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Yi Hua Holdings Limited

益華控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2213)

**VOLUNTARY ANNOUNCEMENT:
BUSINESS UPDATE IN RELATION TO
SUBOR CULTURAL DEVELOPMENT COMPANY LIMITED**

This announcement is made by Yi Hua Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis. The purpose of this announcement is to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business plan and developments of the Group.

The Board (the “**Board**”) of Directors (the “**Director(s)**”) of the Company is pleased to announce that Subor Cultural Development Company Limited (formerly known as 中山市小霸王文化產業有限公司(Zhongshan Subor Cultural Industry Company Limited#)) (the “**JV Company**”), an associated company of the Group which 廣東益華百貨有限公司(Guangdong Yihua Department Store Limited#), a wholly owned subsidiary of the Company, is legally and beneficially interested in 49% of the entire equity interests thereof, has been cooperating with Advanced Micro Devices, Inc. (“**AMD**”) to develop a semi-custom system-on-chip (“**SOC**”) solely for the use of the JV Company for game console products. It is expected that the prototype of the game console with such custom version of SOC will be available in around March 2018. Based on the current progress of research and development, the Company expects that the game console with such custom version of SOC, together with the operating platform, will be launched to the market in the fourth quarter in 2018.

AMD is a multinational semiconductor company incorporated with limited liability in Delaware, the United States of America. To the best of the Directors' knowledge, information and belief, AMD is one of the worldwide leading suppliers of semiconductor products whose main products include microprocessors, graphics processors and embedded processors for servers, workstations and personal computers, and embedded systems applications etc., and it is the supplier of game console chips for Sony and Microsoft.

In respect of the development of video games, the JV Company has recently entered into a Great China region exclusive distribution agreement with a game developer based in the United Kingdom and it is anticipated that such new game will be released in around May 2018. The JV Company is also negotiating with other famous game developers for possible collaborations or acquisitions of new games in order to enrich the variety of the games in conjunction with the launch of the new game console.

The Board is optimistic about the future developments of the JV Company and is confident that the launch of new game console product of the JV Company will bring promising return to the Group. Further announcement will be made by the Company in respect of the development of the JV Company as and when appropriate.

By Order of the Board
Yi Hua Holdings Limited
Fan Xinpei
Chief Executive Officer and Executive Director

Hong Kong, 20 October 2017

As at the date of this announcement, the executive Directors are Mr. Chen Jianren, Mr. Fan Xinpei, Mr. Su Weibing, Mr. Lin Guangzheng, Mr. Chen Zhengtao, Mr. Leung Wai Kwan and Mr. Wei Chaoling; the non-executive Director is Mr. Chen Daren; and the independent non-executive Directors are Mr. Sun Hong, Mr. Xu Yinzhou, Ms. Hung Wan Fong, Joanne and Ms. Lai Pou Lam, Mina.

English translation of the name for identification purpose only