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GOLDSTONE INVESTMENT GROUP LIMITED

金石投資集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 901)

INSIDE INFORMATION – WINDING UP PETITION AGAINST THE COMPANY

This announcement is made by Goldstone Investment Group Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) 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).

On 28 February 2022 (after trading hours), the Company received a winding-up petition (the “**Petition**”) presented by Wang Lishan (王立山) (the “**Petitioner**”) against the Company to the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) for the winding up of the Company under the provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the “**Companies (WUMP) Ordinance**”) filed on 24 February 2022 in the High Court under action number HCCW64/2022. The Petition has been listed to be heard before the High Court at 9:30 a.m. on 27 April 2022.

DETAILS OF THE PETITION AND THE UNDERLYING MATTER

According to the Petition, the Petitioner seeks for an order, *inter alia*, that the Company be wound up by the High Court, for default of payment by the Company for the principal and interest of the 8% 1-year convertible bonds (the “**Convertible Bonds**”) due on 21 January 2022 (the “**Maturity Date**”), for an alleged outstanding debt in the sum of HK\$43,195,680, being the alleged outstanding principal amounts of the Convertible Bonds in the sum of HK\$39,996,000 and the alleged interest accrued thereon in the sum of HK\$3,199,680 up to the Maturity Date; and, a further interest, calculated at 8% per annum on a 365-day-basis until payment in full, following from the Maturity Date (the “**Alleged Outstanding Debt**”).

POSITION OF THE COMPANY IN RELATION TO THE PETITION

The Company has adequate assets to pay the Alleged Outstanding Debt. The Company has been engaging in negotiation with the Petitioner, in order to reach an amicable settlement. Despite the ongoing settlement negotiation, the Petitioner has proceeded to issue the Petition on 24 February 2022 and effected service of the same on 28 February 2022 (after trading hours). The Company has been obtaining legal advice and has continued to liaise with the Petitioner to seek an amicable settlement of the Petition.

Meanwhile, the Board is confident that a winding-up of the Company is highly unlikely and is continuing its efforts to resolve the Petition as soon as practicable.

FURTHER ACTION TO BE TAKEN BY THE COMPANY

The board of directors of the Company (the “**Board**”) is in the course of seeking advice from its legal advisors to determine the next possible course of action in respect of the Petition, and is in discussion with its legal advisers regarding a potential 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 Petition is not struck out, withdrawn, dismissed or permanently stayed and a winding up order were eventually made against the Company, all issues and transfers of shares of the Company after the date of the Petition will be treated as void.

EFFECT OF THE PETITION UNDER APPLICABLE LAWS AND REGULATIONS

In the event that, upon the Petitioner’s application, the High Court grants an order to wind up the Company, pursuant to section 182 of the Companies (WUMP) Ordinance, unless the High Court otherwise orders, any disposition of the properties of the Company, including things in action, and any issues and transfers of shares, or alteration in the status of the members of the Company, made after the commencement date of the winding up (i.e., 24 February 2022, being the date of the Petition) shall be treated as void as a matter of Hong Kong law.

Pursuant to Article 99 of the Cayman Islands Companies Law (2021 Revision), when a winding up order is made, any disposition of the Company’s properties and any issues and transfers of shares or alteration in the status of the Company’s members made after the commencement date of the winding up (i.e., 24 February 2022, being the date of the Petition) shall be treated as void as a matter of Cayman Islands law.

Any disposition made on or after 24 February 2022 will not be affected if the Petition is subsequently withdrawn, struck out, dismissed or permanently stayed. The Board wishes to remind its shareholders and potential investors that, the transfer of the shares in the Company made on or after 24 February 2022 may be void unless validated by 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.

IMPACT OF THE PETITION ON OPERATIONS AND THE FINANCIAL POSITION OF THE COMPANY

As at the date of this announcement, to the best knowledge of the Board, the Petition has had no material impact to the business operation and financial position of the Company and its subsidiaries.

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, and if they are in any doubt about their position, they should consult their independent professional adviser(s).

By order of the Board of
Goldstone Investment Group Limited
金石投資集團有限公司
Mr. Chan Cheong Yee
Executive Director

Hong Kong, 1 March 2022

As at the date of this announcement, the Board comprises seven Directors. The executive Director is Mr. Chan Cheong Yee; the non-executive Directors are Dr. Xiao Yanming, Ms. Li Ye and Mr. Wong Tsz Wai; and the independent non-executive Directors are Mr. Tung Shu Sun, Mr. Lai Kim Fung and Mr. Wong Yiu Kit, Ernest.