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## **China Wah Yan Healthcare Limited**

(Trading as: Wah Yan Bright Healthcare)

**中國華仁醫療有限公司**

(商標：華仁明全醫療)

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 648)**

### **UPDATE ON RESUMPTION**

Reference is made to the announcement of China Wah Yan Healthcare Limited (the “Company”) dated 29 July 2022. Capitalised terms used in this announcement shall adopt the same meaning as those defined in the said announcement.

#### **PROGRESS OF RESUMPTION**

On 21 April 2020, the Stock Exchange informed the Company that it would withhold exercising its right to delist the Company under Rule 6.01A(2)(b)(i) of the Listing Rules pending further development of the Company’s submission to the Commission and may exercise its right under Rule 6.01A of the Listing Rules at a later stage when it considers appropriate. On 1 December 2020 and 6 May 2021, the Company was informed by the Stock Exchange that the Company is required to demonstrate compliance with Rule 13.24 and Rules 3.10(1) and 3.21 of the Listing Rules as additional Resumption Conditions respectively. The Stock Exchange may modify the Resumption Conditions and/or give further guidance if the Company’s situation changes.

The Company will continue to take steps to address the concerns of the Commission and the Stock Exchange.

## **BUSINESS OPERATIONS**

The Company, in view of its deteriorating financial situation since suspension of trading in its shares of the Company in November 2017, has been contemplating solutions to settle its indebtedness. After due and care consideration, the directors of the Company (the “Directors”) have resolved that it would be in the best interest of the Company, its creditors and shareholders (particularly the public shareholders) to conduct a debt restructuring by way of scheme of arrangement (the “Scheme”) in order to restore the Company’s financial and business positions to normality. The Company has been making strenuous efforts to pursue the Scheme and, as at the date of this announcement, the Company has solicited irrevocable support from its creditors of not less than 75% in value and not less than 50% in number to participate in the Scheme. The Company has also obtained a hearing date from the High Court of Hong Kong in respect of its intended application for leave to convene a creditors meeting. The overwhelming support from the supporting creditors and their agreement to participate in the Scheme strongly indicated that a majority of the creditors do intend to rescue the Company and are confident in the prospects of the Company in the long run.

On the other hand, given the Company’s very limited resources resulted from the long suspension of trading in its shares and its heavy indebtedness as well as the disruptive impact of the COVID-19 pandemic on the business activities worldwide including China, the Company has been continuously reviewing its business portfolio under a prudent approach. The Company, in view of the adverse impact of the COVID-19 pandemic on different geographical locations and market segments, has, as a natural extension of its healthcare business and leveraging on its resources and business connections, widened its product and service offerings and shifted its business focus from China to Hong Kong and the overseas markets. Looking ahead, the challenges arising from the Sino-United States trade conflict, the war in Ukraine and the drastic and uncertain changes in the business environment and disruption of supply chains in the midst of the COVID-19 pandemic and the geographical tensions as well as the worldwide interest and inflation hikes will continue to take a hit on the global economy and may inevitably affect the Group’s business operations. Admittedly, this is a very difficult period for all but the Company is confident that it will be able to survive all these challenges with the support of its creditors and business partners and, after resumption of trading in its shares and implementation of the Scheme, its financial position will return to normality and its businesses will improve steadily with good prospects.

## **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, 31 October 2022

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