

TARGET

Intelligence Report

VOLUME XXV No. 140

T U E S D A Y

July 4, 2023

DIFFER GROUP AUTO LTD: IS THIS JUST ANOTHER SUMMER RAIN OR IS IT THE BUILD UP TO A GAI NT TSUNAMI ?

On or about Tuesday, June 20, 2023, Differ Group Auto Ltd (鼎豐集團汽車有限公司) (Code: 6878, Main Board, The Stock Exchange of Hongkong Ltd) was presented with a Winding-Up Petition, lodged in the High Court of The Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The Petitioner, with regard to this Action, is Peng Yu Lan (彭玉蘭).

Mr Ng Chi Chung (吳志忠), the Chairman of the Board of Directors of Differ Group Auto Ltd, caused to publish and disseminate, in the HKSAR, the following three-page announcement to shareholders and prospective investors of the Company:

*'This announcement is made by Differ Group Auto Limited (the "**Company**") under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and pursuant to Rule 13.09 and Rule 13.25 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").*

*'On 20 June 2023, the Company was served with a winding-up petition (the "**Petition**") from Peng Yulan (the "**Petitioner**") issued with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "**High Court**") for the winding-up of the Company under the provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the "**Companies (WUMP) Ordinance**") under Companies Winding-up Proceedings No. 266 of 2023, in relation to demand for the repayment of the principal amount and interest accrued of a bond in the aggregate amount of HK\$6,030,000. There will be a hearing for the Petition on 23 August 2023.*

'EFFECT OF THE PETITION UNDER APPLICABLE LAWS AND REGULATIONS

*‘Pursuant to section 182 of the Companies (**WUMP**) Ordinance, in a winding-up by the court, any disposal of property of the company (including things in action), and any transfer of shares, or alteration in the status of the members of the company, made after the commencement of the winding-up, shall, unless the court otherwise orders, be void.*

*‘The Company wishes to remind its shareholders and potential investors of the risk that the shares of the Company (the “**Shares**”), may be restricted as the deposits of the Shares into Central Clearing and Settlement System (“**CCASS**”), may be suspended due to the Petition.*

*‘Pursuant to the circular dated 28 December 2016 published by the Hong Kong Securities Clearing Company Limited (香港中央結算有限公司) (“**HKSCC**”) (ref no. CD/DNS/CCASS/332/2016): (a) the transfer of the Shares made after the Petition, which has been presented, may be void without a validation order from the High Court under the laws and regulations applicable to the Company; and (b) HKSCC may at any time, and without notice exercise its powers under the General Rule of CCASS, to temporarily suspend any of its services in respect of the Shares, which may include the suspension of acceptance of deposits of share certificates of the Company into the CCASS; and the share certificates of the Company received by HKSCC but not yet re-registered in HKSCC Nominee Limited’s (香港中央結算[代理人]有限公司) name will also be returned to participants who conduct shares transfer through HKSCC (the “**Participant(s)**”) and HKSCC shall reserve the right to reverse any credit granted to such Participant by debiting the relevant securities from its CCASS account accordingly. These measures would generally cease to apply from the date when the Petition has been struck-out, dismissed or permanently stayed, or the Company has obtained the necessary validation order from the relevant court. The Petition was filed in the High Court only as an application for the winding-up of the Company and as at the date of this announcement, no winding up order has been granted by the High Court to wind up the Company.*

‘FURTHER ACTION TO BE TAKEN BY THE COMPANY

‘In view of the above, the Company is in the course of seeking legal advice for determining the possible actions in respect of the Petition to protect the interests of the Company and its shareholders as a whole. In view of the impact of the possible winding-up order on the transfer of shares, the Company is also in the course of seeking advice from its legal advisers for the feasibility and necessity of possible application to the High Court for a validation order. Shareholders are reminded that there is no guarantee that the Company would apply for the validation order, or if applied, any validation order would be granted by the High Court. In the event where a validation order is not granted but the winding up order is not dismissed or permanently stayed, all transfers of Shares, made after the commencement of the winding-up, shall be void.

‘Moreover, as announced by the Company in the announcement dated 16 June 2023, the Company has made an application to the Grand Court of the Cayman Islands for the appointment of Company restructuring officer to facilitate the debt restructuring of the Company, the Company will make further announcement in relation to the application of the validation order, the Petition and the debt restructuring as and when appropriate and in accordance with the Listing Rules.

‘IMPACT OF THE PETITION TO THE COMPANY

‘As at the date of this announcement, to the best of the directors’ knowledge, information and belief, the Petition has had no material impact to the business operation and financial position of the Company and its subsidiaries.

‘The Company will make further announcement(s) to keep its shareholders and investors informed of any significant developments in relation to the Petition as and when appropriate.

‘Shareholders should note that the Company does not warrant that a validation order will be granted by the High Court and that any application made by the Company for a validation order may or may not be successful. In addition, any validation order granted by the High Court may also be subject to conditions.’

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