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EVERGREEN INTERNATIONAL HOLDINGS LIMITED

長興國際（集團）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 238)

- (1) STATUTORY DEMANDS**
- (2) WINDING UP PETITION**
- (3) UPDATE ON NEGOTIATION WITH BONDHOLDERS**
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This announcement is made by the board of directors (the “**Board**”) of Evergreen International Holding Limited (the “**Company**”) pursuant to Rules 13.09(2)(a) and 13.19 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s announcements dated 23 February 2020, 11 March 2020 (the “**11 March Announcement**”) and 31 July 2020 (the “**31 July Announcement**”) (collectively, the “**Announcements**”) in relation to the Company’s default in the payment of half-year interest on the Bonds due and payable on 31 December 2019. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

(1) STATUTORY DEMANDS

As disclosed in the 31 July Announcement, as of 31 July 2020, the following statutory demands under section 178(1)(A) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) were served on the Company by six Bondholders:

- (i) on 18 March 2020, by the Bondholder who was reported in the 11 March Announcement as having demanded immediate repayment of the HK\$6 million principal amount of the Bonds held by it together with interest thereon (“**Bondholder A**”), demanding the Company to pay an aggregate amount of HK\$6,067,315.07, being the principal and interest due and repayable under the Bonds held by it;

- (ii) on 8 July 2020, by two Bondholders (“**Bondholders B and C**”) each demanding the Company to pay an aggregate amount of HK\$5,117,773.97, being the outstanding principal and interest on the respective Bonds held by them;
- (iii) on 14 July 2020, by a Bondholder (“**Bondholder D**”) demanding the Company to pay an aggregate amount of HK\$3,730,487.67, being the outstanding principal and interest on the Bonds held by him/her;
- (iv) on 14 July 2020, by a Bondholder (“**Bondholder E**”) demanding the Company to pay an aggregate amount of HK\$1,865,243.84, being the outstanding principal and interest on the Bonds held by him/her; and
- (v) on 14 July 2020, by a Bondholder (“**Bondholder F**”) demanding the Company to pay an aggregate amount of HK\$1,761,619.18, being the outstanding principal and interest on the Bonds held by him/her.

Subsequent to the service of their statutory demands on the Company on 14 July 2020, Bondholders D, E and F transferred their Bonds in the principal amount of HK\$3,600,000, HK\$1,800,000 and HK\$1,700,000 respectively to a new Bondholder (“**Bondholder G**”).

Since the 31 July Announcement and up to the date of this announcement, the following statutory demands were further served on the Company by three Bondholders:

- (i) on 24 August 2020, by Bondholder G demanding the Company to pay an aggregate amount of HK\$7,411,184.24, being the outstanding principal and interest on the Bonds held by him/her;
- (ii) on 15 September 2020, by a Bondholder (“**Bondholder H**”) demanding the Company to pay an aggregate amount of HK\$5,352,963.80, being the outstanding principal and interest on the Bonds held by him/her; and
- (iii) on 7 October 2020, by a Bondholder (“**Bondholder I**”) demanding the Company to pay an aggregate amount of HK\$10,118,395.89, being the outstanding principal and interest on the Bonds held by him/her.

Since the service of the abovementioned statutory demands, the Company has proposed to, among others, Bondholders A, B, C, G, H and I that their outstanding principal amounts of Bonds and accrued interest thereon be repaid by the Company in instalments according to a repayment schedule. Whilst the Company and Bondholders A, B, C, G, H and I have not yet reached agreement on the repayment schedule, the Company has to date paid such Bondholders an aggregate amount of HK\$5,916,516, with HK\$5,000,000 being partial repayment of the outstanding principal of the Bonds held by them and HK\$916,516 being payment of the half-year interest accrued on their Bonds due and payable on 30 June 2020.

If the Company fails to repay the relevant debt within three weeks after the date of service of a statutory demand, a winding-up order may be made in respect of the Company.

(2) WINDING UP PETITION

On 21 October 2020, the Company received a Notice of Intention to Appear on Petition filed by Bondholder H with the High Court of Hong Kong Special Administrative Region (the “**High Court**”) for appearing on the hearing of a petition under Companies Winding-up Proceedings No.312 of 2020 (the “**Petition**”) and the adjourned hearing(s) thereof, and supporting the winding-up of the Company.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the winding up petition was filed by Bondholder G against the Company with the High Court, and is scheduled to be heard before the High Court at 10:00 a.m. on 23 December 2020.

