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## **FULFILLMENT OF ALL RESUMPTION GUIDANCE AND RESUMPTION OF TRADING**

**Financial adviser to the Company**



### **FULFILMENT OF RESUMPTION GUIDANCE**

Reference is made to the announcements of the Company dated 19 November 2021, dated 6 April 2022 and 8 June 2022 in relation to the Resumption Guidance imposed by the Stock Exchange on the Company. As at the date of this announcement, the Company has fulfilled the Resumption Guidance to the satisfaction of the Stock Exchange.

### **RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange has been suspended since 4 November 2021. Since the Resumption Guidance has been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading of the Shares with effect from 9:00 a.m. on 26 June 2023 on the Stock Exchange.

### **BACKGROUND**

References are made to:

- (i) the announcements of the Company dated 20 December 2019 in relation to the decision of the Listing Division of the Stock Exchange, that the Company has failed to carry out a business with sufficient level of operations as required under Rule 13.24 of the Listing Rules to warrant the continued listing of its shares (the “**Decision**”);

- (ii) the announcement of the Company dated 3 January 2020 in relation to the request of review of the Decision by the Listing Committee of the Stock Exchange;
- (iii) the announcements of the Company dated 9 June 2020 in relation to the decision by the Listing Committee of the Stock Exchange in upholding the Decision (the “**LC Decision**”);
- (iv) the announcement of the Company dated 17 June 2020 in relation to the request of review of the LC Decision of the Stock Exchange;
- (v) the announcement of the Company dated 25 March 2021 in relation to the decision of the Listing Review Committee in remitting the matter back to the Listing Committee for rehearing on an expedited basis.
- (vi) the announcement of the Company dated 25 July 2021 in relation to the decision by the Listing Committee of the Stock Exchange in upholding the Decision;
- (vii) the announcement of the Company dated 4 November 2021 in relation to the decision of the Listing Review Committee in upholding the LC Decision and the suspension of trading of the Company’s shares since 4 November 2021;
- (viii) the announcement dated 19 November 2021 in relation to the resumption guidance from the Stock Exchange (the “**Resumption Guidance 1**”);
- (ix) the announcement of the Company dated 6 April 2022 in relation to the additional resumption guidance from the Stock Exchange (the “**Resumption Guidance 2**”);
- (x) the announcement of the Company dated 8 June 2022 in relation to (i) the fulfillment of the Resumption Guidance 2; and (ii) the additional resumption guidance from the Stock Exchange (the “**Resumption Guidance 3**”);
- (xi) the announcement of the Company dated 27 May 2022 in relation to the 2021 Annual Results;
- (xii) the announcement of the Company dated 30 March 2023 in relation to the 2022 Annual Results; and
- (xiii) the announcements of the Company dated 8 February 2022, 3 May 2022, 3 August 2022, 3 November 2022, 6 February 2023 and 3 May 2023 in relation to the quarterly updates on the business operations and the resumption progress of the Company.

## **Background of suspension in trading of the Shares**

On 3 November 2021, the Company received a decision letter from the Listing Review Committee (the “**LRC Decision Letter**”) which upheld the LC Decision and concluded that having considered carefully all information and submissions, the Company has failed to maintain a sufficient level of operations and assets of sufficient value to support its operations under Rule 13.24 of the Listing Rules to warrant the continued listing of the Shares, for the following principal reasons:

- (i) 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;
- (ii) The Listing Review Committee was of the view that the cross-border business had not been demonstrated to be of substance and sustainable in light of the followings:
  - (a) The cross-border business had a limited number of customers and the plans to expand the Company’s customer base were vague;
  - (b) The cross-border 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;
  - (c) The value-added services by the Company remained unclear and the Listing Review Committee expressed the view that it did not consider the Company had demonstrated its competitive advantage; and
  - (d) the consultancy service of the Group had a limited track record.
- (iii) In light of the substantial increase in the Company’s revenue and profits since the financial year ended 31 December 2022, 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 business.

The Listing Review Committee therefore decided to uphold the LC Decision to suspend the Shares under Rule 6.01(3) on the ground that the Company has failed to comply with Rule 13.24 of the Listing Rules.

Accordingly, trading in the Shares on the Stock Exchange has been suspended since 4 September 2021.

