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Bolina

BOLINA HOLDING CO., LTD.

航標控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1190)

ADDITIONAL INFORMATION TO REQUISITION FOR AN EXTRAORDINARY GENERAL MEETING TO APPOINT AND REMOVE DIRECTORS

Additional information to requisition

Reference is made to (i) the announcements of Bolina Holding Co., Ltd (the “Company”) dated 22 March 2017 and 10 April 2017; (ii) the circular of the Company dated 4 May 2017 and (iii) the announcement of the Company dated 19 May 2017 for the poll results of the extraordinary general meeting, in relation to requisition for an extraordinary general meeting to appoint and remove directors (the “Requisitions”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Requisitions.

On 18 May 2017, the Company received a letter from the legal representative of 華寶信託有限公司 (“華寶信託”) to inform the Company that there is a disputed over the ownership of the Company’s 108 million shares (the “Disputed Shares”) between (i) Mr. Xiao Zhiyong (“Mr. Xiao”), as the former chairman and director of the Company and his sister, as pledgors; (ii) 華寶信託 as pledgee; and (iii) Cinda International Securities Limited (“Cinda”), as trustee. Cinda had initially submitted its voting decision to vote against the resolutions 1 to 14 and 22 and to vote for the resolutions 15 to 21 based on Mr. Xiao’s instruction (the “Cinda’s First Instruction”). On 18 May 2017, the Company was not able to identify the ownership of the Company’s 108 million shares due to the limitation of information for the pledge situation and dispute over the ownership of the Company’s 108 million shares.

After the EGM held by the Company on 19 May 2017, the Company was subsequently aware and received a letter from the legal representative of Cinda, stating that Cinda would abstain from voting at the EGM (the “Cinda’s Second Instruction”). As given by different instructions from the Cinda’s First Instruction and Cinda’s Second Instruction, the Company cannot be undoubtedly certain whether the votes of the Disputed Shares have finally been casted or not at the EGM because the Company is not able to identify the identities of the shareholder behind every vote at the EGM. However the Company can reasonable infer the Disputed Shares have been casted, as (i) the Company enquired with Computershare Hong Kong Investor Services Limited (“Computershare”) for the voting detail at the EGM to confirm whether the votes of Disputed Shares have been casted. Computershare informed the Company that it is unable to verify whether the votes of Disputed Shares have been casted without the voting detail issued by the HKSCC Nominees Limited (“HKSCC Nominees”); (ii) the Company contacted HKSCC

Nominees to request the voting detail at the EGM, in particular, whether votes through Cinda have been included in the voting results. HKSCC Nominees replied the Company that HKSCC Nominees would not disclose any voting detail to third parties, including the Company; and (iii) the Company understood from Cinda that they submitted the Cinda First Instruction to HKSCC Nominees and had in fact instructed HKSCC Nominees to vote against the resolutions 1 to 14 and 22 and to vote for the resolutions 15 to 21 based on Mr. Xiao's instruction at the EGM. Assuming HKSCC Nominees had taken their instruction, the Company believes the vote had been passed to Computershare and thus finally casted at the EGM.

As at the date of the EGM, Cinda was not a registered shareholder of the Company and the Company was unable to identify the beneficial owner of the Disputed Shares. As the matter of Cayman Islands Law, the Company was required to recognise votes cast by registered shareholders of the Company. The Company obtained a legal advice from the Cayman lawyer and considered that the registered shareholder of the Disputed Shares was HKSCC Nominees. HKSCC Nominees was not a party to the Litigation relating to the Disputed Shares and the Company has not been ordered by any court or authority of competent jurisdiction not to recognise the legal interests of HKSCC Nominees in respect of the Disputed Shares. As a matter of Cayman Islands Law, HKSCC Nominees was entitled to vote at the EGM as the registered shareholder of the Disputed Shares and if HKSCC Nominees has cast any vote at the EGM relating to the Disputed Shares, the Company was bound to recognise such votes notwithstanding any ongoing litigation in respect of the Disputed Shares. Based on the Company's articles of association and legal advice from the Cayman lawyer, the Board is of view that the EGM was convened properly and in accordance with the Company's articles of association, and the resolutions of the EGM are valid and legal.

On 7 June 2017, the Company also received a second letter from the legal representative of Cinda, stating that there was an interpleader application pending the High Court of the Hong Kong Special Administrative Region's determination for the dispute over the ownership of the Company's 108 million shares (the "Litigation") and Cinda shall maintain its neutral stance in the circumstance and would abstain from voting at the annual general meeting of the Company on 16 June 2017.

