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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)

## ANNOUNCEMENT IN RELATION TO

- (1) TERM SHEET REGARDING RESTRUCTURING; AND
- (2) POSSIBLE APPLICATION FOR WHITEWASH WAIVER;  
AND
- (3) CONTINUED SUSPENSION OF TRADING

This announcement is made by Tenwow International Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Listing Rules, 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) and a possible application for whitewash waiver under the Takeovers Code.

Reference is made to the announcement of the Company dated 30 September 2019 in relation to the signing of memorandum of understanding between the Company and 上海智陽投資有限公司 (Shanghai Zhiyang Investment Co. Ltd.\*, being the Investor).

The Board is pleased to announce that on 12 February 2020, the Company, the JPLs and the Investor signed the Term Sheet in relation to the proposed restructuring of the Group.

### **THE TERM SHEET**

The principal terms of the Term Sheet are set out below:

#### **Date**

12 February 2020

#### **Parties**

- (1) the Company;
- (2) the JPLs; and

(3) the Investor.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Investor and its ultimate beneficial owners are Independent Third Parties. As at the date of this announcement, the Investor has confirmed (i) none of it or any of its associates (as defined in the Listing Rules and the Takeovers Code) or parties acting in concert with it is holder of any Shares; and (ii) it and the parties acting in concert with it are not acting in concert with any of the shareholders of the Group.

### **The Restructuring**

Tentatively, the Restructured Group shall consist of (A) the Company and its offshore subsidiaries; (B) a Shanghai subsidiary of the Company; (C) the Group covering Wuhan region in the PRC; and (D) the Group covering Huzhou region in the PRC.

The Restructuring shall be comprised of:

- (1) the Capital Reorganisation, which shall involve:
  - (i) the capital reduction, being the reduction in the nominal value of each of the Shares from HK\$0.10 per Share to HK\$0.005 per share. The capital reduced shall be used to reduce the accumulated loss of the Restructured Group or part thereof;
  - (ii) the share premium reduction, whereby the credit standing to the share premium account of the Company will be reduced in order to set off the accumulated losses of the Restructured Group or part thereof as permitted by the Companies Law;
  - (iii) the capital cancellation, whereby the authorised but unissued share capital of the Company shall be cancelled in its entirety;
  - (iv) the authorised share capital increase, whereby the authorised share capital of the Company will be increased from HK\$100 million divided into 20,000 million ordinary shares at nominal value of HK\$0.005 each to HK\$1,000 million divided into 200,000 million new shares at nominal value of HK\$0.005 each;
  - (v) the share consolidation, being the consolidation of every two (2) issued and unissued shares of HK\$0.005 each into one (1) New Share of HK\$0.01 each;
- (2) the Share Subscription, which involves subscription of the Subscription Shares by the Investor at the aggregate Subscription Price of not less than RMB270,000,000 (equivalent to approximately HK\$299,835,000). The proceeds of the Share Subscription shall be used for settlement of liabilities under the Schemes of Arrangement, the Restructuring and as working capital of the Restructured Group. The Subscription Shares shall represent approximately 75% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, the Creditors' Shares, assuming all Pre-IPO Options have been exercised;

- (3) the Schemes of Arrangement, which involve:
  - (i) the injection of RMB70,000,000 (equivalent to approximately HK\$77,735,000) of the aggregate Subscription Price into the Schemes of Arrangement for settlement of the Company and HK Subsidiary's scheme creditors; and
  - (ii) the issue of Creditors' Shares to the scheme creditors under the Schemes of Arrangement; and
- (4) the Onshore Reorganisation, which involves:
  - (i) the retention of the Group covering Wuhan region and Huzhou region in the PRC, as well as a Shanghai subsidiary, as part of the Restructured Group;
  - (ii) procurement from Investor to arrange re-financing of any secured liabilities in the PRC; and
  - (iii) cash repayment of the Group's liabilities in Wuhan region in the PRC via the onshore bankruptcy procedures;
- (5) the transfer of the Company's subsidiaries that will not form part of the Restructured Group to the administrators of the Schemes of Arrangement at the consideration of HK\$1.00; and (ii) disposal of non-core subsidiaries of the Company (the "**Corporate Reorganisation**").

