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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 RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

This announcement is made by Yi Hua Holdings Limited (In Liquidation) (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.24A of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Reference is made to the Company's announcements dated 7 September 2020, 2 November 2020, 16 November 2020, 28 January 2021, 17 February 2021 and 17 May 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 the department store of the Group located in Shaoguan City of Guangdong Province, the PRC is expected to cease operation in the third quarter of 2021.

The Group has been reviewing the operation of its department store business 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.

UPDATE ON THE PROGRESS OF RESUMPTION

The Liquidators have been identifying the potential investors. As at the date of this announcement, no binding agreement has been entered into. 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.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Chong Ning ("**Mr. Ning**") has tendered his resignation as an independent non-executive Director of the Company and ceased to serve as a member of each of the audit committee, the remuneration committee, and the nomination committee of the Company with effect from 18 August 2021 as he intended to focus on his personal and other business commitments.

Mr. Ning has confirmed that he has no disagreement with the board of directors of the Company and there is no other matter that needs to be brought to the attention of Stock Exchange or the shareholders of the Company.

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, 20 August 2021

At the date of this announcement, the executive Directors are Mr. Chen Jianren, Mr. Fan Xinpei and Mr. WuKai; and non-executive Directors are Mr. Chen Daren and Mr. Chen Wenhan.