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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)

UPDATE ON FINANCIAL INFORMATION OF THE GROUP

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and 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 announcements of Tenwow International Holdings Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) dated 10 May 2018, 29 June 2018, 17 August 2018, 27 August 2018, 12 February 2019 and 13 May 2019 in relation to, among other things, (i) provision of financial information of Nanpu to PRC authority; (ii) removal of Mr. Lin as executive director and chairman of the Board; and (iii) the Financial Assistance, the Prepayment Agreements and the Purchase Agreement; (collectively, the “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

BACKGROUND

As set out in the announcement of the Company dated 10 May 2018, the Company had been unable to directly contact or reach Mr. Lin, a controlling Shareholder, and the then executive director and chairman of the Board. Based on information then obtained from Mr. Lin’s family, Mr. Lin was assisting relevant authority of the PRC with its investigation. Such investigation was purportedly related to Nanpu. In the same announcement, the Company also announced that the Group had assisted in providing certain financial information relating to Nanpu to PRC authority. Nanpu (i) is owned as to 49% by the Group, and is being recorded as an investment in a joint venture in the financial statements of the Group; and (ii) was the then largest distributor of the Company. Pursuant to the announcement of the Company dated 29 June 2018, Mr. Lin was removed as, among other things, an executive director and chairman of the Board.

On 17 August 2018, the Company announced it had come to the attention of the Board regarding certain abnormal transactions comprising:

- (i) *the Financial Assistance* — pursuant to the Comprehensive Credit Line Contract entered into between (a) Tenwow Food (a wholly-owned subsidiary of the Company) and (b) the Loan Bank (being Ningbo Tongshang Bank (寧波通商銀行)), (x) Tenwow Food agreed to allow Tiansheng Warehouse (a company purportedly ultimately owned as to more than 30% by Mr. Lin) to use the Credit Line, and (y) the Loan Bank had right to directly recover all loans from Tenwow Food upon any event of default, and to debit directly from Tenwow Food's accounts to settle all debts relating thereto. The Board subsequently discovered an amount of RMB335,657,771 in the relevant accounts of Tenwow Food was deducted by the Loan Bank;
- (ii) *the Prepayment Agreements* — pursuant to seven agreements for the sale and purchase of goods (being the Prepayment Agreements) signed by various subsidiaries of the Company with two entities, prepayment in the aggregate amount of approximately RMB1,684,853,063 was made by the Group, but no delivery of goods had been made; and
- (iii) *the Purchase Agreement* — pursuant to an alcoholic beverage purchase agreement (being the Purchase Agreement) entered into between Nanpu Fine Wine (a wholly-owned subsidiary of the Company) and Remfly Investment, payment in the aggregate amount of HK\$60,000,000 was made by Nanpu Fine Wine, but no delivery of goods had been made.

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The Board wishes to inform its Shareholders and potential investors that, based on preliminary assessment but subject to finalisation of the final results, further update regarding Nanpu, as well as valuation assessment to be reviewed and agreed by the Company's auditors, the Board expects to, on a prudent basis:

- (i) make an impairment provision of approximately RMB335,000,000 for the year ended 31 December 2018 in respect of non-repayment by Tiansheng Warehouse pursuant to the Comprehensive Credit Line Contract;
- (ii) make an impairment provision of approximately RMB1,684,000,000 in relation to the series of Prepayment Agreements;
- (iii) as Nanpu's accounts cannot be obtained since May 2018 and its latest status remains unknown to the Board, make an impairment on the investment in a joint venture of approximately RMB423,000,000 in relation to the Group's investment in Nanpu. The amount was set out in the annual report of the Company for the year ended 31 December 2017 as the Group's investment in Nanpu; and
- (iv) make an aggregate provision of approximately RMB1,639,000,000 for impairment on accounts receivables due from Nanpu, doubtful trade and other receivables; and inventories.

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, 2 July 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.