Based on the Company's shareholders' list, its creditors are not registered Shareholders. While no formal terms have been agreed between the parties, the current intention of the Company as regards the Corporate Reorganisation is to dispose of its non-core subsidiaries to Independent Third Parties.

### **Payment of the aggregate Subscription Price**

The aggregate Subscription Price shall be not less than RMB270,000,000 (equivalent to approximately HK\$299,835,000), detailed payment of which shall be set out in the Restructuring Agreement.

### **Conditions precedent**

The Restructuring Agreement shall contain conditions precedent that are customary to transactions of such kind, including:

- (1) the Stock Exchange having granted the approval for resumption of trading in the shares of the Company on the Stock Exchange;
- (2) the Stock Exchange granting the listing of, and permission to deal in, the New Shares, the Subscription Shares and the Creditors' Shares;
- (3) completion of the Capital Reorganisation;
- (4) the Whitewash Waiver having been granted by the SFC and the satisfaction of any conditions attached thereto, if any;

- (5) the passing of the necessary resolutions by the Shareholders (who are permitted to vote under the Listing Rules and the Takeovers Code) at the Company's extraordinary general meeting to approve the following:
  - (a) the Capital Reorganisation;
  - (b) the Corporate Restructuring;
  - (c) the Whitewash Waiver;
  - (d) the Restructuring Agreement and agreement relating to the Share Subscription together with the transactions contemplated thereunder; and
  - (e) the allotment and issue of the New Shares, the Subscription Shares, the Creditors' Shares.
- (6) all resumption conditions imposed by the Stock Exchange having been fulfilled (save in relation to dismissal of the JPLs and withdrawal of winding up petition);
- (7) the Schemes of Arrangement having become effective; and
- (8) the Onshore Reorganisation having become effective.

None of the conditions precedent to be set out in the Restructuring Agreement can be waived by the parties thereto.

### **Costs of Restructuring**

The Investor shall pay RMB70 million (equivalent to approximately HK\$77,735,000) in stages to the JPLs to cover the costs of Restructuring. In the event the Restructuring is not completed, such amount shall constitute unsecured liabilities owed by the Company to the Investor.

### **The Restructuring Agreement and agreement in relation to the Share Subscription**

The parties shall use their best endeavours to enter into the (i) Restructuring Agreement and (ii) relevant agreement in relation to the Share Subscription.

### **Legal binding effect**

Save in relation to assignment of parties' rights under the Term Sheet, exclusivity and choice of law, the Term Sheet is not legally binding to the parties thereto.

### **IMPLICATIONS OF THE RESTRUCTURING UNDER THE TAKEOVERS CODE AND POSSIBLE APPLICATION FOR WHITEWASH WAIVER**

If the Restructuring (which involves the Share Subscription) materialises, immediately after its completion, the Investor and parties acting in concert with it will in aggregate be interested in more than 30% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, the Creditors' Shares, assuming all Pre-IPO Options have been exercised.

Under Rule 26.1 of the Takeovers Code, the Investor would be obliged to make a mandatory general offer to the Shareholders for all issued shares of the Company not already owned or agreed to be acquired by the Investor and parties acting in concert with it unless the Whitewash Waiver is granted by the Executive and approved by the Shareholders who are permitted to vote under the Takeovers Code. In this regard, as set out in the paragraph headed “Conditions precedent” above, (i) it is intended the Restructuring will be conditional upon the grant of the Whitewash Waiver, and the Whitewash Waiver as well as the Restructuring (which involves the Share Subscription) having been approved by the Shareholders who are permitted to vote under the Takeovers Code at the extraordinary general meeting of the Company; and (ii) such conditions in relation to the Whitewash Waiver cannot be waived.

