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.

HUA YIN INTERNATIONAL HOLDINGS LIMITED

華音國際控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 989)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY INTERESTS IN THE TARGET COMPANIES

INTRODUCTION

On 28 July 2025 (after trading hours), the Sellers, each being an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, an Independent Third Party, pursuant to which the Sellers conditionally agreed to sell to the Purchaser the entire equity interests in the Target Companies, at the consideration of RMB1.0 (equivalent to approximately HK$1.1) subject to the terms of the Agreement.

Upon Completion, the Target Companies will cease to be subsidiaries of the Company and their financial results and assets and liabilities will no longer be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 25% but all are less than 75%, the entering into of the Agreement and the transaction contemplated thereunder constitute a major transaction of the Company and are therefore subject to the announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among other things, (i) further details of the Disposal; (ii) a notice convening the SGM; and (iii) other information as required by the Listing Rules, is expected to be despatched to the Shareholders on or before 20 August 2025 to allow for additional time required by the Company to finalise certain financial information for inclusion in the circular in compliance with the Listing Rules.

THE DISPOSAL

On 28 July 2025 (after trading hours), the Sellers, each being an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Sellers conditionally agreed to sell to the Purchaser the entire equity interests in the Target Companies, at the consideration of RMB1.0 (equivalent to approximately HK$1.1) subject to the terms of the Agreement.

The Agreement

Date	:	28 July 2025
Seller(s)	:	The Seller A, the Seller B, the Seller C and the Seller D
Purchaser	:	The Purchaser To the best of the Director's knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.
Subject matter – assets to be disposed of	:	100% equity interests in the Target Companies, which in turns holds the following underlying assets as at 30 June 2025: <u>*Investment properties*</u> - Guangze International Shopping Centre – self-owned units with GFA of approximately 80,938.4 sq.m.; and - Guangze International Shopping Centre – leased units with GFA of approximately 20,552.2 sq.m. <u>*Properties under development*</u> - Guangze China House – Phase IIB with estimated GFA of approximately 42,004 sq.m., of which the land premium had been settled but the land use rights certificate is yet to obtain due to the relocation of original residents is not yet complete. <u>*Completed properties held for sale*</u> - Guangze International Shopping Centre – resident units with GFA of approximately 969.2 sq.m. and 54 car parking units; - Guangze China House – Phase I – resident and commercial units with GFA of approximately 4,526.1 sq.m.; - Guangze China House – Phase IIA – resident units with GFA of approximately 4,589.4 sq.m. and 2 car parking units; and - Guangze Red House – Phase I, II and III – commercial units with GFA of approximately 312.4 sq.m. and 13 car parking units.

Consideration	:	RMB1.0 (equivalent to approximately HK$1.1) The Consideration was arrived at after arm's length negotiations between the parties to the Agreement after taking into consideration of various factors, including, among others, (i) the reasons for the Disposal as set out in the section headed "Reasons for and benefits of the Disposal" below; and (ii) the consolidated net liabilities of the Target Companies of approximately RMB127.0 million as at 31 March 2025. Having considered that (i) the property market and the financing environment in the PRC are uncertain and it would be in the interest of the Company to secure a divestment and offload the properties held by the Target Companies that requires further fundings for development expenditure and loan repayment before completion; (ii) the Purchaser is willing to take up the financial burden of the Target Companies, including all the liabilities of the Target Group of RMB436.7 million as at 31 March 2025 (which include two bank loans with an aggregate balance of approximately RMB241.0 million), the Directors are of the view that the nominal consideration is fair and reasonable.
Term of payment	:	The Consideration has been settled in full upon the signing of the Agreement
Conditions precedent	:	Completion of the Agreement is conditional upon the satisfaction or waiver (subject to the compliance with all relevant laws, rules and regulations) of the following conditions: (a) the Agreement having been signed and become effective; (b) (if applicable) the obtaining of the written approvals and consents on the Disposal from the relevant financial institutions which have provided guarantees to the Sellers and/or the related parties of the Sellers in respect of the Target Companies; (c) the relevant warranties and representations under the Agreement having been adhered to and complied with by the Sellers and the Purchaser; (d) the passing of necessary internal decision-making procedures (decision(s) / resolution(s) by the shareholder(s), decision(s) / resolution(s) by the board of director(s) (if required)) of each of the Sellers and the Target Company to approve the transfer of the equity interests contemplated under the Agreement; (e) the Purchaser having obtained all necessary consents and approvals in relation to the transfer of equity interest contemplated under the Agreement; and (f) if applicable, the necessary approvals and consents under the relevant rules and regulations (including the Listing Rules)

having been obtained by the Company in respect of the transactions contemplated under the Agreement.

