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**RESUMPTION GUIDANCE,  
FURTHER INFORMATION RELATING TO THE DECISION OF  
THE LISTING REVIEW COMMITTEE  
AND  
CONTINUED SUSPENSION OF TRADING**

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

**RESUMPTION GUIDANCE**

On 11 November 2021, the Company received a letter from the Stock Exchange setting out the following guidance (“**Resumption Guidance**”) for the resumption of trading in the shares of the Company:

- (i) demonstrate compliance with Rule 13.24.

The Stock Exchange may modify or supplement the Resumption Guidance if the Company’s situation changes.

Under Rule 6.01(A) of the Listing Rules, the Stock Exchange may cancel the Company’s listing if trading in the Company’s shares has been suspended for 18 continuous months. In the case of the Company, the 18-month period expires on 3 May 2023. If the Company fails to remedy the issue(s) causing its trading suspension, fully comply with the Listing Rules to the satisfaction of the Stock Exchange and resume trading in its shares by 3 May 2023, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company’s listing. Under Rules 6.01 and 6.10, the Stock Exchange also has the right to impose a shorter specific remedial period, when appropriate.

The Company will publish further announcement(s) to keep its shareholders and potential investors informed of the latest progress as and when appropriate and will announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

## **FURTHER INFORMATION RELATING TO THE DECISION OF THE LISTING REVIEW COMMITTEE**

Reference is made to the announcement made by the Company dated 4 November 2021 relating to the decision of the Listing Review Committee to suspend the trading of the shares of the Company under Rule 6.01(3) as the Company failed to maintain a sufficient level of operations and assets of sufficient value to support its operations under Rule 13.24 (effective from 1 October 2019) to warrant the continued listing of its shares.

The Company wishes to provide further information relating to the decision of the Listing Review Committee as set out in its letter dated 3 November 2021:

- (a) The Listing Review Committee noted that where the issuer maintains a very low level of operating activities and revenue, raising an issue that the size and prospects of the issuer do not appear to justify the costs or purpose associated with a public listing, for example where the issuer's business does not generate sufficient revenue to cover corporate expenses, resulting in net losses and negative operating cash flow, the issuer would normally be considered not have a viable and sustainable business that meets Rule 13.24.
- (b) The Listing Review Committee did not consider the finance leasing business of the Group was a business of substance as the business had a small scope of operation since commencement and recorded minimal revenue. The plan and initiatives to expand the business were preliminary and uncertain.
- (c) The Listing Review Committee was of the view that the cross-boarder trading business had not been demonstrated to be of substance and sustainable in light of the following:
  - (i) The cross-boarder trading business had a limited number of customers and the plans to expand the Company's customer base were vague.
  - (ii) The cross-boarder trading business had a limited number of suppliers and the Listing Review Committee noted the Company did not appear to have a coherent business strategy in selecting its product offering.
  - (iii) The value-added services by the Company remained unclear. The Listing Review Committee is of the view that the increase in gross profit margin of the Company from 6% in the financial year ended 31 December 2019 to 7% in the financial year ended 31 December 2020 was minimal. The Listing Review Committee further expressed the view that it did not consider the Company had demonstrated its competitive advantage.
  - (iv) Zhituo, the newly commenced subsidiary which provided online marketing services, had a limited track record.
- (d) In light of the substantial increase in the Company's revenue and profits since the financial year ended 31 December 2020, the Listing Review Committee considered it uncertain whether such levels could be maintained in the long run in light of concerns over the sustainability and substance of the Company's businesses.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading of the Company's shares will be suspended with effect from 9:00 a.m. on Thursday, 4 November 2021 pending further notice.

Further announcement will be made by the Company as and when appropriate.

By Order of the Board  
**Momentum Financial Holdings Limited**  
**Liu Xin Chen**  
*Executive Director*

Hong Kong, 19 November 2021

*As at the date of this announcement, the Board comprises two executive directors of the Company, namely, Mr. Liu Xin Chen and Mr. Chu Kin Wang Peleus; and three independent non-executive directors of the Company, namely, Mr. Wong Lap Wai, Mr. Li Guang Jian and Mr. Man Wai Lun.*