

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 26 May 2020, the Company received a petition (the “**Petition**”) dated 25 May 2020 filed by an individual (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\$3,108,000 (the “**Outstanding Sum**”) as at 9 April 2020 which comprised of the total principal amount of the outstanding bonds of the Company of HK\$3,000,000, the accrued interests of HK\$105,000 and legal costs of HK\$3,000.
- (2) On 9 April 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 30 April 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 Petition will be heard on Wednesday, 19 August 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 (25 May 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 25 May 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 25 May 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 is in the process of seeking legal advice in respect of the Petition and has been negotiating with the Petitioner for settlement.

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, 26 May 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.