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鴻寶資源有限公司

AGRITRADE RESOURCES LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1131)

INSIDE INFORMATION

(1) APPLICATION FOR A MORATORIUM ORDER; (2) UPDATES ON WINDING-UP PETITION; AND (3) RESUMPTION OF TRADING

This announcement is made by Agritrade Resources Limited (the “**Company**”) pursuant to Rules 13.09, 13.19 and 13.25 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Reference is made to the announcements of the Company dated 17 May 2020, 20 May 2020 and 21 May 2020 in respect of the winding-up petitions against the Company filed at the Bermuda Court and the Hong Kong Court (the “**Announcements**”). Unless the context otherwise specified, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

APPLICATION FOR A MORATORIUM ORDER

The board (“**Board**”) of directors of the Company (the “**Directors**”) wishes to announce that on 20 May 2020, the Company filed an application in the High Court of the Republic of Singapore (the “**Singapore Court**”) pursuant to Section 211B(1) of the Companies Act, Chapter 50 of Singapore for a moratorium order (the “**Moratorium**”).

The Moratorium *inter alia* seeks to preclude, for a period of 6 months from the date of the Moratorium order, or until further order:

- (i) the making of any order, and/or passing of any resolution, for the winding up of the Company;

- (ii) the appointment of a receiver or manager over any property or undertaking of the Company;
- (iii) the commencement or continuation of any action or proceedings in Singapore or elsewhere against the Company, including but not limited to any proceedings in Bermuda or Hong Kong relating to the appointment of liquidators or provisional liquidators, (other than proceedings under sections 210, 211B, 211D, 211G, 211H or 212 of the Companies Act);
- (iv) the commencement or continuation of any execution, distress or other legal process in Singapore or elsewhere against any property of the Company (including any action by any receiver appointed over any property of the Company); and
- (v) the commencement or continuation of any enforcement of any security over any property of the Company, or repossession of any goods held by the Company under any chattels agreement, hire-purchase agreement or retention of title agreement.

Further, pursuant to said application in the Singapore Court and Section 211B of the Companies Act, there is an automatic moratorium **until 19 June 2020**, during which:

- (i) no order may be made, and no resolution may be passed, for the winding up of the Company;
- (ii) no appointment shall be made of a receiver or manager over any property or undertaking of the Company;
- (iii) no proceedings (other than proceedings under sections 210, 211B, 211D, 211G, 211H or 212 of the Companies Act) may be commenced or continued against the Company, except with the leave of the Court and subject to such terms as the Court imposes;
- (iv) no execution, distress or other legal process may be commenced, continued or levied against any property of the company, except with the leave of the Court and subject to such terms as the Court imposes
- (v) no step may be taken to enforce any security over any property of the company, or to repossess any goods under any chattels leasing agreement, hire-purchase agreement or retention of title agreement, except with the leave of the Court and subject to such terms as the Court imposes; and
- (vi) despite sections 18 and 18A of the Conveyancing and Law of Property Act (Cap. 61), no right of re-entry or forfeiture under any lease in respect of any premises occupied by the company may be enforced, except with the leave of the Court and subject to such terms as the Court imposes.

A pre-trial conference for the application for the Moratorium has been fixed for 2 June 2020 at 10 a.m. at the Singapore Court. The Company will keep its shareholders and the public informed of any further significant developments by making further announcements as and when appropriate and in accordance with the Listing Rules.

UPDATES ON WINDING-UP PETITION

As at the date of this announcement, the Company has received 3 Petitions filed in the Bermuda Court and 1 Petition filed in the Hong Kong Court. The total outstanding amount of debts claimed in the Bermuda Petitions and the Hong Kong Petition amounted to US\$265,799,199.02 (approximately HK\$ 2,073,233,752) (the “**Total Debt**”). Based on the Interim Report as at 31 March 2019 of the Company, and taking the movements in the respects of the debts under the Petitions from 1 October 2019 to the date of this announcement into account, the net asset of the Company as at the date of this announcement is approximately HK\$6,720,956,000, as demonstrated by the unaudited pro forma account below:

	As at 30 September 2019 HK\$'000	Major movements of 3 petitions borrowings from 1 October 2019 to 14 May 2020 HK\$'000	Total Outstanding Amount of Debt Claimed in 3 Petitions with interest immediately due after 14 May 2020 HK\$'000	As at 21 May 2020 HK\$'000
Non current assets	10,929,416	—	—	10,929,416
Current assets	2,744,854	507,000	—	3,251,854
Current liabilities excluding borrowings from TA Genco Limited	2,141,675	—	—	2,141,675
Borrowings from TA Genco Limited	468,000	(468,000)	—	—
Total Outstanding Amount of Debt Claimed in 3 Petitions	—	—	2,073,234	2,073,234
Total current liabilities	<u>2,609,675</u>			<u>4,214,909</u>
Non Current liabilities	3,245,405	—	—	3,245,405
Borrowings from TA Genco Limited	468,000	—	(468,000)	—
Borrowings from TA Private Debt III Limited	—	975,000	(975,000)	—
Golden Equator Capital Pte. Ltd	468,000	—	(468,000)	—
Total non-current liabilities	<u>4,181,405</u>			<u>3,245,405</u>
Net assets	<u>6,883,190</u>			<u>6,720,956</u>

Note: The pro forma account demonstrates the movement in relation to the Total Debt only and has not taken other movements in the accounts from 1 October 2019 into consideration.

Further announcement will be made as and when appropriate and after the financial position of the Company as at 31 March 2020 will become available.

As demonstrated by the table above, the Company maintains a net assets position after taking the Total Debt into account. Hence, the Board is of the view that the Bermuda Petitions and the Hong Kong Petition will not have a material adverse impact on the financial position of the Company. While the Company will vigorously oppose and defend the Bermuda Petitions and the Hong Kong Petition, the Company is also actively seeking refinancing opportunity and other available measures to manage its liabilities. As disclosed, the Company has applied for Moratorium, which if granted, would allow the Company more time to materialize its action plans to manage its liabilities.

To the best knowledge of the Board, the business of the Company is operating as normal as at the date of this announcement. The Board will closely monitor the business operation of the Company and will make further announcements as and when appropriate and as required under the Listing Rules.

Shareholders of the Company and potential investors should accordingly exercise caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 20 May 2020 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 22 May 2020.

By order of the Board
Agritrade Resources Limited
Sim Mingqing
Executive Director

Hong Kong, 21 May 2020

As at the date of this announcement, the Board comprises Mr. Ng Xinwei, Mr. Sim Mingqing and Mr. Yew Chu Sern as executive Directors; Mr. Goh Jun Feng, Ms. Song Kaixin, Cecilia, Mr. Ong Jia Sheng, Jeffrey and Mr. Chew Shee Koon, Malcolm as non-executive Directors and Mr. Siu Kin Wai, Mr. Terence Chang Xiang Wen, Mr. Cheng Yu and Mr. Phen Chun Shing Vincent as independent non-executive Directors.