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HUA YIN INTERNATIONAL HOLDINGS LIMITED

華音國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 989)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE COOPERATION IN MINERAL SPRING WATER PRODUCTION

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

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 11 January 2022 (after trading hours), Huayin International (HK) Holdings Limited (“**Huayin HK**”, an indirect wholly-owned subsidiary of the Company) entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Jilin Huashang Construction Group Company Limited* (吉林華商建設集團有限公司) (“**Huashang Construction**”), pursuant to which the parties have agreed to further negotiate on the possible cooperation for the sales and production of mineral spring water in the People’s Republic of China (“**PRC**”).

MOU

Date : 11 January 2022

Parties : (i) Huayin HK

(ii) Huashang Construction

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Huashang Construction and its ultimate beneficial owners is a third party independent of and not connected to the Company.

Subject matter

As at the date of the MOU, Huashang Construction owns 100% equity interests in Antu Xingdao Green Beverages Company Limited*(安圖星島綠色飲品有限公司) (“**Antu Xingdao**”), which holds the mineral spring water resources development and rights of use of certain natural springs in Jilin Province.

Subject to further negotiations and the terms and conditions to be set out in the formal agreement (the “**Formal Agreement**”), the parties agreed to engage in negotiation for the possible cooperation in the sales and production of mineral spring water (the “**Possible Cooperation**”).

The parties to the MOU may carry out the Possible Cooperation through the acquisition by the Group of the entire equity interests in Antu Xingdao to acquire right of access to natural springs in Jilin Province for industrial production and bottling development.

Exclusivity and due diligence review

During the exclusivity period commencing from the date of the MOU until 31 May 2022 (or such later date as the parties may agree in writing) (the “**Exclusivity Period**”), Huashang Construction shall not, and shall procure that its shareholders, directors, employees, representatives and agents not to, directly or indirectly, (a) solicit, initiate or encourage inquiries or offers from, or (b) initiate or continue negotiations or discussions with or furnish any information to, or (c) enter into any agreement or statement of intent or understanding with, any person or entity, other than the Company or its wholly-owned subsidiary, in relation to the Possible Cooperation and/or the disposal of equity interests in Antu Xingdao.

The Company is granted the right to review of the assets, indebtedness, operations, financial information and other aspect of Antu Xingdao as it may consider appropriate for considering the Possible Cooperation.

The parties to the MOU shall negotiate, in good faith, and enter into a legally binding Formal Agreement in connection with the Possible Cooperation within the Exclusivity Period.

Binding effect

Save for certain provisions including but not limited to confidentiality, exclusivity, due diligence and consequences of termination, the MOU does not create any legally binding obligations on the parties.

INFORMATION OF HUASHANG CONSTRUCTION AND ANTU XINGDAO

Huashang Construction is a limited liability company established in the PRC and is principally engaged in the provision of construction contract services, building materials, decorative materials sub-processing, and housing construction contracts at level three of main contractor level.

Antu Xingdao is a limited liability company established in the PRC and is principally engaged in the sales and production of mineral spring water and beverages.

REASONS FOR AND BENEFITS OF THE POSSIBLE COOPERATION

The Company is an investment holding company. The Group is principally engaged in property development and management, including planning, design, budgeting, licensing, contract tendering and contract administration, and property investment.

The business strategy of the Company is to consider potential business and investment opportunities from time to time in order to increase the value of shares of the Company. The Directors believe that business in the mineral spring water industry has strong growth potentials and opportunities for development. The high-quality natural spring resources held by Antu Xingdao would serve to facilitate the development and supply of high-quality mineral spring water to the market, and the Directors believe that the Possible Cooperation will allow the Group to capture a new business segment of sales and production of mineral spring water. The Directors believe that the materialisation of the Possible Cooperation will enable the Group to expand its business scope, increase its profitability and bring more considerable returns to the shareholders of the Company (the “Shareholders”).

Having considered the above, the Directors are of the view that the Possible Cooperation is in the interests of the Company and the Shareholders as a whole.

GENERAL

Shareholders and potential investors of the Company should note that the MOU only sets out the intention of the Parties in relation to the Possible Cooperation, and that the MOU is not legally binding and creates no legal obligations on the parties. In the event that a legally binding definitive agreement is agreed and/or signed, further announcement(s) will be made by the Company in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as and when appropriate.

The MOU may or may not lead to the entering into and/or completion of any formal agreement(s) and the Possible Cooperation may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Hua Yin International Holdings Limited
CUI Xintong
Co-chairperson

Hong Kong, 11 January 2022

As at the date of this announcement, the executive Directors are Ms. Cui Xintong, Mr. Li Junjie, Mr. Cong Peifeng and Mr. Xu Yingchuan; the non-executive Director is Mr. Cui Mindong and Mr. Sui Guangyi and the independent non-executive Directors are Mr. Tsang Hung Kei, Mr. Wang Xiaochu and Mr. Wang Xueguang.

** For identification purposes only*