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Bolina

BOLINA HOLDING CO., LTD.

(IN LIQUIDATION)

航標控股有限公司

(清盤中)

(Incorporated in Cayman Islands with limited liability)

(Stock code: 1190)

INSIDE INFORMATION UPDATE ON SUSPENSION OF TRADING

This announcement is made by Bolina Holding Co., Ltd. (In Liquidation) (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under 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 of the Company dated 17 December 2019, 18 September 2019, 21 June 2019, 21 March 2019, 20 December 2018 and 12 October 2018 (the “**Announcements**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

UPDATE ON RESUMPTION PLAN

On 9 January 2020, the Company, the Liquidators and a group of investors, namely Mr. Ge Deyuan (“**Mr. Ge**”, as the leader), Mr. Fu Xiaosheng, Mr. Shen Yibo, Mr. Zhuang Yinghao and Ms. Huang Yunfei (collectively, the “**Investors**”) entered into a legally-binding restructuring agreement (the “**Restructuring Agreement**”) to implement a restructuring of the Company (the “**Restructuring Proposal**”) by regularizing the business of the Group through, inter alia, (i) subscription of shares of the Company (the “**Shares**”) to be issued by the Company to the Investors, (ii) the conducting of an open offer on a fully underwritten basis; (iii) implementation of a scheme of arrangement with the creditors of the Company; and (iv) implementation of a capital reorganization involving share consolidation and capital reduction. The effective of the Restructuring Agreement is subject to the granting of an order by the High Court of Hong Kong (“**High Court**”) permitting the Company to enter into the Restructuring Agreement. The Liquidators will make such application to obtain relevant

approval from the High Court as soon as practicable. Further announcement(s) will be made by the Company in respect thereof as and when appropriate.

INFORMATION OF THE INVESTORS

Each of the Investors is a citizen of the People's Republic of China (the "PRC") with Mr. Ge as the leader. Mr. Ge is the chairman of various PRC enterprises principally engaged in the industry of the design, development and experiment of the automation control system of building materials, electromechanical integration equipment and environmental protection apparatus. To the best of the Liquidators' knowledge, information and belief having made all reasonable enquiries, each of the Investors is a third party(ies) independent of and not connected person(s) with the Company and its connected persons (as defined in the Listing Rules).

Pursuant to the Restructuring Agreement, the Investors will use their best endeavours to assist the Company and/or the Liquidators to regularize the Company's existing business, and provide necessary financial resources in this regard.

The Company will make further announcement(s) as and when appropriate pursuant to the requirements of the Listing Rules and the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission, if applicable.

REASONS FOR AND BENEFITS OF ENTERING THE RESTRUCTURING AGREEMENT

Trading in the Shares on the Stock Exchange has been halted since 17 September 2018. On 26 October 2018 and 3 April 2019, the Company received letters from the Stock Exchange stating that, among other matters, (i) the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months (i.e. 16 March 2020) under Rule 6.01A(1) of the Listing Rules; and setting out (ii) certain resumption guidance for the Company (the "**Resumption Guidance**") as disclosed in the announcement of the Company dated 9 April 2019 in order to achieve resumption of trading in the Shares.

The Restructuring Proposal by the Investors provides a good opportunity for the Group to alleviate from its financial situation and forms part of the plan to fulfil the Resumption Guidance.

The terms of the Restructuring Agreement were arrived at arm's length negotiations among the Company, the Liquidators and the Investors. The Company and the Liquidators consider that terms of the Restructuring Proposal are on normal commercial terms and the terms of the Restructuring Agreement are fair and reasonable and in the interests of the Company and its stakeholders as a whole.

CONTINUED SUSPENSION OF TRADING

All dealings in the Shares were halted with effect from 9:59 a.m. on 17 September 2018. Trading in the Shares will remain suspended pending fulfilment of the Resumption Guidance and any supplement or modification thereto. The Company will keep its shareholders and the public informed of the latest developments by making further announcement(s) as and when appropriate.

For and on behalf of
Bolina Holdings Co., Ltd.
(In Liquidation)
Lai Kar Yan (Derek)
Ho Kwok Leung Glen
Joint and Several Liquidators
Acting as agents without personal liability

Hong Kong, 17 January 2020

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