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Tian Shan Development (Holding) Limited **天山發展(控股)有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2118)

UPDATE ANNOUNCEMENT **IN RESPECT OF WINDING UP PETITION**

This announcement is made by Tian Shan Development (Holding) Limited (the “**Company**”) pursuant to Rules 13.09 and 13.25 of the Rules Governing the Listing of Securities on the Stock Exchange and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 5 January 2022 (the “**Announcement**”) in relation to a winding up petition (the “**Petition**”) dated 28 December 2021 against the Company. Unless otherwise defined, terms used herein shall have the same meanings as defined in the Announcement.

UPDATE OF THE PETITION

As at the date of this announcement, the Company had partially repaid the amount of HK\$47 million due to the Petitioner. The recent tightening of the COVID-19 pandemic control measures by the government of the People’s Republic of China (the “**PRC**”) and lock-down of more cities in the PRC in around mid-January 2022 had delayed the Group’s receipts of payments from its customers and return of funds kept by the relevant PRC authority which rendered the Company unable to make full payment to the Petitioner by 31 January 2022. The Company will further negotiate with the Petitioner on a revised repayment date.

EFFECT OF THE PETITION UNDER APPLICABLE LAWS AND REGULATIONS

Pursuant to section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), in the event that the Company is ultimately wound up as a result of the Petition, any disposition of the property of the Company, including things in action, and any transfer of shares, or alteration in the status of the members of the Company, made after the commencement date of the winding up (i.e. 28 December 2021) shall be void as a matter of Hong Kong law unless a validation order is obtained from the High Court.

Pursuant to Article 99 of the Cayman Islands Companies Act (2021 Revision), it is stated that “when a winding up order has been made, any disposition of the company’s property and any transfer of shares or alteration in the status of the company’s members made after the commencement of the winding up is, unless the Court otherwise orders, void”.

Any disposition made on or after the commencement of the winding up will not be affected if the Petition is subsequently struck out, dismissed or permanently stayed. The board of directors of the Company (the “**Board**”) wishes to remind its shareholders and potential investors that, the transfer of the shares in the Company made on or after 28 December 2021 may be void without a validation order from the High Court, in the event that the Company is ultimately wound up.

Pursuant to the circular dated 28 December 2016 issued by Hong Kong Securities Clearing Company Limited (“**HKSCC**”) in relation to the transfer of the shares of listed issuers after a winding up petition has been presented, in view of these restrictions and the uncertainties that may arise in relation to the transfer of shares of the Company, for participant(s) who conduct share transfers through HKSCC (the “**Participant(s)**”), HKSCC may at any time, and without notice, exercise its powers under the General Rules of Central Clearing and Settlement System (“**CCASS**”) to temporarily suspend any of its services in respect of shares of the Company. This may include the suspension of acceptance of deposits of share certificates of the Company into CCASS. The share certificates of the Company received by HKSCC but not yet re-registered in HKSCC Nominee Limited’s name will also be returned to the relevant Participant and HKSCC shall reserve the right to reverse any credit granted to such Participant by debiting the relevant securities from its CCASS account accordingly. These measures would generally cease to apply from the date when the winding up petition has been struck-out, dismissed or permanently stayed, or the Company has obtained the necessary validation order from the High Court.

FURTHER ACTION TO BE TAKEN BY THE COMPANY

The Company is in the course of seeking advice from its legal advisors to determine the next possible course of action in respect of the Petition including the feasibility and necessity of possible application to the High Court for a validation order. Shareholders are reminded that there is no guarantee that any validation order would be granted by the High Court. In the event where a validation order is not granted but the winding up order is not dismissed or permanently stayed, all transfers of shares of the Company, after the commencement of the winding up, shall be void.

Further announcement(s) will be made by the Company to keep its shareholders and investors informed of any significant development in relation to the Petition as and when appropriate.

Transfer of Shares may be restricted as the deposits of the Company’s shares into CCASS may be suspended due to the Petition. Shareholders and potential investors of the Company should exercise caution when dealing in the shares or other securities of the Company.

By order of the Board of
Tian Shan Development (Holding) Limited
Wu Zhen Shan
Chairman

Hong Kong, 31 January 2022

As at the date of this announcement, the executive Directors are Mr. Wu Zhen Shan, Mr. Wu Zhen Ling and Mr. Zhang Zhen Hai; and the independent non-executive Directors are Mr. Tian Chong Hou, Mr. Wang Ping and Mr. Cheung Ying Kwan.