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**FUGUINIAO CO., LTD.**  
**富貴鳥股份有限公司**

*(A joint stock company established in the People's Republic of China with limited liability)*  
**(Stock Code: 1819)**

**ANNOUNCEMENT RELATED TO QUANZHOU INTERMEDIATE COURT'S ANNOUNCEMENT AND THE RELATED MATTER OF THE CIVIL ORDER LETTER**

This announcement is made by Fuguiniao Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 24 August 2019, the Company received the announcement from Fujian Province Quanzhou City Intermediate People's Court (the “**Quanzhou Intermediate Court**”) ((2018) one of Min 05 Po No. 4) and the Civil Order Letter from the Quanzhou Intermediate Court ((2018) five of Min 05 Po No.4), and hereby enclosed the related content:-

**1. The Announcement of Quanzhou Intermediate Court ((2018) one of Min 05 Po No. 4)**

The main content is as follow:

“On 23 August 2019, according to the regulation of article 88 in the “Enterprise Bankruptcy Law of the People's Republic of China”, our Court adjudicated that the approval of the draft reorganisation plan by Fuguiniao Co., Ltd.'s administrators was rejected, the procedure of Fuguiniao Co., Ltd.'s reorganisation was terminated, and the bankruptcy of Fuguiniao Co., Ltd. was announced.”

## 2. The Civil Order Letter of Quanzhou Intermediate Court ((2018) five of Min 05 Po No.4)

The main content is as follow:

“Applicant: Huang Chunhui, the administrator and the person in charge of Fuguiniao Co., Ltd.

On 26 July 2018, our Court decided to accept the case of the reorganisation of Fuguiniao Co., Ltd (the “**Fuguiniao**”) according to the application of Guotai Junan Securities Co., Ltd. and appointed Fuguiniao’s liquidation team as the Administrator. On 26 July 2019, the Administrator submitted the application to our Court, and stated that although both of the two votes of the ordinary creditor’s right group did not pass the “draft reorganisation plan”, the draft met the regulation of article 87 of the “Enterprise Bankruptcy Law of the People’s Republic of China” on the circumstance of applying for court ruling, therefore requested the court ruling on the approval of the draft of Fuguiniao’s reorganisation plans. The specific reasons were as follow: 1. The controversial matter on whether the \$10,837,381.13 (as of 31 August 2018, not including interest earnings) in the Xiamen International Bank Co., Ltd. Quanzhou Branch (the “**Xiamen International Bank**”) bank account pertained as security deposit or not has yet to be resolved. The Administrator has already reserved the full amount and incorporated the ordinary creditor’s right group to participate in votes. If the Court supports Xiamen International Bank’s claim at the end, the priority right of compensation of the creditor will not be substantially harmed and will not harm the interests of other creditors. 2. The employee’s creditor’s right and tax’s creditor’s right (except for the parts included in ordinary creditor’s right) shall be paid in full and no further adjustment shall be made. Moreover, these two types of creditors both had written consent on the “draft reorganisation plan”. 3. Under the bankruptcy liquidation conditions, the settlement rate of ordinary creditor’s right is 2.5%, and under the circumstance of reorganisation, the settlement rate is not lower than 2.5%. 4. This case does not adjust the interest of investors, therefore, the situation stated on the item 4 paragraph 2 of the article 87 on the “Enterprise Bankruptcy Law” does not apply. 5. The settlement order of the “draft reorganisation plan” meets the requirement of article 113 on the “Enterprise Bankruptcy Law”. Simultaneously, the rules on the “ordinary creditor’s right adjustment plan” is applicable to all ordinary creditors, which represents a fair treatment to all members of the ordinary creditor’s right group. 6. Restructuring investors by the participation of the all Fuguiniao’s shares including funds including monetary funds, business affairs and all employees in reorganisation, will continue Fuguiniao’s brand effect, fully use the brand advantage of Fuguiniao, continue to contribute in the societal and economical construction, and the “management plan” in the “draft reorganisation plan” is feasible.

At the same time, the administrator also submitted a report requesting the Court to support the reorganisation draft by Fuguiniao’s labour union and Fuguiniao (signed by legal representative, Lam Wo Ping) to the Court.

On 22 January 2019, the Court ascertained that according to the application of the Administrator, the Court resolved that the deadline of the submission for the draft reorganisation plan was extended to 25 April 2019. On 25 April 2019, the Administrator submitted the draft reorganisation plan to the Court. There were two creditor's meetings in writing held with respect to vote on the draft reorganisation plan, and the voting deadlines were 24 May 2019 and 21 July 2019, respectively. The reorganisation method of the reorganisation plan's rules is as follow: The reorganising investors would undertake all assets, business affairs, parts of the debts, all employees, the consideration price provided by the reorganising investors used to pay the fee related to bankruptcy, common debts, and settlement of all types of creditor's rights. The adjustment of the investor rights is not carried out in the draft reorganisation plan, which no adjustment or treatment would be involved to the shares held by the shareholders of the Fuguiniao shares. After the execution of the reorganisation plan, the qualifications of the Fuguiniao shares would subsist and shall be dealt separately by the shareholders. As the draft reorganisation plan would only adjust the ordinary creditor's rights, according to the regulations stated in paragraph 2 article 11 "Provisions of the Supreme People's Court on Several Issues Concerning the Application of the Enterprise Bankruptcy Law of the People's Republic of China (Three)", the ordinary creditor's right group would vote on the draft reorganisation plan and the other creditor's right group would not participate in the vote.