For the avoidance of the doubt, save for condition (c) above, none of the conditions can be waived.

If the above conditions precedent have not been fulfilled (or waived, as the case may be) on or before the Long Stop Date, either party shall have the right to terminate Agreement.

Completion : Completion shall take place on the day upon (i) the satisfaction (or waiver, as the case may be) of all conditions precedent set out above; and (ii) the completion of the equity transfer registration procedures required by the local market supervision and administration department.

After Completion, all costs, taxes, operational risks, risks, debts and claims related to the buildings and relevant assets will be borne by the Purchaser, and the Sellers will cease to have any responsibilities and obligations over the aforesaid matters.

Further, the Purchaser undertakes to release all guarantees provided by Mr. Cui Mindong (the non-executive Director of the Company), Ms. Chai Xiu (the spouse of Mr. Cui Mindong) and/or their related companies in respect of the Target Companies' bank facilities within 90 days upon Completion.

REASONS FOR AND BENEFITS OF THE DISPOSAL

As at 31 March 2025, the Target Companies hold (i) investment properties including (a) the self-owned portion of Guangze International Shopping Centre with GFA of approximately 80,938.4 sq.m.; (b) the leased portion of Guangze International Shopping Centre with GFA of approximately 20,552.2 sq.m.; (ii) completed properties held for sales in respect of (1) Guangze International Shopping Centre with GFA of approximately 969.2 sq.m.; (2) Guangze China House – Phase I, II and IIA with GFA of approximately 9,115.5 sq.m.; and (3) Guangze Red House – Phase I, II and III with GFA of approximately 312.4 sq.m.. The total asset value of the Target Companies aggregated to approximately RMB417.9 million as at 31 March 2025.

Guangze International Shopping Centre was developed by Baishan Ground Real Estate and commenced operation in January 2015. The original construction costs of the self-owned portion were approximately RMB578.9 million. Since the financial year of 2019/2020, the fair value of such property has decreased over the years, and reached to approximately RMB217.0 million as at 31 March 2025 (a deficit of approximately RMB361.9 million below its original costs). Also, Baishan Ground Business Management, the operating company of Guangze International Shopping Centre, has been loss-making since the opening of the shopping centre even after the management has attempted to change the tenant mix and operating mode of the shopping centre over the years.

Having taken into consideration of the Group's highly leveraged financial position and the net liabilities position of the Group as at 31 March 2025, the Group's management has carried out a substantive review on the Group's project portfolio, and has decided to divest project companies that (i) are loss-making; (ii) require substantial development expenditure to complete the development; and/or (iii) have an expected prolonged payback period.

As at 31 March 2025, the current liabilities and net liabilities of the Target Companies amounted to approximately RMB436.7 million and RMB127.0 million, respectively, which include two bank loans with an aggregate balance of approximately RMB241.0 million.

Given the above factors, the Directors (including the independent non-executive Directors) are of the view that the Disposal will provide an opportunity for the Group to reduce the overall debt position and to mitigate the Group's risk of running into liquidity issue. Accordingly, the Disposal will strengthen the Group's financial position and financing capability in the long run. The Board is of the view that the Disposal and the terms of the Agreement are fair and reasonable and are in the interest of the Group and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL AND THE PROPOSED USE OF PROCEEDS

Upon Completion, the Target Companies will cease to be subsidiaries of the Company and its financial results, assets and liabilities will no longer be consolidated into the financial statements of the Group.

As the Consideration is RMB1.0, there is no material proceed from the Disposal.

It is estimated that the gain on disposal of the equity interests in the Target Companies calculated in accordance with the HKFRS Accounting Standards would be approximately RMB126.1 million, comprising the Consideration less the carrying value of the investment in the Target Companies and after deducting the expenses directly attributable to the Disposal.

