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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)**

### **(1) QUARTERLY UPDATE ON SUSPENSION OF TRADING**

### **(2) BUSINESS UPDATE**

### **(3) CONTINUED 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, 3 September 2020, 27 September 2020, 21 October 2020, 23 November 2020, 26 November 2020, 7 December 2020, 29 December 2020, 29 March 2021, 29 June 2021, 2 September 2021 and 6 September 2021 (the “**Announcements**”), 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 Resumption Guidance, (v) the delay in the publication of the 2020 Interim Results and delay in despatch of the 2020 Interim Report, (vi) the winding up petitions against the Company, (vii) the delay in the publication of the 2020 Annual Results and delay in the despatch of the 2020 Annual Report and (viii) the delay in the publication of the 2021 Interim Results and delay in despatch of the 2021 Interim Report. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

### **UPDATE ON PROGRESS OF RESUMPTION**

As disclosed in the announcements of the Company dated 14 May 2020 and 7 December 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 which is summarised below.

### **Forensic investigation on the Loan Transaction**

As disclosed in the announcement of the Company dated 6 September 2021, RSM Corporate Advisory (Hong Kong) Limited (“**RSM**”), the independent professional firm appointed by the legal advisors to the Independent Committee to provide forensic accounting services to assist in the conduct of the Independent Review, had provided its preliminary findings to the Independent Committee, which findings confirmed among other things that (i) the Loan

amount of RMB350 million was first transferred by a company outside of the Group to the Company's subsidiary, Changxing Guangdong, before Changxing Guangdong transferred the same to the Borrower on 26 December and (ii) the discrepancies as to the bank balances of the Company's subsidiaries between the records of the Group and those of the PRC banks with which the Company's subsidiaries maintained accounts had existed since 2016 with the total shortfall in the actual balances reaching over RMB536 million at a certain point, but which shortfall had since been completely eliminated after the transfer of the RMB350 million to Changxing Guangdong described in (i) above.

It is expected that RSM will provide its formal report to the Independent Committee in or about October 2021.

### **Outstanding financial results**

As disclosed in the announcement of the Company dated 29 June 2021, ZHONGHUI ANDA CPA Limited (the "**Auditor**") has commenced its audit work in respect of the financial information of the Group. With the preliminary findings and progress made by RSM in its forensic investigation as described above, it is expected that the financial results of the Group for the years ended 31 December 2019 and 31 December 2020 will be released in or before November 2021.

### **Independent control review**

Subject to the findings of the ongoing Independent Review on the internal procedures and policies of the Group, an update and/or recommendation (if any) will be provided to the Company on the internal control aspects by the end of the Independent Review, which the Company and the Independent Committee will then consider whether it is appropriate to engage an internal control adviser, and if so, the scope and timing of work of the further internal control review.

### **Update on winding up petition under HCCW 312/2020**

As disclosed in the announcement of the Company dated 6 September 2021, the winding up petition under HCCW 312/2020 was dismissed by the High Court on 6 September 2021. As at the date of this announcement, there is no outstanding petition for the winding-up of the Company.

### **Other conditions of the Resumption Guidance**

With respect to the other conditions of the Resumption Guidance, the Company is taking appropriate steps to fulfil them and will keep the market informed of the latest developments of the matters under the Resumption Guidance, including but not limited to the progress of the Independent Review, as well as the publication of the 2019 Annual Results, the 2020 Interim Results, the 2020 Annual Results and the 2021 Interim Results, by making further announcement(s) as and when appropriate.

## **BUSINESS UPDATE**

The Group is principally engaged in the manufacture and trading of clothing and clothing accessories. Notwithstanding the Suspension and winding-up petition, the Group has been carrying on its business operations as usual, to the extent possible under the various restrictions brought about by the COVID-19 situation. As of 30 June 2021, the Group operated a distribution network comprising 81 menswear retail stores, covering 52 cities in China. There were 33 self operated stores and 48 franchised stores.

Based on the Group's preliminary unaudited management accounts, the Group generated sales of approximately RMB220 million, RMB168 million and RMB75 million for the years ended 31 December 2019 and 31 December 2020 and for the six months ended 30 June 2021 respectively.

## **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, 24 September 2021

*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, Mr. Poon Wai Kong and Mr. Leung Chi Hung are the Independent Non-executive Directors of the Company.*