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Yi Hua Holdings Limited

益華控股有限公司

(In Liquidation)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2213)

QUARTERLY UPDATE ON RESUMPTION PROGRESS AND ADDITIONAL RESUMPTION GUIDANCE

This announcement is made by Yi Hua Holdings Limited (In Liquidation) (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rules 13.09 and 13.24A of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company's announcements dated 7 September 2020, 2 November 2020, 16 November 2020 and 28 January 2021 (the "**Announcements**"). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

UPDATE ON BUSINESS OPERATIONS OF THE GROUP

As at the date of this announcement, the Liquidators were advised by the management of certain PRC subsidiaries of the Company that certain department stores of the Group located respectively in Zhongshan City, Qingyuan City and Yangchun City of Guangdong Province, the PRC had ceased operation in the fourth quarter of 2020.

The Group has been reviewing the operation of each of its department stores and looking for opportunities for business/corporate restructuring, in an aim to improve its business and financial performance, and enhance efficiency on deployment of working capital and other resources.

ADDITIONAL RESUMPTION GUIDANCE

As disclosed in the Announcements, the Stock Exchange has set out following Resumption Guidance for the Company:

- (i) have the winding-up order against the Company withdrawn or dismissed and the appointment of any liquidators (provisional or not) discharged;

- (ii) publish all outstanding financial results and address any audit modifications;
- (iii) inform the market of all material information for shareholders and investors to appraise the Company's position; and
- (iv) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules.

On 8 February 2021, the Company received a letter from the Stock Exchange setting out the following additional Resumption Guidance:

- (i) re-comply with Rules 3.10, 3.10A, 3.21 and 3.25 of the Listing Rules.

The Stock Exchange indicated that it may modify the Resumption Guidance and/or give further guidance if the situation changes.

UPDATE ON THE PROGRESS OF RESUMPTION

The Liquidators have been in discussion with various parties including potential investors to explore the possibility of a restructuring of the Group and to consider various options available to the Company in formulating a viable resumption proposal. As at the date of this announcement, non-binding term sheets in relation to the proposed restructuring of the Group have been received by the Liquidators from potential investors. The Liquidators are in continuous negotiation with the parties with an aim to enter into definitive agreement with one selected investor by the end of March 2021. Further announcements will be made by the Company to update the shareholders of the Company and the public in this regard as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange, which has been suspended with effect from 3:33 p.m. on 18 August 2020, remains suspended and will continue to be so until further notice.

The Company will keep the public informed by making further announcements as appropriate.

There is no guarantee that the proposed restructuring of the Group or the resumption of trading in the shares of the Company on the Stock Exchange will take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

For and on behalf of
Yi Hua Holdings Limited
(In Liquidation)
Lai Kar Yan (Derek)
Ho Kwok Leung Glen
Joint and Several Liquidators
acting as agents without personal liability

Hong Kong, 17 February 2021

At the date of this announcement, the executive Directors are Mr. Chen Jianren, Mr. Fan Xinpei, Mr. Leung Wai Kwan and Mr. Wu Kai; the non-executive Directors are Mr. Chen Daren and Mr. Chen Wenhan; and the independent non-executive Directors are Mr. Chong Ning.