## **Resumption Guidance**

On 11 November 2021, 1 April 2022, 2 June 2022 and 7 June 2022, the Company received the Resumption Guidance from the Stock Exchange, in which the Stock Exchange set out the following guidance for the resumption of trading in the Shares:

- Resumption Guidance 1** : demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules;
- Resumption Guidance 2** : publish all outstanding financial results and address any audit modifications of the Company; and

**Resumption Guidance 3** : demonstrate the Company's compliance with Rules 3.10(1), 3.21, 3.25 and 3.27A.

## FULFILMENT OF RESUMPTION GUIDANCE

The Board is pleased to announce that, the Company has fulfilled the requirements under the Resumption Guidance.

The details of the fulfillment of the Resumption Guidance are set out as follows:

### Resumption Guidance 1

#### *Principal business of the Group*

The Group is principally engaged in the provision of cross-border business and provision of finance leasing and consultancy service.

The following table sets forth the selected information from the Group's consolidated financial statements for the FY2021, FY2022 and 2M2023 as extracted from the management accounts of the Company.

	<b>FY2021</b> <i>HK\$'000</i> <i>(Audited)</i>	<b>FY2022</b> <i>HK\$'000</i> <i>(Audited)</i>	<b>2M2023</b> <i>HK\$'000</i> <i>(Unaudited)</i>
Revenue			
— Cross-border business	646,591	326,130	113,722
— Finance leasing business	2,237	849	55
— Others	<u>2,613</u>	<u>742</u>	<u>—</u>
	<u>651,441</u>	<u>327,721</u>	<u>113,777</u>
Gross profit			
— Cross-border business	52,789	21,551	7,251
— Finance leasing business	2,221	846	55
— Others	<u>2,074</u>	<u>742</u>	<u>—</u>
	<u>57,084</u>	<u>23,142</u>	<u>7,306</u>
Net profit	<u><u>15,811</u></u>	<u><u>15,181</u></u>	<u><u>4,504</u></u>

As illustrated above, the revenue generated from the cross-border business experienced a shortfall from approximately HK\$646.6 million in FY2021 to approximately HK\$326.1 million in FY2022.

The Company considered that the shortfall between the revenue generated from cross-border business of the Group for FY2021 and FY2022 was mainly attributed to the reason that the impact of COVID-19 significantly hindered the development of the S2B2C model due to its impact on logistics industry in the PRC throughout FY2021 and first half of FY2022. Due to the number of new COVID-19 cases in the PRC surged significantly since early 2022, the PRC government has promulgated strict quarantine requirements and implemented lockdown policies in many cities. It was uncertain as to whether the logistics could be arranged in a timely and efficient manner for both the Group and the merchant customers at the material time, which ultimately affected the willingness of the end consumers purchasing in certain online shopping platforms. As such, the revenue generated from cross-border business of the Company decreased as the result of the dropping sales volume of imported products.

However, with the improved inventory management system and gradual relaxation of lockdown policy from the second half of 2022, the cross-border business of the Group resumed normal operation in around September 2022. The Group recorded approximately HK\$252.7 million since September 2022 and accordingly, the revenue contributed from the cross-border business amounted to approximately HK\$326.1 million for FY2022.

#### *Cross-border business*

The Group has a coherent business strategy in its cross-border business as the Group develops its crossborder business from B2B model to S2B2C model and B2C model.

#### Commencement of cross-border business in 2017

In view of (i) the geographical proximity of Hong Kong for the development of cross-border business; and (ii) the potential market growth in the imported nutritional food products and health care products, the Group commenced its cross-border business by selling the nutritional food products in Hong Kong in 2017 under the B2B model. Under the B2B business model, the Group selected and imported nutritional products with high global popularity from the suppliers, and delivered these imported products to the merchant customers in Hong Kong. The Group was not responsible for the procedures of custom clearance to the PRC of the imported products and thus had a limited value-added service on the cross-border business.

#### Refinement of the cross-border business

As the e-commerce industry becomes more and more convenient, coupled with the outbreak of COVID-19 in early 2020, e-commerce became a reliable and dominant method for consumers to source various products in the PRC with a premium shopping experience, particularly for imported products.

