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Oshidori International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 622)

DISCLOSABLE TRANSACTION AND INSIDE INFORMATION – PROFIT WARNING

DISCLOSABLE TRANSACTION

The Disposals

During the period from 27 September 2021 to 30 September 2021, the Company conducted a series of on-market transactions on the Stock Exchange to dispose of an aggregate of 138,245,000 Evergrande Vehicle Shares (representing 1.42% of the issued shares of Evergrande Vehicle as at the date of this announcement) in the range of an average daily price between HK\$1.87 and HK\$3.35 per Evergrande Vehicle Share at an aggregate consideration of HK\$332 million (exclusive of transaction costs and equivalent to the price of HK\$2.40 per Evergrande Vehicle Share). Upon completion of the Disposals, the Company did not hold any Evergrande Vehicle Share.

Listing rules implications

As certain applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposals exceeds 5% but all of them are less than 25%, the Disposals constitutes a discloseable transaction of the Company and is therefore subject to the relevant reporting and announcement requirements under Chapter 14 of the Listing Rules.

PROFIT WARNING

Pursuant to Rule 13.09(2) of the Listing Rules, and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). The Board wishes to update the Shareholders and potential investors that based on the information currently available to the Board, the total revenue would turn from positive of HK\$280 million for the year ended 31 December 2020, into negative for the year ending 31 December 2021, due to the financial effects of the Disposals. In addition, the Group's unrealised fair value gain relating to its shareholding in Evergrande Vehicle of HK\$3,101 million for the year ended 31 December 2020 will be reversed for the year ending 31 December 2021. Accordingly, the Group is likely to experience a loss for the year ending 31 December 2021.

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Since the Disposals were made through open market, the Company is not aware of the identities of the Purchasers. Each of the Purchasers and their ultimate beneficial owners are Independent Third Parties.

The aggregate gross sale proceeds from the Disposals amount to HK\$332 million (exclusive of transaction costs), which is receivable in cash upon settlement of each Disposal. The consideration for the Disposals represented the prevailing market price of Evergrande Vehicle at the time of the Disposals.

Information of Evergrande Vehicle

Evergrande Vehicle is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 708). Evergrande Vehicle and its subsidiaries principally engage in property development, property investment, property management, new energy vehicle business, hotel operations, finance business, internet business and health industry business in the PRC.

Set out below is the audited consolidated financial information of Evergrande Vehicle extracted from its annual report for the year ended 31 December 2020:

	For the year ended	
	31 December	
	2020	2019
	(Audited)	(Audited)
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	15,486,625	5,635,559
Loss before tax	7,395,263	4,526,336
Loss after tax	7,664,907	4,947,478

Based on Evergrande Vehicle's Interim Results Announcement, the unaudited consolidated net asset value of Evergrande Vehicle was RMB12,076 million as at 30 June 2021.

Information of the Group and the Company

The Group principally engages in investment holdings, tactical and/or strategical investments, and the provision of financial services including the Securities and Futures Commission regulated activities, namely Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 9 (asset management); and provision of credit and lending services regulated under the Money Lenders Ordinance.

Reasons and Benefits of the Disposals

The Company acquired the Evergrande Vehicle Shares for strategical and/or tactical investment purposes. Having regard to the significant price fluctuations of the Evergrande Vehicle Shares recently, the Board decided to reconstruct its investment portfolio and to solidify the financial and cash position of the Group. The Disposals will allow the Group to realise its investments and reallocate its financial resources to other business needs.

The Directors remain cautious and concerned about the recent developments of Evergrande Vehicle:–

On 24 September 2021, Evergrande Vehicle announced that *“the Group is encountering serious shortage of funds. In view of the liquidity pressure, the Group has suspended paying some of its operating expenses and some suppliers have suspended supplying for projects. In view of the difficulties, challenges and uncertainties in improving its liquidity as mentioned above, there is no guarantee that the Group will be able to meet its financial obligations under the relevant contracts.”* On 24 September 2021, the trading price of Evergrande Vehicle Share dropped by over 23% and its trading volume increased by over 13% more than the preceding trading day.

On 26 September 2021, Evergrande Vehicle announced the termination of the proposed issue of RMB shares that further dragged down Evergrande Vehicle Share price by 20% to HK\$1.77, which was the opening price on 27 September 2021.

In these most challenging and difficult circumstances, the Board cannot rule out the possibilities of further misfeasance, misconducts, or indeed inappropriate corporate behaviours by Evergrande Vehicle.

Moreover, various banks have reduced the lending value of Evergrande Vehicle, in some cases down to zero, which has aggravated the price and volume volatility of Evergrande Vehicle. Accordingly, the Company received margin calls from banks, and have decided to offload the Evergrande Vehicle Shares as a response.

