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鴻寶資源有限公司

AGRITRADE RESOURCES LIMITED

*(Provisional Liquidators Appointed)*

*(For Restructuring Purposes)*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1131)**

## **CLARIFICATION ANNOUNCEMENT AND QUARTERLY UPDATES REGARDING DEVELOPMENTS REGARDING BUSINESS OPERATIONS AND TRADING SUSPENSION**

This announcement is made by Agritrade Resources Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.24A and 13.09(2)(a) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 21 August 2020 and 14 October 2020 in relation to, among others, quarterly updates regarding business operations and trading suspension.

Pursuant to Rule 13.24A of the Listing Rules, the Board wishes to update the shareholders and potential investors of the Company that, as the date of this announcement, the latest developments in the progress of the Company’s efforts to fulfill the resumption conditions and the development of its principal business are as follows:

### **UPDATE ON PROGRESS OF RESUMPTION**

As mentioned in the Company’s announcement dated 21 August 2020, the Company’s auditors have been impeded from proceeding with their audit work as a result of the following factors: (a) the outbreak of the novel coronavirus (COVID-19) in Indonesia and India (b) the Company’s claims against Mr Ashok Kumar Sahoo (“**Mr Sahoo**”), the former Chief Financial Officer of the Company in High Court of Hong Kong and the National Company Law Tribunal (“**NCLT**”) in India. Since the release of the abovementioned

announcement, the COVID-19 infection rates in Indonesia and India have not seen significant improvement and the Indonesian and Indian local authorities have implemented tougher measures (“**Heightened COVID-19 Measures**”) to curb further infections. As Mr Sahoo has illegally wrested control of the SKS Power Plant, the Company has been unable to obtain crucial financial information and documents in relation to the SKS Power Plant for its accounting and audit procedures. The Company expects that the claims against Mr Sahoo in Hong Kong and India will enable the Company to obtain access to the necessary information and documents required for the audit. The Company will work out an achievable and realistic audit schedule with the auditors and make further announcement on the revised target date for the release of its annual results for the year ended 31 March 2020.

## **QUARTERLY UPDATES REGARDING BUSINESS OPERATIONS AND TRADING SUSPENSION**

The Company is principally engaged in the operation of the SEM mine, the Merge mine and the SKS power plant.

In respect of the SEM mine, the mine is currently running at a reduced capacity because of depressed coal prices globally.

In respect of the Merge mine, due to Heightened COVID-19 Measures, as well as other travel restrictions implemented by the Chinese government authorities, as the Merge coal miners are mainly from China, the Merge mine is currently not operating.

In respect of the SKS power plant, the Company is aware that the SKS Power Plant is operating at a reduced capacity as a result of the mismanagement by Mr Sahoo and other associates of Mr Sahoo. The Company expects to obtain reliefs from the NCLT Proceedings in India that would enable the Company to resume normal operation of the SKS power plant, including but not limited to the removal of Mr Sahoo and his associates of their directorships over the key operating entities for the SKS power plant.

The Company will continuously assess the impact on the Company’s operations, take appropriate measures and make further announcement as and when appropriate.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended since 9:00 a.m. on 2 July 2020 and will remain suspended until further notice.

**Shareholders and potential investors should exercise caution when dealing or investing in the securities of the Company.**

By order of the Board  
**Agritrade Resources Limited**  
*(Provisional Liquidators Appointed)*  
*(For Restructuring Purposes)*  
**Sim Mingqing**  
*Executive Director*

Hong Kong, 5 November 2020

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