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DaFa Properties Group Limited
大发地产集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6111)

INSIDE INFORMATION

This announcement is made by DaFa Properties Group Limited (the “**Company**”) pursuant to Rule 13.09, 37.47A, 37.47B and 37.47E of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 18 February 2022, a winding-up petition (the “**Petition**”) was filed against the Company, and a separate winding-up petition was filed against Yinyi Holdings (Hong Kong) Limited (垠壹香港有限公司) (“**Yinyi**”), a subsidiary of the Company, respectively at the High Court of the Hong Kong Special Administrative Region (“**High Court**”) in relation to certain outstanding senior notes (ISIN: XS2286017640) in the principal amount of US\$15,000,000 (plus accrued and unpaid interest), in which the Company was the issuer and Yinyi was a guarantor.

The Company has been advised by its legal advisers that under section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the “**Companies Winding Up Ordinance**”), 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, after the commencement date of the winding up, namely the date of the presentation of the Petition (that is, 18 February 2022) (the “**Commencement Date**”), will be void as a matter of Hong Kong law unless a validation order is obtained from the High Court. Any disposition made on or after the Commencement Date will not be affected if the Petition is subsequently withdrawn, struck out, dismissed or permanently stayed.

The Company will oppose the Petition vigorously. However, given the effect of section 182 of the Companies Winding-Up Ordinance, the board of directors of the Company (the “**Board**”) wishes to remind the shareholders and potential investors of the Company that the transfer of the shares in the Company made on or after the Commencement Date would be void without a validation order from the High Court. 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 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. These measures would generally cease to apply from the date when the winding-up petition has been dismissed or permanently stayed, or the Company has obtained the necessary validation order from the High Court.

The Company will seek legal advice and take all necessary actions to protect its legal rights. Furthermore, the Company will seek legal measures to resolutely oppose the Petition, as the Board is of the view that the Petition does not represent the interests of other stakeholders and may impair the value of the Company. In view of the Petition, the Company will apply to the High Court for a relevant validation order. Shareholders are reminded that there is no guarantee that the validation order would be granted by the High Court. In the event that the validation order is not granted but the winding-up order is not dismissed or permanently stayed, all transfer of shares on or after the Commencement Date shall be void. The Company will keep its shareholders and investors informed of any significant development and further announcement will be made by the Company as and when appropriate.

The Company will make further announcement(s) to keep its shareholders and investors informed of any significant developments in relation to the Petition as appropriate or as required under the Listing Rules.

Shareholders of the Company and other investors are reminded to consider the related risks and exercise caution when dealing in the securities of the Company.

By Order of the Board
DaFa Properties Group Limited
Ge Yiyang
Chairman

Hong Kong, 21 February 2022

As at the date of this announcement, the Board comprises Mr. Ge Yiyang, Mr. Leng Junfeng, Mr. Chi Jingyong and Mr. Yang Yongwu as the executive Directors, and Mr. Gu Jiong, Mr. Sun Bing and Mr. Fok Ho Yin Thomas as the independent non-executive Directors.