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TONTINE
CHINA TONTINE WINES GROUP LIMITED

中國通天酒業集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 389)

RESULTS OF ANNUAL GENERAL MEETING
PURPORTED REQUISITION TO CONVENE SPECIAL GENERAL MEETING
RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND
CHANGE IN COMPOSITION OF BOARD COMMITTEES
AND
POTENTIAL NON-COMPLIANCE WITH
CERTAIN LISTING RULES REQUIREMENTS

References are made to (a) the circular (the “**AGM Circular**”) of the Company dated 30 April 2024 relating to, among others, the annual general meeting (the “**Annual General Meeting**”) of the Company held on 13 June 2024; (b) the announcement (the “**Poll Results Announcement**”) of the Company dated 13 June 2024 relating to, among others, the poll results of the resolutions proposed at the Annual General Meeting; and (c) the announcement (the “**Appointment Announcement**”) of the Company dated 14 June 2024 relating to, among others, the appointment of executive director and independent non-executive directors of the Company. Unless otherwise defined in this announcement, capitalised terms used in this announcement have the same meanings as defined in the AGM Circular, the Poll Results Announcement and the Appointment Announcement.

RESULTS OF ANNUAL GENERAL MEETING

As disclosed in the Poll Results Announcement, given that more than 50% of the votes were cast against of each of the resolutions proposed at the Annual General Meeting, none of the resolutions were passed.

According to the Company's records on the proceedings of the Annual General Meeting, all the Shares voted against the resolutions were held in the Central Clearing and Settlement System ("CCASS") maintained by Hong Kong Securities Clearing Company Limited. Upon enquiries made by the Company with the relevant CCASS participants, as at the date of this announcement, the Company has been informed of the reasons from two opposing Shareholders for voting against the resolutions. The reasons given by one of such opposing Shareholders are in general that the performance of the Company for the year ended 31 December 2023 was not satisfactory, that such opposing Shareholder had doubt as to whether the Directors had acted in the best interests of the Shareholders and that it was necessary to change the current composition of the Board. As to the reasons given by the other of such opposing Shareholders, they are in general that the financial conditions of the Company for the recent years were unsatisfactory, that the Company has been loss making and has not declared dividends, and that the Company frequently conducted placing, which has led to the interest of the Company being prejudiced. At the same time, such other opposing Shareholder considered that despite the poor financial performance, the Company did not focus on its main business and blindly expanded and invested in projects and that various decisions and performance of the current Board were disappointing.

One of the resolutions proposed at the Annual General Meeting was to re-elect Dr. Cheng Vincent ("**Dr. Cheng**") as an independent non-executive Director. As a result of such resolution being voted down, Dr. Cheng ceased to be an independent non-executive Director, the chairman of the Audit Committee and the chairman of the Remuneration Committee at the conclusion of the Annual General Meeting. As disclosed in the Appointment Announcement, the Directors re-appointed Dr. Cheng as an independent non-executive Director, the chairman of the Audit Committee and the chairman of the Remuneration Committee on 14 June 2024 based on his invaluable capabilities, skills, knowledge and experience as set out in the Appointment Announcement. The re-appointment of Dr. Cheng was approved by the Directors pursuant to the power conferred on them under Bye-law 112 of the bye-laws (the "**Bye-laws**") of the Company and was made in the absence of any provisions in the Bye-laws which prohibit Dr. Cheng's re-appointment after his re-election was voted down at the Annual General Meeting.

PURPORTED REQUISITION TO CONVENE SPECIAL GENERAL MEETING

On 2 July 2024, the Company received a letter (the "**Letter**") dated the same date from a person (the "**Purported Requisitionist**"), who alleged to be holding over 10% of the issued share capital of the Company. The Purported Requisitionist intends to purportedly invoke Bye-law 65 of the Bye-laws by issuing a purported requisition by way of the Letter to the Board for convening a special general meeting of the Company to pass, among others, resolutions removing the majority of the existing members of the Board and appointing five persons as Directors.

