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EVERGREEN INTERNATIONAL HOLDINGS LIMITED

長興國際（集團）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 238)

QUARTERLY UPDATE ON SUSPENSION OF TRADING

Reference is made to the announcements of the Company dated 17 February 2020, 30 March 2020, 31 March 2020, 14 May 2020, 29 June 2020 (the “**29 June Announcement**”), 3 September 2020 and 27 September 2020, in relation to, among other things, (i) the investigation into the Loan Transaction, (ii) the Suspension, (iii) the delay in the publication of the 2019 Annual Results and delay in the despatch of the 2019 Annual Report, (iv) the delay in the publication of the interim results of the Group for the six months ended 30 June 2020 (the “**2020 Interim Results**”) and delay in despatch of the interim report of the Group for the six months ended 30 June 2020 (the “**2020 Interim Report**”), and (v) the Resumption Guidance. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the 29 June Announcement.

UPDATE ON PROGRESS OF RESUMPTION

As disclosed in the announcement of the Company dated 14 May 2020, the Stock Exchange has set out the Resumption Guidance for the Company. Pursuant to Rule 13.24A of the Listing Rules, the Board wishes to update the Shareholders and potential investors of the Company on the progress of the Company’s fulfillment of the Resumption Guidance as at the date of this announcement:

- (i) **conduct forensic investigation on the Loan Transaction** — The Independent Committee has continued its efforts in (a) reviewing the qualifications of potential candidates to be appointed as the forensic accountant to assist them with the Independent Review and (b) considering the fee proposals provided by the potential candidates to be appointed as the forensic accountants. The Board will consider the Independent Committee’s proposals and will finalise the appointment of the forensic accountant as soon as practicable.

- (ii) **publish all outstanding financial results** — As disclosed in the announcement of the Company dated 3 September 2020, since the publication of the 2019 Annual Results and the despatch of the 2019 Annual Report were still being delayed pending the resumption and completion of audit work in respect of the financial information of the Group for the year ended 31 December 2019, the announcement of the 2020 Interim Results and the despatch of the 2020 Interim Report have also been delayed.

Also, as disclosed in the announcement of the Company dated 27 September 2020, Ernst & Young (“EY”), the former auditor of the Company, resigned as auditor of the Company on 25 September 2020 by a letter of resignation dated on the same date (the “**Resignation Letter**”). EY has indicated in the Resignation Letter that as the Company has not appointed any forensic accountant, and EY and the Board have been unable to reach a consensus on the proposed scope of its involvement in the work of the forensic accountant and its costs associated therewith, it would not be practical for it to continue with its audit work on the Company’s financial statements. The Board, with the recommendation of the Audit Committee, has resolved to propose the appointment of ZHONGHUI ANDA CPA Limited as the new auditor of the Company to fill the vacancy arising following the resignation of EY and to hold office until the conclusion of the next annual general meeting of the Company.

After due and careful consideration, the Board continues to be of the view that it would not be appropriate for the Company to publish the unaudited financial results of the Group for the year ended 31 December 2019, and for the six months ended 30 June 2020, prior to the Independent Review as such financial results may not accurately reflect the financial performance and position of the Group. The Company’s current priority continues to be to progress the Independent Review, which in turn will facilitate the finalisation and publication of the 2019 Annual Results and the 2020 Interim Results.

- (iii) **inform the market of all material information** — The Board will continue to keep the market informed of the progress of the Independent Review, as well as the publication of the 2019 Annual Results and the 2020 Interim Results, as and when appropriate.

BUSINESS UPDATE

The Group is principally engaged in the manufacture and trading of clothing and clothing accessories. The Directors wish to point out that notwithstanding the Suspension, the Group is carrying on its business operations as usual to the extent possible under the various restrictions brought about by the COVID-19 situation. The Board will continue to assess and monitor the impact of the COVID-19 situation and the Suspension on the operation and financial performance of the Group. The Company will take appropriate measures as necessary and make further announcements as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Monday, 30 March 2020 and will continue to be suspended until further notice.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Evergreen International Holdings Limited
CHAN Yuk Ming
Chairman

Hong Kong, 29 September 2020

As at the date of this announcement, Mr. Chan Yuk Ming, Mr. Chen Yunan and Mr. Chen Minwen are the Executive Directors of the Company; Mr. Cheng King Hoi, Andrew and Mr. Poon Wai Kong are the Independent Non-executive Directors of the Company.