Meanwhile, due to the anticipated increase in the demand in South Korean and Japanese cosmetics products, driven by the increasing popularity of South Korean and Japanese culture and more emphasis put on skin care among consumers, the Group began to expand its cross-border business under the S2B2C model to provide value-added service to merchant customers and/or end consumers in the PRC.

Under the S2B2C model, the businesses (B), being the merchant customers on online e-commerce platforms offering the end consumers (C) various types of overseas imported products, relies on the Group, being the suppliers (S), to provide value-added services and supports such as logistics arrangement, custom clearance and warehouse storage.

During 2020 to 2022, the Group implemented its business plan and enhanced its business model from B2B model to S2B2C model by (i) securing a cross-border e-commerce platform that integrates overseas direct procurement, import and export supply chain management; and (ii) leasing three bonded warehouses, which allow the Group to efficiently import products into the PRC and maintain inventory to respond to customer orders in a swift manner, while providing custom clearance, warehouse storage and logistics assistance to its merchant customers to strengthen its competitive edge.

#### *Comprehensive cross-border e-commerce operator*

With the successful implementation of the business plans of the Group, the Group has developed into a comprehensive cross-border e-commerce operator supplying cosmetics, personal care and nutritional products. The Group has continuously refined its business to provide more value-added services and expanded its cross-border business for its customers in the PRC, including both merchant customers and end consumers.

Leveraging on the comprehensive and valuable valued added services provided by the Company under the S2B2C model, the merchant customers and end consumers could source the same type of imported products with less time and less cost with a convenient online shopping experience. In particular, the value added services provided by the Group may provide the following benefits and advantages to merchant customers and consumers, which also represents the competitive advantages of the Group.

- (i) Benefiting from the one-stop integrated service for imported products provided by the Group, the merchant customers are no longer required to maintain working capital for (1) storage cost; (2) customs duty upon custom clearance; and (3) logistic arrangement of the imported products, allowing the merchant customers to reduce its working capital requirement to focus on the promotion of the imported products and the operation of the online shopping platforms;
- (ii) Leveraging on establishment of the combination of bonded warehouses and the effective inventory management, the Group has the ability to provide the imported products to a large number of merchant customers or end consumers, processing massive volume of transactions effectively and create scale effect;
- (iii) being a supplier of imported products to be sold on e-commerce platforms through bonded warehouses, the Group enjoys a preferential Custom Duty rate of approximately 9.1% on imported products as compared to the standard rate of 13% in accordance to the relevant regulations in the PRC. As the merchant customers could not entitle to the preferential Custom Duty rate themselves if they do not import the imported products through bonded warehouses, the merchant customers may, through sourcing imported products from the Group instead of directly sourcing from overseas suppliers, benefit from a lower Custom Duty rate; and

- (iv) with the advantages of the bonded warehouses, the Group does not require to apply the permission from the General Administration of Customs of the PRC for importing different categories of products from overseas countries each time. As such, by sourcing imported products through the Group, merchant customers could save time for the application of such permission every time they import products from overseas, which generally requires at least four months.

From the perspective of the brand owners or oversea suppliers , the Group offers a wide and effective sales channel of their products in the PRC through merchant customers or end consumers via the online shopping platforms. As such, under the S2B2C model, the Group can help its suppliers to efficiently introduce their products into the PRC market and promote their merchandise to the Chinese end consumers.

#### *Development of B2C model*

Furthermore, to supplement the S2B2C model, from the second half of 2022, the Company has commenced the establishment of its own B2C sales channel by opening several online stores on a number of dominated and reputable online e-commerce platforms in the PRC. The online stores operated by the Group directly advertise and offer imported products directly to the end consumers. The Group believes the B2C model could diversify the source of income generated from its cross-border business segment.

#### *Financial leasing and consultancy service*

As disclosed in the 2022 Annual Report, the financial leasing and consultancy service business mainly represents the provision of the finance leasing service of medical equipment. In light of (i) the sustainable profitability of the cross-border business and the potential market growth for the imported products; and (ii) the relative small scale of revenue generated from financial leasing and consultancy service business for FY2021 and FY2022, the Company intends to focus its resources and working capital in the further expansion and development of the cross-border business under S2B2C model and B2C model. As such, the Company considers that the finance leasing business will become a supplemental business to diversify the revenue stream of the Company. The Group will continue to explore other business opportunities for the financial leasing and consultancy service business.