In view of the above, the Directors consider that these Disposals enable the Group to cut losses promptly, to recover something rather than nothing, and to re-allocate funds to finance the Group’s financial services segment. Therefore, the Directors consider that the Disposals are fair, proportionate and reasonable and in the wider interests of the Company and its Shareholders as a whole.

Financial Effects of the Disposals and use of proceeds

Upon completion of the Disposals, the Group's total revenue is expected to be reduced by HK\$3,201 million for the year ending 31 December 2021, as compared to the total revenue of HK\$280 million for the year ended 31 December 2020.

The Group's total other comprehensive income is expected to be reduced by HK\$643 million for the year ending 31 December 2021, as compared to the total other comprehensive income of HK\$629 million for the year ended 31 December 2020.

The Group's net assets value is expected to drop for the year ending 31 December 2021 accordingly, as compared to the net assets value of HK\$9,937 million for the year ended 31 December 2020.

The above mentioned financial effects of the Disposals are subject to audit adjustments (if any). The Board intends to apply the proceeds from the Disposals of HK\$332 million towards the general working capital of the Group.

Listing rules implications

As certain applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposals exceeds 5% but all of them are less than 25%, the Disposals constitutes a discloseable transaction of the Company and is therefore subject to the relevant reporting and announcement requirements under Chapter 14 of the Listing Rules.

PROFIT WARNING

Pursuant to Rule 13.09(2) of the Listing Rules, and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). The Board wishes to update the Shareholders and potential investors that based on the information currently available to the Board, the total revenue would turn from positive of HK\$280 million for the year ended 31 December 2020, into negative for the year ending 31 December 2021, due to the financial effects of the Disposals. In addition, the Group's unrealised fair value gain relating to its shareholding in Evergrande Vehicle of HK\$3,101 million for the year ended 31 December 2020 will be reversed for the year ending 31 December 2021. Accordingly, the Group is likely to experience a loss for the year ending 31 December 2021.

The information contained in the "Profit Warning" section is only based on the information that currently available to the Board, such information has not been audited or reviewed by the Company's auditors or the audit committee of the Company. As such, the above data is provided for Shareholders' and potential investors' reference only.

Shareholders and potential investors must exercise caution when using such data to evaluate the Group’s financial condition and results of operations. Shareholders and potential investors are advised to read carefully the announcement of any profit warning or the final results of the Group for the year ending 2021 which is expected to be released in March 2022. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings when used herein:

“Board”	board of Directors
“Company”	Oshidori International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main board of the Stock Exchange (stock code: 622)
“Director(s)”	directors of the Company
“Disposal(s)”	the disposal by the Company of 138,245,000 Evergrande Vehicle Shares for a cash consideration of HK\$332 million (exclusive of transaction costs) during the period from 27 September 2021 to 30 September 2021
“Evergrande Vehicle”	China Evergrande New Energy Vehicle Group Ltd, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main board of the Stock Exchange (stock code: 708)
“Evergrande Vehicle Group”	Evergrande Vehicle and its subsidiaries
“Evergrande Vehicle Shares”	ordinary share(s) of Evergrande Vehicle
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of PRC
“HK\$”	Hong Kong dollars, the lawful current of Hong Kong
“Independent Third Party(ies)”	the third party(ies) independent from the Company and its connected persons (as defined in the Listing Rules)

“Interim Results Announcement”	the announcement of unaudited interim result of Evergrande Vehicle for the six months ended 30 June 2021 dated 30 August 2021
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser(s)”	the counterparties to the Disposal
“RMB”	Renminbi, the lawful currency of the PRC
“Shares(s)”	share(s) of par value of HK\$0.05 each in the issued share capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	The Stock exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Oshidori International Holdings Limited
Wong Wan Men
Executive Director

Hong Kong, 30 September 2021

As at the date of this announcement, the Board comprises the following Directors:

<i>Executive Directors:</i>	<i>Non-Executive Directors:</i>	<i>Independent Non-Executive Directors:</i>
Ms. Wong Wan Men	Mr. Alejandro Yemenidjian	Hon. Chan Hak Kan, <i>S.B.S., J.P.</i>
Mr. Wong Yat Fai	(<i>Non-Executive Chairman</i>)	Mr. Cheung Wing Ping
	Hon. Joseph Edward Schmitz	Mr. Hung Cho Sing, <i>B.B.S.</i>
	Mr. Sam Hing Cheong	Dr. Lo Wing Yan William, <i>J.P.</i>