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QUARTERLY UPDATES ON TRADING SUSPENSION, CLAIM REGARDING BREACH OF CONTRACT AND FIDUCIARY DUTY, AND WINDING UP PETITIONS

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 (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, Laws of Hong Kong).

Reference is made to the announcements of the Company dated 21 August 2020, 14 October 2020, 5 November 2020, 13 January 2021, 7 April 2021 and 2 August 2021 (collectively, the “**Announcements**”) in relation to, among others, quarterly updates regarding the Company’s business operations and trading suspension. Unless the context otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

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 on the progress of the Company’s efforts to fulfil the resumption conditions are as follows:

BACKGROUND

Following the appointment of the two new executive directors (the “**Directors**”) to the Board on 30 August 2021 and the consequent reconstitution of the Board, the reconstituted Board has taken a proactive approach in pursuing an overall restructuring, with a view to securing sufficient creditors’ support to resume trading of the Company. The Board wishes to update that the restructuring exercise (the “**Restructuring Exercise**”) will consist of the following main steps that are being implemented (in the following order of priority):

- (i) to analyse details of the Group’s outstanding litigations and if applicable, to reach settlement with the counterparties of such litigations in order to preserve the limited resources and funds of the Company;
- (ii) to work with the major creditors of the Company on executing the Restructuring Exercise to avoid winding up of the Company;
- (iii) to secure court approvals for executing the Restructuring Exercise and have the Company’s joint provisional liquidators discharged;

- (iv) to conduct any necessary fund-raising exercises; and
- (v) to work with the major creditors and engage former management of the Group on recovering historical financial information and management accounts of the Group in order to commence audit work.

UPDATE ON PROGRESS OF AUDITS

The Board understands that financial records and management accounts of all material subsidiaries of the Company have not been properly maintained mainly due to the appointment of receivers. Absent of a successful Restructuring Exercise and depending on the outcome of such Restructuring Exercise, it will be difficult for the Company to accurately determine the scope of the audit and/or work with its appointed receivers to recover any documentation and financial information, that will enable the auditors to commence their audit work. The Company considers that, once the requisite support from the Company's creditors is obtained for the Restructuring Exercise and the requisite court approvals have been obtained, the Company will be better placed to determine the scope of the audit with its auditors and the receivers will be more cooperative with the Group in coming up with the management accounts of the Group in order to commence audit work.

APPOINTMENT OF RECEIVERS

Fair Thermal Power Limited ("Fair Thermal") was a wholly owned subsidiary of the Company. APHPL is a wholly owned subsidiary of Fair Thermal and owns most of the stake in an Indian company which in turn owns the SKS Power Plant. In February 2020 and October 2020, receivers were appointed over Fair Thermal and APHPL, respectively, and the shares of Fair Thermal were transferred to the ownership of its receiver on 28 October 2020.

On 12 July 2021, the receivers of Fair Thermal informed the Company that they had sold all of the shares in Fair Thermal for US\$10 million and the Company understands that such sale was undertaken by way of a credit bid (the "**Credit Bid**"). The Company is currently working closely with its joint provisional liquidators to better understand this Credit Bid, including the events leading up to, and the circumstances relating to, such Credit Bid.

UPDATE ON PROGRESS OF THE NCLT PROCEEDINGS

The Company attended a hearing on 20 September 2021 of the Company Petition No. 1020 of 2020 filed by APHPL along with pending Interlocutory Application(s) and the hearing was adjourned to 24 November 2021 to allow time for the respondents to file their reply. In view of the Credit Bid and the consequent loss of the Company's entire shareholding in Fair Thermal, the Company will assess the merits of continuing the NCLT proceedings.

UPDATES ON MAREVA INJUNCTION AGAINST MR. SAHOO

On 12 July 2021, Mr. Ashok Kumar Sahoo ("Mr. Sahoo"), the former Chief Financial Officer of the Company, objected to the Company's stay application (the "**Stay Application**") in Singapore and filed an application to set aside the Stay Application (the "**Setting Aside Application**") in the same jurisdiction. On 7 September 2021, the Company secured the order for the Stay Application, and subsequently on 24 September 2021, the Singapore court ruled in favour of the Company in relation to the Setting Aside Application with the injunction amount reduced from US\$5.06 million to US\$3.96 million as documents were furnished by Mr. Sahoo to substantiate the US\$1.04 million reduction.

UPDATES ON WINDING-UP PETITIONS

Pursuant to the announcement released by the Company on 7 October 2021, the Company wishes to supplement that based on the laws of Bermuda, only one winding-up petition is allowed at any point of time. Therefore, the Second and the Third Petitions in Bermuda will not be heard (i.e., left on the Court records) until the First Petition in Bermuda is discharged.

The Company also wishes to update that it had, on 15 October 2021, agreed with its petitioners and joint provisional liquidators for the First Petition in Bermuda to be adjourned until 19 November 2021 to

enable discussions between the parties to continue. The Company plans to seek an adjournment of a similar tenor for the petitions in Hong Kong and will make further announcement to update its shareholders on the outcome of the court hearings.

UPDATES ON RECENT DIRECTORSHIP CHANGES AND COMPLIANCE WITH RULES 3.10(1), 3.10A, 3.21 AND 3.25 OF THE LISTING RULES

As disclosed in the announcement of the Company dated 30 August 2021, Mr. Ang Chiang Meng and Mr. Solomon Tan had been appointed as the executive Directors, and Mr. Hui Wing Hung Derek had been appointed as the independent non-executive director, chairman of the audit committee, as well as member of the nomination committee and remuneration committee of the Company, all with effect from 30 August 2021.

As disclosed in the announcement of the Company dated 3 September 2021, Mr. Marcus Nicola Paciocco had been appointed as the independent non-executive Director, chairman of the nomination committee, as well as member of the audit committee and remuneration committee of the Company, with effect from 3 September 2021.

As disclosed in the announcement of the Company dated 7 October 2021, Mr. Yew Chu Sern (who had been redesignated from being the executive Director to non-executive Director on 30 August 2021) had resigned as a non-executive Director with effect from 7 October 2021.

Following such appointments and resignation, the Board comprises two executive Directors and three independent non-executive Directors. Accordingly, as at the date of this announcement, (i) the number of independent non-executive Directors conform to the minimum number required under Rules 3.10(1) and 3.10A of the Listing Rules, and (ii) the number of members of the audit committee and remuneration committee of the Company conform to the requirements under Rules 3.21 and 3.25 of the Listing Rules, respectively.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Main Board of the Stock Exchange has been suspended at the request of the Company since 9:00 a.m. on 2 July 2020 and will remain suspended until further notice.

The Company will keep its shareholders and the public informed of the latest developments by making further announcement(s) as and when appropriate.

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*)
Ang Chiang Meng
Chairman

Hong Kong, 18 October 2021

As at the date of this announcement, the Board comprises Mr. Ang Chiang Meng and Mr. Solomon Tan as executive Directors, and Mr. Cheng Yu, Mr. Marcus Nicola Paciocco and Mr. Hui Wing Hung Derek as independent non-executive Directors.