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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)

**(1) RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR;
AND
(2) DISCLOSURE PURSUANT TO RULE 13.51(2)(h) OF
LISTING RULES**

The Board announces that Mr. Chan Yee Ping, Michael has tendered his resignation as an independent non-executive director of the Company and a member of all the Board's committees with effect from 31 May 2022.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The board of directors (the "Board") of China Wah Yan Healthcare Limited (the "Company") announces that Mr. Chan Yee Ping, Michael has tendered his resignation as an independent non-executive director of the Company and a member of all the Board's committees with effect from 31 May 2022 due to his other business commitment which requires more of his dedications.

Mr. Michael Chan has confirmed that he has no disagreement with the Board and there is no matter relating to his resignation which needs to be brought to the attention of the shareholders of the Company and he has no claim against the Company whether by way of compensation, remuneration, severance payments, expenses or otherwise.

The Board wishes to express sincere gratitude to Mr. Chan for his valuable contribution to the Company during his tenure of office.

NON-COMPLIANCE WITH LISTING RULES

Pursuant to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Company must appoint at least three independent non-executive directors; its audit committee must comprise a minimum of three members and at least one of them is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise; and its remuneration committee and nomination committee must comprise a majority of independent non-executive directors. Following Mr. Michael Chan’s resignation, (i) there will be only one independent non-executive director and less than three members of the audit committee of the Company; (ii) the audit committee will not have a member with the professional qualifications required under the Listing Rules; and (iii) each of the remuneration committee and the nomination committee will have only one independent non-executive director and the composition of these committees will not comprise a majority of independent non-executive directors.

The Company shall identify suitable candidates to fill the two vacancies of independent non-executive directors in order to meet the requirements of the Listing Rules and will make further announcement as and when appropriate.

DISCLOSURE PURSUANT TO RULE 13.51(2)(H) OF LISTING RULES

The Board also noted that the Stock Exchange had published a regulatory announcement (the “Regulatory Announcement”) dated 18 May 2022 in relation to its criticism of Mr. Michael Chan. Mr. Chan was an independent non-executive director, the chairman of the audit committee and a member of the remuneration committee of the board of directors of Prosper One International Holdings Company Limited (“POIH”), a company listed on the Main Board of the Stock Exchange (stock code: 1470), between 20 September 2017 and 27 December 2018. The Listing Committee of the Stock Exchange publicly criticised Mr. Chan for breaching his obligations in the Director’s Undertaking to the Stock Exchange in the form of Appendix 5B to the Listing Rules and failure to discharge his duty as a member of the audit committee of POIH and directed him to attend 21 hours of training on regulatory and legal topics including compliance with the Listing Rules.

The Board (excluding Mr. Chan who has abstained from voting on this matter), after reviewing the Regulatory Announcement, considers that the public criticism on Mr. Chan has no material adverse impact on the business operation of the Company and is of the view that Mr. Chan is suitable to remain as an independent non-executive director of the Company for the following reasons:

1. There is no finding and conclusion in the Regulatory Announcement that Mr. Chan is unsuitable to act as a director of companies listed in Hong Kong;
2. The incidents did not involve any dishonesty, fraud or integrity issues on the part of Mr. Chan; and

3. Mr. Chan, as an independent non-executive director of POIH, was not involved in its daily business operation, which led to the breach of the Listing Rules.

Mr. Chan has confirmed that he would attend the required training and, save as disclosed in this announcement, there is no other information relating to him that is required to be disclosed under Rule 13.51(2)(h) of the Listing Rules and he is not aware of any other matter that needs to be brought to the attention of the shareholders of the Company.

GENERAL

Trading in the shares of the Company will continue to be suspended pending fulfilment of the resumption conditions. The Company will keep its shareholders and potential investors posted of any material development in this regard as and when appropriate.

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

For and on behalf of the board of
China Wah Yan Healthcare Limited
Lam Sung Him Gaston
Company Secretary

Hong Kong, 25 May 2022

As at the date of this announcement, the board of directors of the Company comprises Mr. Chan Ka Chung, Mr. Cheung Wai Kwan and Mr. Wang Jianguo as executive directors; and Mr. Chan Yee Ping, Michael and Ms. Hu Xuezhen as independent non-executive directors.