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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY INTERESTS IN THE TARGET COMPANY

INTRODUCTION

On 18 September 2025 (after trading hours), the Seller, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, an Independent Third Party, pursuant to which the Seller conditionally agreed to sell to the Purchaser the entire equity interests in the Target Company, at the consideration of RMB1.0 (equivalent to approximately HK$1.1) subject to the terms of the Agreement.

Upon Completion, the Target Group 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 5% but all are less than 25%, the entering into of the Agreement and the transaction contemplated thereunder constitute a discloseable transaction of the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

On 18 September 2025 (after trading hours), the Seller, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Seller conditionally agreed to sell to the Purchaser the entire equity interests in the Target Company, at the consideration of RMB1.0 (equivalent to approximately HK$1.1) subject to the terms of the Agreement.

The Agreement

Date	:	18 September 2025
Seller	:	The Seller
Purchaser	:	The Purchaser
Subject matter – assets to be disposed of	:	100% equity interests in the Target Company, which in turns holds the following equity interests: - 60% equity interests in Hua Yin Zixia, of which the major asset is the land development expenditure made on a potential property project in Dunhua City, the PRC; and - 100% equity interests in Hua Yin Zixiangmen, of which is inactive.
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 (i) the reasons for the Disposal as set out in the section headed "Reasons for and benefits of the Disposal" below; and (ii) the negative consolidated net asset value of the Target Group of approximately RMB24,500 as at 31 July 2025.
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) the warranties and representations provided by the Seller and the Purchaser under the Agreement remain true and accurate and not misleading in all material respects; (c) the passing by the board of director(s) and shareholder(s) (if required) of each of the Seller and the Target Company of the resolution(s) to approve the transfer of the equity interests contemplated under the Agreement;

(d) the Purchaser having obtained all necessary consents and approvals in relation to the transfer of equity interests contemplated under the Agreement; and

(e) 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 (b) above, none of the above conditions can be waived.

If the above conditions precedent have not been fulfilled on or before the Long Stop Date, and no consensus can be reached between the Seller and the Purchaser on the timing for fulfilling the conditions precedent within 30 days from the expiry of the Long Stop Date, either party shall have the right to terminate Agreement.

Completion	:	Completion shall take place on the date when (i) the conditions precedent have been satisfied (or waived, as the case may be); and (ii) the industrial and commercial change registration and filing in respect of the Disposal have been completed.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Target Company was originally set up to develop property projects in Dunhua City, Yanbian Korean Autonomous Prefecture, Jilin Province, the PRC. In June 2023, the Target Company entered into a cooperation agreement with Jilin Tiande and Jilin Wanding in Hua Yin Zixia, with the intention of acquiring a land parcel with a site area of approximately 64,880 square meters for commercial and residential purposes. Details of which are set out in the Company's announcement dated 30 June 2023. In October 2023, the Target Company entered into an investment framework agreement with The People's Government of Dunhua Municipality, pursuant to which the Target Company intends to invest in a cultural tourism project involving a 5-star hotel, a 4-star hotel and an auditorium. Also, Hua Yin Zixiangmen was set up and entered into a hotel management agreement and a food and beverage management agreement with certain independent third parties to provide hotel management and food and beverage management services for this project. Details of these agreements are set out in the Company's announcement dated 20 October 2023.

As detailed above and disclosed in the Company's circular dated 16 September 2025, the Target Group has two pipeline property projects in Dunhua City, Jilin Province, the PRC: one residential project and one mixed cultural tourism project. Based on the management's recent re-evaluation, these two projects are either unprofitable or will require capital and development expenditures that are not aligned with the Group's financial position. Accordingly, the Board considers the Disposal to be appropriate and beneficial to the Group as a whole.

As at 31 July 2025, the Target Group already had current liabilities and net liabilities of approximately RMB104,200 and RMB24,500 respectively. Given the above factors and the management's review, the Disposal will provide an opportunity for the Group to reduce the overall debt position so to mitigate the Group's risk of running into liquidity issue. Accordingly, the Disposal will enable the Group to strengthen its 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 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 Group 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 receivable is RMB1.0, there is no material proceed from the Disposal.

It is estimated that the loss on the Disposal calculated in accordance with the HKFRS Accounting Standards would be approximately RMB45,000, comprising the Consideration less the carrying value of the investment in the Target Group and after deducting the expenses directly attributable to the Disposal.

Given the above net loss on disposal to the Group, the consolidated net asset value attributable to the Shareholders is preliminarily estimated to decrease by approximately RMB45,000 (subject to audit) upon Completion. On the above basis, the consolidated total assets of the Group are expected to decrease by approximately RMB45.83 million (subject to audit), and the consolidated total liabilities of the Group are expected to decrease by approximately RMB45.86 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 Group 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 Group as at the date of Completion.