The Company only became aware of the Petition upon the service of the Notice of Intention to Appear on Petition by Bondholder H. As at the date of this announcement, neither the Petition nor any other winding up petition has been served on the Company.

The Company is actively seeking legal advice in relation to the Petition and is concurrently negotiating with Bondholders G and H for a possible settlement of the matter. Further announcement(s) will be made as and when appropriate in accordance with the Listing Rules.

Effects of the Petition

If the Company is ultimately wound up as a result of the Petition, then any disposition of the property of the Company (including things in action), and any transfer of shares, or alteration in the status of the members of the Company, made after the commencement of the winding up, namely the date of the presentation of the Petition, will be void unless a validation order is obtained from the Court. Any disposition made on or after the commencement of the winding up will not be affected if the Petition is subsequently struck out, dismissed, withdrawn or permanently stayed. Accordingly, the Company wishes to remind its shareholders and potential investors that, the transfer of the shares in the Company made on or after the commencement of the winding up will be void without a validation order from the Court in the event that the Company is ultimately wound up.

Pursuant to the circular dated 28 December 2016 issued by Hong Kong Securities Clearing Company Limited (“**HKSCC**”) in relation to the transfer of the shares of listed issuers after a winding up petition has been presented, and in view of the restrictions and the uncertainties that may arise in relation to the transfer of shares of the Company, for participant(s) who conduct share transfers through HKSCC (the “**Participant(s)**”), HKSCC may at any time, and without notice, exercise its powers under the General Rules of Central Clearing and Settlement System (“**CCASS**”) to temporarily suspend any of its services in respect of shares of the Company. This may include the suspension of acceptance of deposits of share certificates of the Company into CCASS. The share certificates of the Company received by HKSCC but not yet re-registered in HKSCC Nominee Limited’s name will also be returned to the relevant Participant and HKSCC shall reserve the right to reverse any credit granted to such Participant by debiting the relevant securities from its CCASS account accordingly.

These measures would generally cease to apply from the date when the Petition has been struck-out, dismissed or permanently stayed, or the Company has obtained the necessary validation order from the Court.

(3) UPDATE ON NEGOTIATION WITH BONDHOLDERS

Since the 31 July Announcement, the Company has continued its proactive negotiation with the Bondholders (including Bondholders G and H) regarding possible settlement arrangements in respect of the Default with a view to reaching an amicable solution with the Bondholders. The Company has to date paid to some of the Bondholders an aggregate amount of HK\$1,016,242 of the HK\$4,774,082 total amount of half-year interest due and payable on 30 June 2020.

As CIS Securities Asset Management Limited (formerly Convoy Investment Services Limited) (“**CIS Securities**”) acted as the placing agent of the Bonds in the 2016 Placing and 2017 Placing, CIS Securities procured most of the Bondholders and continues to hold on behalf of its various clients the Bonds. As such, the Company has mainly been negotiating with the Bondholders through keen communication with CIS Securities. Nonetheless, the Company would like to stress that it is willing to negotiate with each Bondholder fairly, whether through CIS Securities, the respective solicitors of the Bondholders or directly with the Bondholders.

As at the date of this announcement, the Company has not yet reached any settlement agreement with any Bondholders, and it continues to proactively negotiate with the Bondholders.

(4) CONTINUED SUSPENSION OF TRADING IN THE SHARES

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended since 30 March 2020 and will continue to be suspended until further notice.

Holders of the shares of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

Transfer of the Company’s shares may be restricted as the deposits of the Company’s shares into CCASS may be suspended due to the Petition. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the shares or other securities of the Company.

On behalf of the Board
Evergreen International Holdings Limited
CHAN Yuk Ming
Chairman

Hong Kong, 21 October 2020

As at the date of this announcement, Mr. Chan Yuk Ming, Mr. Chen Yunan and Mr. Chen Minwen are the Executive Directors of the Company; Mr. Cheng King Hoi, Andrew, Mr. Poon Wai Kong and Mr. Leung Chi Hung are the Independent Non-executive Directors of the Company.