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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)

VOLUNTARY ANNOUNCEMENT IN RELATION TO THE TENANCY OF YIHUA BUILDING

Reference is made to the announcements of the Company dated 18 November 2015, 31 December 2019, 23 January 2020, 28 February 2020 and 31 March 2020 (the “**Announcements**”), respectively, and the circular of the Company dated 14 December 2015 respectively, in relation to, among other things, the 2015 Supplemental Agreement to the Second Tenancy Framework Agreement, the 2020 Yihua Building Tenancy Agreement, the One-Month Yihua Building Tenancy Agreement, the Second One-Month Yihua Building Tenancy Agreement, the Third One-Month Yihua Building Tenancy Agreement and the Fourth One-Month Yihua Building Tenancy Agreement. Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

The purpose of this announcement is to inform the shareholders and potential investors of the Company of the latest status in relation to the Fourth One-Month Yihua Building Tenancy Agreement.

Due to the outbreak of the novel coronavirus (COVID-19) in the mainland China resulting in the prolonged closures of workplaces, restrictions to travels and disruptions to economic activities, business operations in general have been adversely affected which in turn put a strain on rental commitments of the sub-tenants of the Premises under the Fourth One-Month Yihua Building Tenancy Agreement. The Company has received feedbacks from sub-tenants of the Premises that they may be forced to adjust their scale of operation in view of the current market sentiment and to opt for early termination or discontinuation after expiry of the terms of their leases of areas of the Yihua Building. The Company expects that the negative economic effects of COVID-19 will remain in the near future and shops and offices rents will continue to be under downward pressure. In light of the foregoing, the Company has decided not to renew the agreement under the Fourth One-Month Yihua Building Tenancy Agreement after the expiry of its term which will end on 30 April 2020.

In late 2019, the Group has moved its self-operated department stores located in areas of the Yihua Building to other premises in a building adjacent to the Yihua Building provided by independent third parties for which the Group has been renting while the areas in the Yihua Building has been undergoing store renovation and upgrade. As the Group will no longer continue to rent the Premises in the Yihua Building for the reasons disclosed above, the Group intends to relocate its department stores in the Yihua Building to the said premises.

The operation of the Group's department store business and the Group's business, taken as a whole, will not be materially affected if no renewal agreement is entered into after expiration of term of the Fourth One-Month Yihua Building Tenancy Agreement.

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

Hong Kong, 29 April 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.