GENERAL

Information relating to the Company and the Seller

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

Information relating to the Target Group

The Target Company is a limited liability company established in the PRC and is directly wholly-owned by the Seller. The Target Company is principally engaged in licensed projects:

development and operation of real estate (for the projects requiring approval according to laws, the operating activities that can only be carried out upon approval from relevant authority(ies), and specific licensed projects that should be determined by approval documentations or licenses issued by relevant government agencies); general projects: hotel management and catering management (except for projects that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business licence(s) in accordance with the laws). As at the date of this announcement, the Target Company holds 60% equity interests in Hua Yin Zixia and 100% equity interests in Hua Yin Zixiangmen.

Hua Yin Zixia is a company established in the PRC with limited liability and is a 60%-owned subsidiary of the Target Company. The principal activity of Hua Yin Zixia is property development.

Hua Yin Zixiangmen is a company established in the PRC with limited liability and is a direct wholly-owned subsidiary of the Target Company. The principal activity of Hua Yin Zixiangmen is hotel management.

Financial information of the Target Group

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

	Four-months ended 31 July 2025 *RMB'000*	**Year ended 31 March 2025** *RMB'000*	**Year ended 31 March 2024** *RMB'000*
(Loss)/Profit before tax	(175)	3,617	(12,019)
(Loss)/Profit after tax	(175)	3,617	(12,026)

	As at 31 July 2025 *RMB'000*
Net liabilities	25

Information relating to the Purchaser

The Purchaser is a company established in the PRC with limited liability, which is principally engaged in investment holding. The Purchaser is owned as to 98% by Zhou Dahui (周大輝) and 2% by Chen Lixin (陳麗新), both are PRC residents. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners 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 5% but all are less than 25%, the entering into of the Agreement and the transaction contemplated thereunder constitute a discloseable transaction of the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

"Agreement"	the conditional equity transfer agreement dated 18 September 2025 entered into between the Seller as seller and the Purchaser as purchaser in relation to the Disposal
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"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)"	the director(s) of the Company
"Disposal"	the disposal of the entire equity interests in the Target Company by the Seller to the Purchaser pursuant to the Agreement
"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"	the Hong Kong Special Administrative Region of the PRC
"Hua Yin Zixia"	華音國際控股紫霞房地產開發(敦化)有限公司 (Hua Yin International Holdings Zixia Real Estate Development (Dunhua) Company Limited*), a company established under the laws of the PRC with limited liability and a 60%-owned subsidiary of the Target Company
"Hua Yin Zixiangmen"	華音國際控股紫香門酒店管理(敦化)有限公司 (Hua Yin International Holdings Zixiangmen Hotel Management (Dunhua) Company Limited*), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Target Company
"Independent Third Party(ies)"	person(s) or company(ies) which is/are independent of and not connected with the Company and its connected persons

"Jilin Tiande"	吉林省天德控股集團有限公司 (Jilin Province Tiande Holdings Group Company Limited*), a company established in the PRC with limited liability and is wholly owned by Tianjiang Daren as at the date of this announcement
"Jilin Wanding"	吉林省萬鼎控股集團有限公司 (Jilin Province Wanding Holdings Group Company Limited*), a company established in the PRC with limited liability and is owned as to 90% by Mr. Sui Guangyi (a former non-executive director and co-chairperson of the Company), 5% by Mr. Wang Jian and 5% by Ms. Wang Min, both Independent Third Parties, as at the date of this announcement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	30 November 2025 or such later date as the Seller and the Purchaser may agree in writing
"percentage ratios"	the percentage ratios under Rule 14.07 of the Listing Rules
"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"	長春市納百利商貿有限公司 (Changchun Nabaili Trading Company Limited*), a company established in the PRC with limited liability
"RMB"	Renminbi, the lawful currency of the PRC
"Seller"	吉林省融裕投資有限公司 (Jilin Rongyu Investment Co., Ltd*), an indirect wholly-owned subsidiary of the Company and is established in the PRC with limited liability
"Share(s)"	the ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	華音國際控股(敦化)有限公司 (Hua Yin International Holdings (Dunhua) Company Limited*), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Target Group"	the Target Company and its subsidiaries, including Hua Yin Zixia and Hua Yin Zixiangmen

"Tianjiang Daren"	天將大仁(敦化)實業有限公司(Tianjiang Daren (Dunhua) Industry Company Limited*), a company established in the PRC with limited liability and is owned as to 51% by Mr. Tang Jiqiang (唐吉強) and 49% by Ms. Zhong Huixian (鐘慧嫻), both Independent Third Parties, as at the date of this announcement
"%"	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, 18 September 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.