Given the above net gain on disposal to the Group, the consolidated net liabilities attributable to the Shareholders is preliminarily estimated to decrease by approximately RMB126.1 million (subject to audit) upon Completion. On the above basis, the consolidated total assets of the Group is expected to decrease by approximately RMB417.9 million (subject to audit), and the consolidated total liabilities of the Group is expected to decrease by approximately RMB545.0 million (subject to audit) upon Completion. However, the actual financial impacts of the Disposal to be recognised by the Group will be subject to the then financial position of the Target Companies and the final audit upon Completion.

The above calculation and accounting treatment are subject to review by the auditors of the Group. The actual financial impact to the Group arising from the Disposal to be recorded in the Group's consolidated financial statements will be recalculated based on the net asset value of the Target Companies as at the date of Completion.

INFORMATION ON THE PARTIES AND THE TARGET COMPANIES

Information relating to the Company and the Sellers

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.

Seller A is a company established in the PRC and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement. The principal activity of Seller A is investment and asset management.

Seller B is a company established in the PRC and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement. The principal activity of Seller B is investment and asset management.

Seller C is a company established in the PRC and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement. The principal activity of Seller C is investment holding.

Seller D is a company established in the PRC and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement. The principal activity of Seller D is investment holding.

Information relating to the Target Companies

Changchun Zhujia is a limited liability company established in the PRC and is owned as to 15% by Seller A and 85% by Seller B as at the date of this announcement. The principal activity of Changchun Zhujia is investment holding. It holds 100% equity interest in Baishan Ground Real Estate. Baishan Ground Real Estate is a limited liability company established in the PRC and is wholly-owned by Changchun Zhujia. The principal activity of Baishan Ground Real Estate is property development.

Yanji Huize Real Estate is a limited liability company established in the PRC and is wholly-owned by Seller C as at the date of this announcement. The principal activity of Yanji Huize Real Estate is property development.

Baishan Ground Business Management is a company established in the PRC and is wholly-owned by Seller D as at the date of this announcement. The principal activity of Baishan Ground Business Management is real estate rental management.

Financial information of the Target Companies

Set out below are the unaudited results and net assets/(liabilities) of the Target Companies prepared under HKFRS Accounting Standards:

	For the year end 31 March 2025 ***RMB'000***	**For the year ended 31 March 2024** ***RMB'000***
(Loss)/profit before tax		
Changchun Zhujia	-	(1,153)
Baishan Ground Real Estate	(207,516)	(67,124)
Baishan Ground Business Management	(3,920)	(13,313)
Yanji Huize Real Estate	(730)	4,160
	(212,166)	(77,430)
(Loss)/profit after tax		
Changchun Zhujia	-	(1,153)
Baishan Ground Real Estate	(184,999)	(51,779)
Baishan Ground Business Management	(3,920)	(13,313)
Yanji Huize Real Estate	(1,064)	1,728
	(189,983)	(64,517)

	As at 31 March 2025 *RMB'000*
Net assets/(liabilities)	
Changchun Zhujia	4
Baishan Ground Real Estate	(43,581)
Baishan Ground Business Management	(21,630)
Yanji Huize Real Estate	(61,836)
	(127,043)

Information relating to the Purchaser

The Purchaser is a company established in the PRC, which is principally engaged in investment holding, and its ultimate beneficial owner is Mr. Liu Xinzhong, a merchant in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties as at the date of this announcement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 25% but all are less than 75%, the entering into of the Agreement and the transaction contemplated thereunder constitute a major transaction of the Company and are therefore subject to the announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other matters, the Agreement and the transactions contemplated thereunder. To the Directors' best knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, no Shareholder has a material interest in the Agreement and therefore no other Shareholder is required to abstain from voting on the proposed resolution approving the Agreement at the SGM.

A circular containing, among other things, (i) further details of the Disposal; (ii) a notice convening the SGM; and (iii) other information as required by the Listing Rules, is expected to be despatched to the Shareholders on or before 20 August 2025 to allow for additional time required by the Company to finalise certain financial information for inclusion in the circular in compliance with the Listing Rules.

