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Yik Wo International Holdings Limited

易和國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8659)

VOLUNTARY ANNOUNCEMENT CHANGE OF VIE STRUCTURE

This announcement is made by Yik Wo International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis. Reference is made to the announcement of the Company dated 26 July 2022 in relation to the establishment of a joint venture, namely Beijing Yihe Tianxia Network Technology Co., Ltd.* (北京易和天下網絡科技有限公司) (“**Beijing Yihe**”), and the variable interest entity (the “**VIE**”) structure. The purpose of this announcement is to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest update of the VIE structure.

As at the date of this announcement, Beijing Yihe, was held as to 49% by Beijing Youpinhui Trading Co., Ltd.* (北京優拼匯商貿有限公司) (“**Beijing Youpinhui**”), a wholly-owned subsidiary of the Company, and 51% by Mr. Cheng Denan (程德南) (“**Mr. Cheng**”). Due to foreign ownership restrictions concerning an enterprise holding a value-added telecommunications business permit for internet information service* (《增值電信業務經營許可證》) in the People’s Republic of China (the “**PRC**”), the VIE structure has been put in place through a series of contractual arrangements among Beijing Youpinhui, Beijing Yihe, Mr. Cheng and his spouse to enable Beijing Youpinhui to control 100% of the beneficial interest of Beijing Yihe. Such shareholding structure was based on the mutual agreement between the Company and Mr. Cheng.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the Shareholders and potential investors of the Company that in order for Beijing Youpinhui to hold the maximum permitted interest in Beijing Yihe under foreign ownership restrictions in the PRC, it is proposed that the shareholding structure of Beijing Yihe will be changed to 50% being held by Beijing Youpinhui and 50% being held by Mr. Cheng. Following the proposed shareholding change, the VIE structure will continue to be in place to enable Beijing Youpinhui to control 100% of the beneficial interest of Beijing Yihe.

The Company will, where applicable, make further announcement(s) in this regard as and when necessary in accordance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

By order of the Board
Yik Wo International Holdings Limited
Xu Youjiang
Chairman and Executive Director

Hong Kong, 31 March 2023

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Xu Youjiang, Ms. Xu Liping and Mr. Zhang Yuansheng, and three independent non-executive Directors, namely Mr. Chang Eric Jackson, Mr. Liu Dajin and Mr. Deng Zhihuang.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at www.yikwo.cn.