The main content of the first draft of the reorganisation plan was: the reorganising investor would invest \$225 million (of which \$165 million would be cash and \$60 million would be shopping coupons), and under this plan, no adjustment would be made for the employee's creditor's rights and tax's creditor's rights and the discharge rate would be 100%; the discharge rate for ordinary creditor's rights would be approximately 2.7%, in which approximately 1.1% would be cash and 1.6% would be shopping coupon. Simultaneously, a method of differential settlement would be adopted, the discharge rate of \$200,000 or below would be 20%, in which cash would be still 1.1%, and the shopping coupon would be 18.9%. This plan went through voting by the ordinary creditor's rights group, which should have 349 creditors with voting rights, whereas the total credit amount of \$3,082,038,562.57 and 347 creditors were present, representing the credit amount of \$3,081,975,656.96. There were 137 creditors who agreed which constituted 39.48% of the present creditors with voting rights, and the represented credit amount was \$213,194,223.32, which made up for 6.92% of the total credit amount with voting right.

The main content of the second draft of the reorganisation plan was: the reorganisation mode was basically unchanged, yet the payment method would be changed to all cash settlement. The reconsideration paid by the reorganising investor depends on the creditor's choice of different settlement periods. If all the creditors selected 6 months as the settlement period, the reorganising investors would pay the consideration of \$228 million; if all the creditors selected 2 years as the settlement period, the reorganising investors would pay the consideration of between \$228 million to \$240 million. In addition, in the serial number 3 to 14 of the attachment "Other Receivables Assessment Table" in the evaluation agency's "Analysis Report", the other receivables (liquidation value as \$69,102.07) from Fuguiniao to 12 creditors would not undertaken by reorganising investors, and that item of asset would be disposed of in accordance with the disposal plan adopted by the creditors' meeting. Under this plan, no adjustment would be made for the employee's creditor's rights and tax's creditor's rights and the discharge rate would be 100%; ordinary creditor's rights under \$200,000 would be settled completely within six months starting from the day that the People's Court adjudicates the permission of reorganisation plan, the discharge rate would be 20%. For the part above \$200,000, if the creditors choose 6 months of settlement period, the discharge rate would be 2.51%; if the creditors choose 2 years of settlement period, it would be settled completely within two years in three instalments starting from the day that the People's Court adjudicates the permission of reorganisation plan, which the discharge rate would be 2.85%, details of settlement as follow: within 6 months, first instalment would be settled at 1.2%, within 20 months, second instalment would be settled at 0.55%, and within 24 months, third instalment would be settled at 1.10%.

This plan went through second voting by the ordinary creditor's rights group, which should have 349 creditors with voting rights, whereas the total credit amount of \$3,082,038,562.57 and 348 creditors were present, representing the credit amount of \$3,081,990,066.96. There were 235 creditors who agreed which constituted 67.53% of the present creditors with voting rights, and the represented credit amount was \$766,758,608.55, which made up for 24.88% of the total credit amount with voting right.

Our Court believes the principle of creditor autonomy is the rule of law that bankruptcy procedures should follow. The creditor meetings did not vote through the draft reorganisation plan, and the People's Court should prudently apply paragraph 2 article 87 of the Enterprise Bankruptcy Law without abusing the mandatory approval. According to the regulation of paragraph 2 article 84 of the "Enterprise Bankruptcy Law of the People's Republic of China", over half of the same voting group of creditors present at the meeting agreed on the draft reorganisation plan, thus their represented credit amount was over two thirds, which would then be considered as an approval to the draft reorganisation plan. There were two votes on Fuguiniao's draft reorganisation plan, which both of them were not approved, and further agreed that ratio of the bond of the creditor representative eligible for voting was low, therefore our Court would not approve the draft reorganisation plan submitted by the Administrator. After the collegial panel's review and the study by our Court's judicial committee, according to the rules of article 88 in the "Enterprise Bankruptcy Law of the People's Republic of China", the rulings are as follow:-

- (i) the approval of the draft reorganisation plan by Fuguiniao Co., Ltd.'s administrators was rejected;
- (ii) the procedure of Fuguiniao Co., Ltd.'s reorganisation was terminated;
- (iii) the bankruptcy of Fuguiniao Co., Ltd. was announced.

This ruling will take effect from the same day.

23 August 2019”

By order of the Board  
**Fuguiniao Co., Ltd.**  
**Lam Wo Ping**  
*Chairman*

Hong Kong, 26 August 2019

*As at the date of this announcement, the executive Directors are Mr. Lam Wo Ping, Mr. Lam Wing Ho and Mr. Xu Yukun; and the independent non-executive Directors are Mr. Wang Zhiqiang and Mr. Cheung Ming Hung.*