Since completion of the Agreement and the transactions contemplated thereunder are subject to the fulfilment of the conditions as set out therein, the transaction may or may not proceed. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

"Agreement"	the conditional equity transfer agreement dated 28 July 2025 entered into between the Sellers as seller and the Purchaser as purchaser in relation to the Disposal
"Baishan Ground Business Management"	白山市廣澤商業管理有限公司 (Baishan Ground Business Management Company Limited*), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Seller D
"Baishan Ground Real Estate"	白山市廣澤房地產開發有限公司 (Baishan Ground Real Estate Development Company Limited*), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Changchun Zhujia
"Board"	the board of Directors
"Changchun Zhujia"	長春市築家房地產開發有限公司 (Changchun Zhujia Real Estate Development Company Limited*), a company established under the laws of the PRC with limited liability and owned as to 15% by Seller A and 85% by Seller B
"Company"	Hua Yin International Holdings Limited (華音國際控股有限公司)(stock code: 989), a company incorporated in Bermuda with limited liability, the shares of which are listed in the Main Board of the Stock Exchange
"Completion"	completion of the Disposal in accordance with the terms and conditions of the Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	RMB1.0, being the total consideration of the Disposal
"Director(s)"	director(s) of the Company
"Disposal"	the disposal of the entire equity interests in the Target Companies by the Sellers to the Purchaser pursuant to the Agreement
"GFA"	gross floor area
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS Accounting Standards"	HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants

"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	person(s) or company(ies) which is/are independent of and not connected with the Company and its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	the date falling on the 60th Business Days after the date of signing of the Agreement, i.e. 22 October 2025, or such later date as the Sellers and the Purchaser may agree in writing
"PRC"	the People's Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Purchaser"	白山市昇達商貿有限公司 (Baishan Shengda Commercial Company Limited*), a company established in the PRC with limited liability
"RMB"	Renminbi, the lawful currency of the PRC
"Seller A"	吉林省融利投資有限公司 (Jilin Province Rongli Investment Company Limited*), an indirect wholly-owned subsidiary of the Company and is established in the PRC with limited liability
"Seller B"	吉林省融裕投資有限公司 (Jilin Province Rongyu Investment Company Limited*), an indirect wholly-owned subsidiary of the Company and is established in the PRC with limited liability
"Seller C"	長春市融裕商貿有限公司 (Changchun Rongyu Commercial Company Limited*), an indirect wholly-owned subsidiary of the Company and is established in the PRC with limited liability
"Seller D"	吉林省廣澤物業投資有限公司 (Jilin Ground Property Investment Company Limited*), an indirect wholly-owned subsidiary of the Company and is established in the PRC with limited liability
"Sellers"	collectively, the Seller A, the Seller B, the Seller C and the Seller D, and each a "Seller"
"SGM"	the special general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, approve, among other things, the Agreement and the transactions contemplated thereunder
"Share(s)"	the ordinary share(s) of HK$0.01 each in the share capital of the Company

"Shareholder(s)"	holder(s) of the Share(s)
"sq.m."	square metre
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Companies"	collectively, Changchun Zhujia, Baishan Ground Real Estate, Baishan Ground Business Management and Yanji Huize Real Estate
"Yanji Huize Real Estate"	延吉市惠澤房地產開發有限公司 (Yanji Huize Real Estate Development Company Limited*), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Seller C
"%"	per cent.

* *The English translation of the Chinese names in this announcement, where indicated, are transliterations from their Chinese names and are for identification purposes only, and should not be regarded as the official English name(s) of such Chinese name(s). If there is any inconsistency, the Chinese name shall prevail.*

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK$ is calculated at the approximate exchange rate of RMB1.00 to HK$1.10. This exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

By order of the Board
Hua Yin International Holdings Limited
Ng Man Kit Micky
Company Secretary

Hong Kong, 28 July 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Xu Yingchuan (Acting chairperson), Mr. Li Junjie and Mr. Cong Peifeng; the non-executive Directors of the Company are Mr. Cui Mindong and Mr. Chiu Sin Nang, Kenny; and the independent non-executive Directors of the Company are Mr. Tsang Hung Kei and Mr. Wang Xiaochu.