To the best knowledge of the Directors, as at the date of the announcement, the Company is not aware any result of the Litigation and the Company will keep the shareholders of the Company and potential investors informed of any further development in connection with the above by way of further announcement(s) as and when appropriate.

Additional information to proposed Rights Issue

Reference is made to the announcement of the Company dated 23 January 2018 in relation to, amongst others, (I) the proposed Rights Issue on the basis of two (2) Rights Shares for every one (1) Share held on the Record Date; (II) change of board lot size; and (III) Proposed Increase in Authorised Share Capital. The Company is of the view that should Cinda find the legal title of such Disputed Shares to be in doubt, Cinda would refuse any voting instructions from these Disputed Shares and would not instruct HKSCC Nominees to vote for these Disputed Shares, thus the votes of such Disputed Shares would not be able to be casted towards the proposed rights issue at shareholders' general meeting. The Company will confirm Cinda whether to vote towards the proposed rights issue at shareholders' general meeting and will further consult legal adviser in respect of Cinda's voting instruction to proposed rights issue as and when appropriate. The Company will keep the shareholders of the Company and potential investors informed of any further development in connection with the above by way of further announcement(s) as and when appropriate.

Update on winding up proceedings

Reference is made to the announcements made by the Company on 3 January 2018 and 15 May 2018 relating to the Statutory Demand and a winding up petition of the Company respectively. PC Securities Limited (the “Petitioner”) has petitioned the High Court of Hong Kong Special Administrative Region (the “High Court”) on 11 May 2018 for the winding up of the Company and the petition will be heard before the High Court on Wednesday, 18 July 2018 at 9:30 a.m. (the “Petition”). The Company received the Petition on 15 May 2018 in the matter of the Companies (Winding Up and Miscellaneous Provision) Ordinance, Chapter 32 of the Laws of Hong Kong (the “Ordinance”) that the Company may be wound up by the High Court under the provisions of the Ordinance on the ground that the Company is insolvent and unable to pay its debts of approximately HK\$157 million as at 29 December 2017. The Company has consulted its Hong Kong legal adviser in respect of the Petition and has been advised the impact of the Petition when a winding up order has been made that any disposition of the Company’s property and any transfer of shares or alteration in the status of the Company’s members made after the commencement of the winding up is void, unless the High Court orders otherwise.

Reference is made to the announcement made by the Company 5 June 2018 relating to a winding up petition of the Company. The Company signed a consent summons (the “Consent Summons”) with the Petitioner on 4 June 2018, which was filed with the High Court on 5 June 2018 to apply for the validation order for (i) the rights issue proposed by the Company and (ii) any payment or other disposition of property, including things in action, transfer of shares or allotment of shares and issue certificates of the Company (the “Application”). The High Court has granted the Application to the Company. Further announcement(s) will be made by the Company to keep its Shareholders and investors informed of any significant development of the Petition in due course.

Substantial shareholders

As at the date of this announcement, so far as was known to the Directors, the persons (other than a director or chief executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name	Capacity	Number of underlying shares	Long/short position	Percentage of the issued share capital of the Company
Business Century Investments Limited (<i>note 1</i>)	Beneficial owner	263,624,020	Long position	20.61%
China Cinda Asset Management Co., Ltd. (<i>note 2</i>)	Custodian	108,000,000	Long position	8.45%

Note 1: Those 263,624,020 Shares are held by Business Century Investments Limited, while Ms. Xie Guilin (“Ms. Xie”) is the controlling shareholder of Business Century Investments Limited. Accordingly, Ms. Xie is deemed to be interested in those 263,624,020 Shares for the purpose of the SFO.

Note 2: Those 108,000,000 Shares are under Cinda as trustee, which involves an interpleader application pending the High Court’s determination for the Disputed Shares. As at the date of this announcement, the Company has not any detail and latest developments of the Litigation as to the disputes over the ownership of the Disputed Shares.

Note 3: The information disclosed is based on the disclosure of interests pursuant to Part XV of the SFO which is available on the website of the Stock Exchange (www.hkex.com.hk).

Save as disclosed above, as at Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest or a short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

By Order of the Board
Bolina Holding Co., Ltd.
Zheng Zhihong
Chairman

Hong Kong, 28 June 2018

As at the date of this announcement, the executive Directors are Zheng Zhihong, Yang Qingyun, Sun Yumei, Lam Ying Choi, Donny and Zhang Shilei; the independent non-executive Directors are Jiang Guoxiang, Zhang Shujun and Xia Zhongping.