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HUA YIN INTERNATIONAL HOLDINGS LIMITED

華音國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 989)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

Reference is made to the announcement of Hua Yin International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in relation to the annual results for the year ended 31 March 2021 of the Group dated 29 June 2021 (the “**2021 Annual Results Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the 2021 Annual Results Announcement unless stated otherwise.

In addition to the information provided in the 2021 Annual Results Announcement, the Board would like to provide further information in relation to the decrease in write-downs of the value of property under development and completed properties held for sale of approximately RMB225.6 million made for the year ended 31 March 2021 as compared to that of approximately RMB467.9 million made during the interim results for the six months ended 30 September 2020.

During the first half of the financial year, the Group made a write-down of approximately RMB442.3 million in respect of the Group’s property under development on the Fusong Property Project. Such write-down was made consequential to the discussions with the Fusong Government on the possible buy-back of the Fusong Undeveloped Land; and with reference to a letter from the Fusong Government dated 21 September 2020 setting out the maximum buy-back amount offered by the Fusong Government. No property valuation was carried out by the Company’s valuer on the Fusong Property Project as of 30 September 2020. In the second half of the financial year, the Group continued to look for other potential buyers and had ongoing discussions with these potential buyers for divestment of the Fusong Property Project within a short period of time. After potential independent third party buyers were identified and for the year-end accounting purpose, the management engaged an independent property valuer (the “**Valuer**”) in April 2021 to carry out a valuation of the Fusong Property Project as of 31 March 2021. The net realizable value of approximately RMB644.8 million as at 31 March 2021 was determined by the Group’s management with reference to the property valuation of the Fusong Property Project and applying a discount factor on such valuation with the assumption for a short term sale within three months, which gave rise to a reversal of the write-down by approximately RMB260.4 million during the second half of the financial year.

The said valuation of the Fusong Property Project as of 31 March 2021 was carried out on a bare land basis and based on a direct comparison approach by making reference to comparable land transactions available in the market, which was consistent with that for the previous financial year end (i.e. 31 March 2020). The accommodation values of comparable undeveloped land, as the major input for the valuation, ranged from RMB1,250 per sq.m. to RMB3,082 per sq.m.. It was determined and confirmed by the Group's management that the discount rate to be applied on the valuation of the Fusong Property Project is 38%, taking into account of a possible discount range of 20% to 45% on the basis that the sale will be completed within three months as advised by the Valuer.

The abovementioned supplemental information does not affect any other information contained in the 2021 Annual Results Announcement. Save as aforesaid, all other contents of the 2021 Annual Results Announcement remain unchanged.

By order of the Board
Hua Yin International Holdings Limited
Cui Xintong
Chairperson

Hong Kong, 14 July 2021

As at the date of this announcement, the executive Directors are Ms. Cui Xintong, Mr. Li Junjie, Mr. Cong Peifeng and Mr. Xu Yingchuan; and the independent non-executive Directors are Mr. Tsang Hung Kei, Mr. Zhu Zuoan and Mr. Wang Xiaochu.