### *Profit Forecast for FY2023*

Set out below is the profit forecast of the Group for FY2023 (the “**Profit Forecast**”), which has been prepared by the Directors with reference to (i) signed contracts secured by the Group; (ii) purchase orders received by the Group; (iii) historical financial information and other assumptions as further detailed below.

	<b>FY2023</b> <i>HK\$'000</i>
Revenue	
— Cross-border business	730,351
— Finance leasing business	<u>270</u>
	<u>730,621</u>
Gross profit	
— Cross-border business	41,709
— Finance leasing business	<u>270</u>
	<u>41,979</u>
Net profit	<u><u>25,518</u></u>

#### Principal assumption for the Profit Forecast

- There will be no material changes in the existing political, legal, fiscal, market or economic conditions in PRC where our Group currently operates;
- It is assumed that no extraordinary items will occur during the ten months ending 31 December 2023 (the “**Forecast Period**”);
- There will be no material changes in exchange rate, interest rates or inflation rates in PRC from those currently prevailing where our Group currently operates;
- There will be no material changes in the taxation system, relevant tax bases, applicable tax rates and duties applied to the Group;
- It is assumed that the operation of the Group will not be affected adversely by any material and or labour shortage, changes in the cost of materials and services or labour and labour disputes or any other unforeseen circumstances beyond the control of the Group;
- It is assumed that there will be no change to existing accounting policies from those stated in the announcement of 2022 Annual Results;

- It is assumed that there will be no government action, or any other unforeseen circumstances beyond the control of the Group which will have a material and adverse effect on the operations and results of the Group;
- The Group's operations and business will not be materially affected or interrupted by any force majeure events or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Directors, including but not limited to the occurrence of war, military incident, natural disasters, labour disputes, significant lawsuits and arbitrations;
- The Profit Forecast has been prepared taking into account continued involvement of the Directors, key senior managements and other necessary talents in the development of the Group's operations. It is assumed that the Group will be able to retain the key management and personnel during the Forecast Period or obtain adequate replacements;
- The Group will continue to engage in the cross-border business and provide the finance leasing and consultancy service as the current practice during the Forecast Period without material changes;
- There will be no material changes in the competitive landscape of cross-border business industry in PRC;
- The Group can substantially maintain business relationships with all of the major merchant customers, suppliers, business partners and labour force during the Forecast Period;
- There will be no significant change in the trade receivable turnover days and trade payable turnover days as compared with the historical record;
- There will be no material changes in the credit terms offered to the customers or those offered by the Group's suppliers during the Forecast Period;
- All other expenses, including general and administrative, and selling and marketing expenses, will be paid when incurred;
- Salaries, wages and related costs are paid at the end of the month to which they are related;
- Taxation liabilities for the Group are assumed to be paid quarterly in arrears;
- There will be no safety, liability claim and negative publicity to the Group's daily operation. The Group's operation will not be significantly affected by interruptions as a result of the failure to obtain industry safety and qualification licenses;
- There will be no adverse publicity on the services;

- The Group's operations and financial performance will not be materially and adversely affected by any of the risk factors;
- There will be no material changes to the Group's structure and its management;
- The Group's existing licenses, certificates and permits are valid to carry on its existing business and will be successfully renewed upon expiry during the Forecast Period;
- No share options will be granted during the Forecast Period;
- The Directors assume that there will be no material fluctuation in currency exchange rates during the Profit Forecast Period and rates at the time of the preparation of this memo were applied. Major average exchange rates that are used for the Profit Forecast is the following:

