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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)**

## **UPDATE ANNOUNCEMENT IN RELATION TO WINDING UP PETITION**

This announcement is made by Yi Hua Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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).

Reference is made to the announcement (the “**Announcement**”) of the Company dated 19 March 2020 in relation to, among others, the 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. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company wishes to inform the shareholders and potential investors of the Company that the Petition will be heard on Wednesday, 17 June 2020 at 9:30 a.m. in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region. The Company also wishes to provide additional information in relation to the effects of the Petition, including but not limited to the potential effect of the Petition on the transfer of the Company’s shares and current financial position and business operation of the Group and the further action the Company has taken or will take in respect of the Petition.

## **EFFECTS OF THE PETITION**

The Company has been advised by its legal advisers that in the event that the Company is ultimately wound up as a result of the Petition, then pursuant to section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the “**CWUMPO**”), any disposition of the property of the Company, including things in action, and any transfer of shares, or alteration in the status of the members of the Company after the commencement date of the winding up, namely the date of the presentation of the Petition (19 March 2020), will be void as a matter of Hong Kong law unless a validation order is obtained from the High Court. Any disposition made on or after 19 March 2020 will not be affected if the Petition is subsequently struck out, dismissed or permanently stayed. Although the Company intends to oppose the Petition, given the effect of section 182 of the CWUMPO, the Board wishes to remind the shareholders and potential investors of the Company that, the transfer of the shares in the Company made on or after 19 March 2020 would be void without a validation order from the High Court.

Pursuant to the circular dated 28 December 2016 issued by Hong Kong Securities Clearing Company Limited (“**HKSCC**”) in relation to the transfer of the shares of listed issuers after a winding up petition has been presented, in view of these restrictions and the uncertainties that may arise in relation to the transfer of shares of the Company, for participant(s) who conduct share transfers through HKSCC (the “**Participant(s)**”), HKSCC may at any time, and without notice, exercise its powers under the General Rules of Central Clearing and Settlement System (“**CCASS**”) to temporarily suspend any of its services in respect of shares of the Company. This may include the suspension of acceptance of deposits of share certificates of the Company into CCASS. The share certificates of the Company received by HKSCC but not yet re-registered in HKSCC Nominee Limited’s name will also be returned to the relevant Participant and HKSCC shall reserve the right to reverse any credit granted to such Participant by debiting the relevant securities from its CCASS account accordingly. These measures would generally cease to apply from the date when the winding up petition has been struck-out, dismissed or permanently stayed, or the Company has obtained the necessary validation order from the High Court.

To the best knowledge of the Board, the Petition has no material impact to the current financial position and business operation of the Company and its subsidiaries.

## **FURTHER ACTION REGARDING THE PETITION**

The Company has been in negotiations with the Petitioner to reach a settlement including the immediate dismissal and withdrawal of the Petition. On the other hand, the Company is also working closely with its legal advisers on its further actions in relation to the Petition. In addition, the Company is currently seeking legal advice from its legal advisers in relation to the application for a validation order from the High Court in respect of, among other things, the transfer of its shares.

Further announcement(s) will be made by the Company as and when appropriate in relation to any material development in relation to the Petition.

Transfer of shares of the Company may be restricted as the deposits of the Company's shares into CCASS may be suspended due to the Petition. Shareholders and potential investors should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

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

Hong Kong, 24 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.*