hung Kei.