Further announcement(s) in respect of the Restructuring in compliance with the Listing Rules and the Takeovers Code will be made by the Company as and when appropriate. In addition, monthly announcement(s) will be made by the Company regarding the Restructuring.

Completion of the Restructuring, if materialises, will be subject to the terms of the Restructuring Agreement. As the Term Sheet may or may not lead to the entering into of the Restructuring Agreement and the Restructuring may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in securities of the Company.

## **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 the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited. 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.**

## DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors from time to time
“Capital Reorganisation”	the restructuring of the capital of the Company
“Companies Law”	Companies Law (2020 Revision) of the Cayman Islands
“Company”	Tenwow International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Creditors’ Shares”	New Shares to be allotted and issued under the Schemes of Arrangement
“Directors”	directors of the Company
“Executive”	the executive director of the Corporate Finance Division of the SFC from time to time or any delegate of his
“Group”	the Company and its subsidiaries as at the date of this announcement
“HK Subsidiary”	Nanpu International Limited, a subsidiary of the Company incorporated in Hong Kong
“Hong Kong”	The Hong Kong Special Administration Region of the PRC
“Independent Third Parties”	third party(ies) independent of the Company and its connected persons
“Investor”	上海智陽投資有限公司 (Shanghai Zhiyang Investment Co. Ltd.*)
“JPLs”	Mr. Lai Kar Yan (Derek) and Mr. Ho Kwok Leung (Glen) of Deloitte Touche Tohmatsu, and Mr. Mike Penner of Deloitte & Touche in their capacity as joint provisional liquidators of the Company appointed by The Grand Court of the Cayman Islands
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“New Share(s)”	ordinary share(s) of the Company of HK\$0.01 each in the capital of the Company immediately following the Capital Reorganisation becoming effective
“Onshore Reorganisation”	the reorganisation involving PRC subsidiaries of the Restructured Group
“Pre-IPO Options”	options pursuant to which Shares may be issued pursuant to the pre-IPO share option scheme adopted by the Company
“PRC”	the People’s Republic of China, excluding Hong Kong and the Macau Special Administrative Region and Taiwan
“Restructured Group”	the Company and its subsidiaries upon the completion of the Restructuring
“Restructuring”	restructuring of the Group which shall involve the Capital Reorganisation, the Share Subscription, the Schemes of Arrangement, the Onshore Reorganisation and the Corporate Reorganisation
“Restructuring Agreement”	the formal agreement to be entered into among the Company, the JPLs and the Investor in relation to the Restructuring
“Schemes of Arrangement”	the schemes of arrangement (i) between the Company and its scheme creditors to be conducted in Hong Kong and Cayman Islands and (ii) between the HK Subsidiary and its scheme creditors to be conducted in Hong Kong
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) in the capital of the Company as at the date of this announcement
“Share Subscription”	the subscription of the Subscription Shares
“Shareholder(s)”	holder of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of each Subscription Share
“Subscription Shares”	the 16,544,775,000 New Shares
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Term Sheet”	the term sheet dated 12 February 2020 entered into among the Company, the JPLs and the Investor

“Whitewash Waiver”	a waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligations on the part of the Investor to make a mandatory general offer under Rule 26 of the Takeovers Code for all the securities of the Company not already owned or agreed to be acquired by the Investor and the parties acting in concert with it as a result of the completion of the Restructuring (which involves the Share Subscription)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 18 February 2020

*The Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the date of this announcement, the executive Directors are Mr. Lin Qi and Mr. Yeung Yue Ming; the non-executive Directors are Mr. Liu Zhao and Mr. Hu Hongwei; and the independent non-executive Directors are Mr. Lam Tin Faat, Mr. Lau Fai Lawrence and Ms. Shen Congju.*

*For the purpose of this announcement, unless otherwise specified, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00=HK\$1.1105. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ and RMB have been, could have been or may be converted at such rate or any other exchange rate.*

\* *for identification purpose only*