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## **Yi Hua Holdings Limited**

**益華控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2213)**

### **REMOVAL OF DIRECTORS AND RESIGNATION OF DIRECTOR**

On 22 January 2020, Ms. Xiao Manping and Mr. Wang Qi were removed as executive Directors and Mr. Mao Dan was removed as independent non-executive Director.

Following the Removal, Ms. Xiao Manping also ceased to be an Authorised Representative and Mr. Tse Wing York was appointed as an Authorised Representative with immediate effect.

On 22 January 2020, the Board received a resignation letter from Dr. Lieu Geoffrey Sek Yiu resigning as an independent non-executive Director. The resignation has taken effect as of 22 January 2020.

#### **REMOVAL OF DIRECTORS**

Written notices dated 21 January 2020 had been served on Ms. Xiao Manping (“**Ms. Xiao**”), Mr. Wang Qi (“**Mr. Wang**”), Mr. Mao Dan (“**Mr. Mao**”, together with Ms. Xiao and Mr. Wang, the “**Removed Directors**”) and Dr. Lieu Geoffrey Sek Yiu (“**Dr. Lieu**”), to remove them from office as director(s) (“**Director(s)**” of the Yi Hua Holdings Limited (the “**Company**”)) by way of email and by hand delivery on 21 January 2020 and 22 January 2020, respectively, pursuant to article 105(h) of the amended and restated articles of association (the “**Article(s)**”) of the Company. The removal (the “**Removal**”) of the Removed Directors took effect on 22 January 2020. Accordingly, Ms. Xiao and Mr. Wang were removed as executive Directors; and Mr. Mao removed as independent non-executive Director.

Following the Removal, Ms. Xiao also ceased to be an authorised representative of the Company (“**Authorised Representative**”) under Rule 3.05 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Mr. Tse Wing York was appointed as an Authorised Representative with immediate effect.

## **RESIGNATION OF DIRECTOR**

Subsequent to the service of written notice of removal on 22 January 2020, Dr. Lieu tendered his resignation as an independent non-executive Director. The Board has accepted the resignation with effect from 22 January 2020 (the “**Resignation**”) in lieu of the removal of Dr. Lieu pursuant to the notice that had been served under Article 105(h) of the Articles.

## **REASONS OF THE REMOVAL**

The Company received written notices from Mr. Chen Jianren, Mr. Fan Xinpei, Mr. Leung Wai Kwan, Mr. Wei Chaoling, Mr. Tse Wing York, Mr. Deng Zhipeng, Mr. Chen Daren, Mr. Wong Kwok Wai Albert, Mr. Zeng Zhiyi, Mr. Tong I Tony, Mr. Chong Ning and Mr. Huang Jianhang (collectively, the “**Remaining Directors**”), which had been served upon each of the Removed Directors and Dr. Lieu, to remove them from office as Directors with effect from 22 January 2019 pursuant to Article 105(h).

As informed by the Remaining Directors, they are of the view that (i) the management style and ideology of the Removed Directors and Dr. Lieu are substantially different from that of the Remaining Directors; and (ii) the Removed Directors and Dr. Lieu had failed to collaborate with the Remaining Directors to provide relevant information to and reply to enquiries raised by regulators in a timely manner, which caused difficulties for the Company to comply with the Listing Rules.

Article 105(h) of the Articles provides that a Director shall vacate his office if he shall be removed from office by notice in writing served upon him signed by not less than 3/4 in number (or if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office. As a result, the Removed Directors were removed from office with effect from 22 January 2020.

The Remaining Directors consider that the removal of the Removed Directors and the Resignation will not have any significant adverse effect on the operations of the Company and its subsidiaries.

Apart from the above, the Board is not aware of any disagreement between Removed Directors and the Remaining Directors or any matters that need to be brought to the attention of holders of securities of the Company.

Dr. Lieu indicated that he has disagreement with the Board which he stated in his resignation letter the following:

*“Since my appointment on 31 May 2019, it has become increasingly obvious, especially since the first meetings that I attended of the Audit Committee and the Board of Directors on 29 August 2019 wherein the auditor’s report and the interim results of the Company and its subsidiaries for the six months ended 30 June 2019 were presented, that the Board of the Company has not acted with clear intention or on a timely basis to provide, notwithstanding repeated requests, the needed adequacy and transparency of information on its financial and operational difficulties and challenges as well as governance and management matters to allow me to meaningfully discharge my duties. Critical decisions were introduced and made frequently not in line with best practices but with hast and inadequate or unconvincing articulation of facts or reasoning. My role as INED on the Company has been compromised and rendered counterproductive and non-functional.”*

The Remaining Directors have considered the observations and allegations raised by Dr. Lieu above, and are of the view that the abovementioned accusations are made without basis and are therefore categorically denied.

Apart from the above, the Board is not aware of any matters that need to be brought to the attention of holders of securities of the Company.

By order of the Board  
**Yi Hua Holdings Limited**  
**Chen Jianren**  
Chairman

Hong Kong, 23 January 2020

*As at the date of this announcement, the executive Directors are Mr. Chen Jianren, Mr. Fan Xinpei, Mr. Leung Wai Kwan, Mr. Wei Chaoling, Mr. Tse Wing York and Mr. Deng Zhipeng; the non-executive Director is Mr. Chen Daren; and the independent non-executive Directors are Mr. Wong Kwok Wai Albert, Mr. Zeng Zhiyi, Mr. Tong I Tony, Mr. Chong Ning and Mr. Huang Jianhang.*