

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



天禧海嘉控股集團有限公司

SKY CHINA FORTUNE HOLDINGS GROUP LIMITED

LISTED ON THE STOCK EXCHANGE OF HONG KONG (STOCK CODE: 141)

(Incorporated in Hong Kong with limited liability)

DECISION OF THE LISTING COMMITTEE TO SUSPEND TRADING IN THE COMPANY'S SHARES

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

References are made to the announcements of the Company dated 22 January 2021 and 2 February 2021 (the “**Announcements**”) in respect of, amongst other things, the decision of the Listing Division of the Stock Exchange (the “**Listing Division**”) that the Company had failed to comply with Rule 13.24 of the Listing Rules (the “**LD Decision**”) and the Company’s written request for a review by the Listing Committee of the Stock Exchange (the “**Listing Committee**”) of the LD Decision, respectively. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

DECISION OF THE LISTING COMMITTEE TO SUSPEND TRADING IN THE COMPANY'S SHARES

The Board wishes to inform the Shareholders and potential investors of the Company that the review hearing of the LD Decision by the Listing Committee (the “**Review Hearing**”) was held on 20 April 2021. On 5 May 2021, the Company received a letter from the Listing Committee notifying the Company that the Listing Committee, having considered all the submissions (both written and oral) made by the Company and the Listing Division, decided to uphold the LD Decision to suspend trading in the Company’s shares (the “**Shares**”) under Rule 6.01(3) of the Listing Rules (the “**LC**

Decision”). The Listing Committee was of the view that the Company failed to maintain a sufficient level of operations as required under Rule 13.24 of the Listing Rules to warrant the continued listing of its Shares.

The Listing Committee arrived at its decision for the following reasons:

1. The Company’s principal businesses comprise (i) the property business (the “**Property Business**”); (ii) the operation of convenience stores in the PRC (the “**Convenience Stores Business**”) commenced in late 2020; and (iii) the sale of liquor (the “**Liquor Business**”) commenced in January 2020.
2. Over the past six years, the Property Business has been the principal business of the Company. The Company’s revenue had decreased from HK\$1.2 billion in FY2015 to HK\$24 million in FY2019 after the cessation of its general trading business. It had also suffered losses after excluding any fair value change from investment properties and non-recurring items (i.e. gains or losses in relation to discontinued businesses). The operating scale of the Company is small and this situation has not been temporary. In addition, the Company has no plans to significantly expand the Property Business. In 2020, the Company commenced the Convenience Stores Business and the Liquor Business to support its compliance with Rule 13.24 of the Listing Rules. However, both of these businesses are new. The Listing Committee considered that the Company had failed to demonstrate that it has a business of substance that is viable and sustainable.

Property Business

3. The Company has a small property portfolio. It only generated annual revenue ranging from HK\$20 million to HK\$24 million in the past five years, and revenue of HK\$26.5 million for the year ended 31 December 2020 (“**FY2020**”). The segmental profits, excluding any fair value change from investment properties and non-recurring items, have been insufficient to cover the Company’s corporate expenses in each of the past five years. The property management business, which commenced in June 2020, generated management fees of approximately HK\$2 million in FY2020. The Company does not have any substantial plans to grow this business further. As confirmed by the Company at the Review Hearing, the Property Business had been carried on at the time the Company was under the control of the previous controlling Shareholder, and would no longer be the Company’s development focus going forward.

Convenience Stores Business

4. This business is preliminary and still at the early stage of development. The Company submitted at the Review Hearing that it only operated three convenience stores as at the date thereof and that the business has been loss making. Further, the renovation of the proposed six new stores took longer than expected and there is no concrete evidence to support whether the Company can realise its expansion plans to

set up further stores within the targeted timeline as submitted. This business has minimal relationship or synergy with the Property Business. It is unclear how this business can improve the financial performance of the Company. Given the highly competitive landscape in the relevant industry, although the Company has provided support for the development of the convenience store industry as a whole, there is no concrete evidence to support the prospects of the Convenience Stores Business nor the ability of the Company to implement its strategy.

5. As the Convenience Stores Business is at the infancy stage, the Company submitted that it was unable to provide credible financial forecasts.
6. The Listing Committee considered that the Company had failed to demonstrate that the Convenience Stores Business is viable and sustainable.

Liquor Business

7. This business has a short operating history and is small in scale. As at the date of the Review Hearing, the Company only has one Chinese liquor and wine store in operation and another one under renovation. This business, together with the Convenience Stores Business, only generated minimal revenue of HK\$18.3 million and recorded a segment loss of HK\$6.2 million in FY2020. The Listing Committee considered that the Company was unable to demonstrate that this business is viable and sustainable.

RIGHT OF REVIEW AND POTENTIAL REVIEW REQUEST OF THE LC DECISION

Under Rules 2B.06(2) and 2B.08(1) of the Listing Rules, the Company has the right to have the LC Decision referred to the Listing Review Committee (as defined in the Listing Rules) for review within seven business days from the date of the LC Decision (i.e., on or before 14 May 2021). The trading in the Shares will be suspended from 9:00 a.m. on 17 May 2021 (i.e., after the expiry of seven business days from the date of the LC Decision), unless the Company applies for a review of the LC Decision in accordance with its rights under Chapter 2B of the Listing Rules. Prior to that, trading in the Shares will continue.

The Company is in the process of reviewing the LC Decision and is discussing the same internally and with the professional advisers, and will consider whether to lodge a request for the LC Decision to be referred to the Listing Review Committee for review.

The Directors would like to remind the Shareholders and potential investors of the Company that (i) the Company may or may not proceed with the review by the Listing Review Committee; and (ii) the outcome of such review, if undertaken, is uncertain.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules.

Shareholders who have any queries about the implications of the LC Decision are advised to obtain appropriate professional advice. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

On behalf of the Board
Sky Chinafortune Holdings Group Limited
Mr. JIANG Tian
Chairman of the Board

Hong Kong, 5 May 2021

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. JIANG Tian, Ms. HOU Yingxuan, Mr. GONG Biao and Ms. JIANG Jiabao; one non-executive Director, namely, Mr. CHAI Yuet; and three independent non-executive Directors, namely, Mr. HU Jianxing, Mr. TSEUNG Yuk Hei Kenneth and Mr. JI Qing.