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天喔國際控股有限公司 Tenwow International Holdings Limited

(In Provisional Liquidation)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01219)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by Tenwow International Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and Rule 13.24(A) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), 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).

References are made to the announcements (the “**Announcements**”) of the Company dated 10 May 2018, 12 June 2018, 29 June 2018, 23 July 2018, 17 August 2018, 27 August 2018, 5 November 2018, 12 November 2018, 19 November 2018, 30 November 2018, 12 February 2019 and 17 April 2019. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

Reference is also made to the amendments to the delisting framework under the Listing Rules which came into effect on 1 August 2018.

UPDATES

Asset freeze

As set out in the announcement of the Company dated 12 June 2018, based on the Group’s enquiries to the relevant PRC authorities, the Shanghai Municipal Public Security Bureau had temporarily frozen (i) certain parcels of land of the Group with an aggregate gross floor area of 814,131 square metres and the properties with an aggregate gross floor area of 276,659 square metres thereto which are used by the Group as production facilities, offices and warehouses, and (ii) the equity interests of 11 subsidiaries of the Company that are held by the Group.

Based on the latest information available:

- (a) the Shanghai Municipal Public Security Bureau has released certain parcels of land of the Group with an aggregate gross floor area of 617,421 square metres and the properties with an aggregate gross floor area of 236,507 square metres;
- (b) the Shanghai Municipal Public Security Bureau continues to impose temporary freezes on certain parcels of land of the Group with an aggregate gross floor area of 273,178 square metres and the properties with an aggregate gross floor area of 40,158 square metres thereof; and
- (c) certain parcels of land of the Group with an aggregate gross floor area of 383,898 square metres and the properties with an aggregate gross floor area of 234,853 square metres thereof have been seized by various PRC regional courts pursuant to actions initiated by various creditors of the Group some of which have already been temporarily frozen by the Shanghai Municipal Public Security Bureau.

Based on the latest information available, equity interests of 4 subsidiaries of the Company previously temporarily frozen by the Shanghai Municipal Public Security Bureau have been released and equity interests of 7 subsidiaries of the Company remain frozen by the Shanghai Municipal Public Security Bureau. Equity interests of 10 subsidiaries of the Company have been frozen by the PRC courts upon application from creditors of the Group.

Progress on satisfaction of Resumption Conditions

Forensic investigation

Following the appointment of the forensic accountant on 1 March 2019, forensic investigation on the abnormal Transactions has commenced and preliminary findings and results are expected to be made available to the independent board committee (comprising all independent non-executive directors of the Company) for review and consideration by June or July 2019.

Actions taken by the Group on the abnormal Transactions

(a) Financial assistance under the Comprehensive Credit Line Contract

Tenwow Foods (Group) Co., Ltd. (天喔食品(集團)有限公司) (“**Tenwow Food**”), an indirect wholly-owned subsidiary of the Company in Shanghai, has initiated litigation in Shanghai, China against Shanghai Tiansheng Warehousing Co., Ltd. (上海天盛倉儲有限公司) (“**Tiansheng Warehouse**”) in relation to the Comprehensive Credit Line it utilized. On 26 November 2018, the Shanghai First Intermediate People’s Court issued a civil mediation letter confirming that Tiansheng Warehouse had to repay RMB335,657,761 to Tenwow Food by 20 December 2018.

On 15 January 2019, the Shanghai First Intermediate People’s Court issued an order to freeze assets of Tiansheng Warehouse in favor of Tenwow Food. In order to protect its rights and interests, Tenwow Food has registered its claim against Tiansheng

Warehouse. However, as assets of Tiansheng Warehouse have already been temporarily frozen by other creditors of Tiansheng Warehouse in priority to Tenwow Food, no further action could be taken.

(b) The Purchase Agreement

Nanpu Fine Wine had on 9 October 2018 issued a writ against Remfly Investment, having its registered address in Macau, claiming for the refund of the sum of HK\$60 million and interests accrued thereon in relation to the Purchase Agreement as supplemented by the First Supplemental Agreement and the Second Supplement Agreement (the “**Writ**”). Pursuant to an order of the High Court of Hong Kong dated 7 December 2018, Nanpu Fine Wine was granted leave to issue and serve the Writ on Remfly Investment concurrently in Macau. The Writ was subsequently served on Remfly Investment on 2 May 2019.

Change of auditor and appointment of chief financial officer

As announced by the Company on 17 April 2019, PwC has resigned as auditor of the Company with effect from 12 April 2019 and ZHONGHUI ANDA CPA Limited has been appointed as the new auditor of the Company on 15 April 2019 to fill the casual vacancy following the resignation of PwC and to hold office until the conclusion of the forthcoming annual general meeting of the Company.

As set out in the announcement of the Company dated 17 April 2019, the Company has appointed a new chief financial officer whom has commenced work on 25 April 2019 to oversee the overall financial operation of the Company and its subsidiaries.

Business operation

The Group continues to carry out its business of manufacturing, distribution and trading of beverages, food and snacks and others in the PRC. The Group continues to distribute both own-brand products and third party brand products.

Since the debts were defaulted on in June 2018 and suspension of trading of shares of the Company in August 2018, the Group experienced liquidity issue and drop in production and revenue. After a series of cost-cutting measures and discussion with its creditors and suppliers, the operation of the Group has gradually stabilized.

As at the end of March 2019, the Group had a workforce of approximately 1,400 in various regions in the PRC including Shanghai, Wuhan, Fujian, Chengdu, Tianjian, Shenzhen, etc.

Renewal of distribution agreements

The Group has renewed its annual distribution agreements for renowned brands including Maotai (茅台), Hsin Tung Yang (新東陽), and Shuangqiao (雙橋), all of which are third party suppliers for the distribution of their products to various regions in China. Certain subsidiaries of the Group continue to distribute renowned international brands such as Dove, Hennessy, Martell, Nestlé, Rémy Martin, etc., through the Group’s distribution channels.

Restructuring

The Board wishes to update Shareholders that the Company and the JPLs are actively communicating with the creditors of the Company and exploring options for developing and proposing a restructuring of the Company's indebtedness and a number of parties have expressed interest in participating in the restructuring. As at the date of this announcement, no offer or formal agreement has been received or entered into. The Company will make additional announcement(s) as and when appropriate. The Group also continues to look for opportunities to streamline its assets, business and corporate structure in order to raise working capital.

CONTINUED SUSPENSION OF TRADING

All dealings in the shares of the Company have been suspended with effect from 9:00 a.m. on 13 August 2018. Trading in the shares of the Company will remain suspended until further notice pending fulfilment of the Resumption Conditions and such other further conditions that may be imposed by the Stock Exchange. The Company will keep its shareholders and the public informed of the latest developments by making further announcement(s) as and when appropriate.

Subject to the application and grant of a validation order, any transfer of Shares may be restricted as Hong Kong Securities Clearing Company Limited may at any time, and without notice, exercise its powers to temporarily suspend any of its services in respect of the Company's shares, including the suspension of acceptance of deposits of share certificates of the Company into CCASS. 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.

By Order of the Board
Tenwow International Holdings Limited
(in Provisional Liquidation)
Lin Qi
Chairman

Hong Kong, 13 May 2019

As at the date of this announcement, the executive directors of the Company are Mr. Lin Qi and Mr. Yeung Yue Ming; the non-executive director of the Company is Mr. Liu Zhao; and the independent non-executive directors of the Company are Mr. Lam Tin Faat, Mr. Hu Hongwei and Mr. Lau Fai Lawrence.