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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)

INSIDE INFORMATION WINDING UP PETITION

This announcement is made by Yi Hua Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

On 19 March 2019, the Company received a petition (the “**Petition**”) dated 17 March 2020 filed by an individual (which is one of the bondholders as disclosed in the voluntary announcement of the Company dated 19 February 2020) (the “**Petitioner**”) against the Company in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region.

According to the Petition, the Petitioner petitioned for:

- (i) an order that the Company be wound up under the provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
- (ii) an order that the Petitioner’s costs of and occasioned by the Petition be taxed and paid out of the assets of the Company; and
- (iii) that such further or other order as the court thinks fit.

The main bases of the Petitioner in the Petition are as follows:

- (1) The Petitioner alleged that the Company was indebted to the Petitioner a sum of HK\$10,722,724.96 (the “**Outstanding Sum**”) as at 11 February 2020 which comprised of the total principal amount of the outstanding bonds of the Company of HK\$10,000,000, the accrued interests of HK\$713,424.96 and legal costs of HK\$9,300.
- (2) On 11 February 2020, the Petitioner through its solicitors served on the Company a statutory demand for payment of the Outstanding Sum (the “**Statutory Demand**”).
- (3) The Petitioner alleged that by 3 March 2020 which was 3 weeks after the service of the Statutory Demand, the Company has failed and neglected to pay the Outstanding Sum demanded or any part thereof, or to secure or compound for it to the reasonable satisfaction of the Petitioner.
- (4) The Petitioner further alleged that the Company has become “unable to pay its debts” under Section 178(1)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

The Company is in the process of seeking legal advice in respect of the Petition and has been negotiating with the Petitioner for settlement. The Company will make further announcement(s) to keep its shareholders and investors informed of any significant developments in relation to the Petition as and when appropriate.

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

By order of the Board
Yi Hua Holdings Limited
Chen Jianren
Chairman and Executive Director

Hong Kong, 19 March 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. Zeng Zhiyi, Mr. Tong I Tony, Mr. Chong Ning and Mr. Huang Jianhang.