Bye-law 65 of the Bye-laws provides that *“the Board may, whenever it thinks fit, call special general meetings, and shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act.”*

Bye-law 1(A) of the Bye-laws defines the term “shareholder” to mean *“...the duly registered holder from time to time of the shares in the capital of the Company.”* To be a duly registered holder of the shares in the capital of the Company, a person must be named and registered as such on the principal or a branch register of shareholders of the Company. As at 2 July 2024 (being the date of the Letter and the date on which the Company received the Letter), the name of the Purported Requisitionist did not appear on any register of shareholders of the Company as holder of any shares. For this reason, the Board considers that the Purported Requisitionist was not a shareholder within the meaning of the Bye-laws at the time of serving the Letter on the Company and therefore did not have the right to invoke Bye-law 65 of the Bye-laws to requisition a special general meeting by way of the Letter or otherwise. The Purported Requisitionist was subsequently registered on 16 July 2024 as the holder of approximately 13.27% of the total number of Shares in issue on the branch register of shareholders of the Company in Hong Kong. Despite such registration, since the Purported Requisitionist did not qualify as a shareholder within the meaning of the Bye-laws on 2 July 2024 as mentioned above, the Letter is taken to be invalid as a requisition under Bye-law 65 of the Bye-laws.

After the receipt of the Letter, the Company made a written enquiry with the Purported Requisitionist in an attempt to, among others, confirm the authenticity of the Letter. Shortly after, the Company received a reply from a person who purported to be the single largest shareholder and an executive director of the Purported Requisitionist. In the reply, it was alleged, among others, as follows: someone(s) whose identity could not be verified has attempted to convene a special general meeting of the Company, through the board of directors of the Purported Requisitionist, to remove and appoint directors of the Company. The only investment and assets of the Purported Requisitionist is the current holding of shares in the Company. As the single largest shareholder and an executive director of the Purported Requisitionist, the person giving the reply firmly opposes any behavior that may undermine the stability of the operations of the Company. If there are any persons from the outside conspiring or colluding with certain personnel of the Purported Requisitionist to manipulate the market for improper benefits, such person will firmly oppose it and reserve his rights to report it to the relevant authorities.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE IN COMPOSITION OF BOARD COMMITTEES

On 18 July 2024, Dr. Cheng tendered his resignation as an independent non-executive Director with effect from the later of: (i) 1 September 2024; and (ii) the final closing date of the voluntary conditional cash partial offer (the “**Partial Offer**”) made for and on behalf of Wang He (the “**Offeror**”) to acquire 30,160,000 shares of the Company (other than those already owned by the Offeror and parties acting in concert with him) pursuant to an offer document dated 28 June 2024 issued by the Offeror. Dr. Cheng resigned because his duties as an independent non-executive Director in relation to the Partial Offer will have been discharged by the time his resignation takes effect. When Dr. Cheng’s resignation as an independent non-executive Director becomes effective, he will at the same time cease to be the chairman of the Audit Committee and the chairman of the Remuneration Committee.

Dr. Cheng has confirmed that he has no disagreement with the Board and there is no matter in relation to his resignation that needs to be brought to the attention of the Stock Exchange and the Shareholders.

The Board hereby expresses its sincere gratitude to Dr. Cheng for his services and contribution to the Group.

POTENTIAL NON-COMPLIANCE WITH CERTAIN LISTING RULES REQUIREMENTS

When Dr. Cheng’s resignation as an independent non-executive Director becomes effective, assuming that no independent non-executive Director will be appointed as his replacement by then:

- (a) the number of independent non-executive Directors will be reduced to two, which will not comply with Rule 3.10(1) of the Listing Rules, and will represent less than one-third of the Board, which will not comply with Rule 3.10A of the Listing Rules;
- (b) none of the two remaining independent non-executive Directors have the appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules, and the corresponding requirement under paragraph 2.2(3) of the terms of reference of the Audit Committee will no longer be satisfied;
- (c) the Audit Committee will have two members only, which will not comply with Rule 3.21 of the Listing Rules and fall short of the minimum number of three members as required under paragraph 2.2(2) of the terms of reference of the Audit Committee; and
- (d) the Remuneration Committee will have two members only, which will fall short of the minimum number of three members as required under paragraph 2.2(2) of the terms of reference of the Remuneration Committee.

The Company will use its best endeavours to identify a suitable candidate as soon as practicable to fill the vacancies arising from the resignation of Dr. Cheng in order to comply with the relevant requirements of the Listing Rules and the terms of reference of the Audit Committee and the Remuneration Committee. The Company will make further announcement as and when appropriate.

By Order of the Board
WANG Lijun
Chairlady and Executive Director

Hong Kong, 18 July 2024

As at the date of this announcement, the Board comprises Ms. Wang Lijun, Mr. Zhang Hebin and Mr. Wang Junyao as executive Directors, Mr. Li Jerry Y. and Mr. Zhu Minghui as non-executive Directors, and Dr. Cheng Vincent, Mr. Yang Qiang and Ms. Zhang Shiqing as independent non-executive Directors.