RMB1 to HK\$1.1647

- It is assumed that forecast revenue deriving from the cross-border business is based on (i) the legally binding long term contracts entered by the Group with its merchant customers; (ii) the latest purchase orders received by the Group; and (iii) anticipated market trend based on the Directors' best knowledge and experience;
- It is assumed that there will be no significant cancellations or variations of supply purchase framework agreements concluded up to the date of this memorandum;
- It is assumed that there will be no material assets impairment during the Forecast Period;
- The corporate tax rate of certain Group's principal subsidiaries during the Forecast Period will be subject to an effective tax rate of 16% based on the income tax rate of 16.5% in Hong Kong (with the tax rate being 8.25% for the first HK\$2,000,000 of assessable profit).
- The Profit Forecast has been prepared in accordance with HKFRSs that are effective for the financial year beginning on 1 January 2023. For the purpose of preparing the Profit Forecast, the Group has applied the accounting policies adopted for the preparation of the financial information as set out in the 2022 Annual Results consistently throughout the Forecast Period, except for those new and revised HKFRSs that are not yet effective during the Forecast Period; and
- The basis of presentation and the principal accounting policies adopted in the preparation of the Profit Forecast is consistent in all material respects with those adopted by the Group as detailed in the 2022 Annual Results.

**While the Profit Forecast has been prepared by the Directors after due and careful enquiry, actual results or outcomes could be affected by events or circumstances after the Profit Forecast had been prepared and differ materially from those expressed in the Profit Forecast. The Company strongly cautions the Shareholders and potential investors against placing undue reliance on the Profit Forecast. The Company expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the Profit Forecast.**

Donvex Capital Limited (“**Donvex Capital**”) has been engaged by the Company to act as the financial advisor of the Company to review the Profit Forecast and is of the view that the Profit Forecast was made by the Directors after due and careful enquiry. In addition, McMillan Woods (Hong Kong) CPA Limited (“**McMillan Woods**”), the auditor of the Company, has been engaged by the Company to review the accounting policies and calculations of the Profit Forecast.

### ***Compliance with Rule 13.24 of the Listing Rules***

#### *Comprehensive valued added services*

The Company takes advantage of its own imported products supply chain, which includes suppliers, bonded warehouses, warehouse management system, one-stop custom clearance procurement and logistics system, to provide integrated services of delivery for the imported products to the end consumers. In addition, the Group continues to operate under both S2B2C model and B2C models with its own online shops through several leading online shopping platforms and is directly advertising and offering its imported products to its merchant customers and end consumers in the PRC. As such, the Group is now a comprehensive cross-border e-commerce operator for cosmetics, personal care and nutritional products providing value-added services to the suppliers, merchant customers and consumers as detailed in this announcement above.

#### *Expanding customer and supplier base*

By providing the abovementioned comprehensive valued added services under the S2B2C and B2C model, the operation of cross-border business of the Group continues to grow with expanding customer and supplier base, including both e-commerce distributors and merchant customers. In particular, as the date of this announcement, the Group sources its products from over 20 suppliers for supplying to more than 30 merchant customers under the cross-border business. To the best knowledge, information and belief of the Board and having made all reasonable enquiries, all suppliers and customers under the S2B2C and B2C models as discussed above are third parties independent of the Group and are not connected persons of the Group. Due to the increasing demand in the imported products as the result of the gradual recovery of the economy from the impact of COVID-19, it is expected that the cross-border business will continue to generate revenue and net profit for the Group.

### *Solid financial performance and position with achievable forecast*

With the substantial expansion and operation of the cross-border business under the S2B2C model and B2C model as detailed in this announcement, the financial performance of the Group has enhanced where (i) the Group recorded the revenue and net profit of approximately HK\$327.7 million and approximately HK\$15.2 million respectively for FY2022; and (ii) it is expected that the Group will record a forecasted revenue and a forecasted net profit of approximately HK\$730.4 million and approximately HK\$25.5 million respectively for FY2023.

During the five months ended 30 May 2023, the Company has (i) completed purchase orders and recorded revenue approximately HK\$221.1 million; and (ii) received confirmed orders amounting to approximately HK\$125.1 million, aggregately representing around 47.4% of forecasted revenue of HK\$730.3 million to be generated from cross-border business for FY2023. As such, the Company considers that the forecasted revenue of approximately HK\$730.3 million for FY2023 is reasonable, achievable and credible.

In addition, the Group's assets are sufficient to support its operation as (i) inventories are maintained to meet demand from customers; and (ii) the Group is not suffering from any financial difficulty and is nowhere near insolvent.

### *Working capital sufficiency of the Group*

The Directors, after due and careful consideration, are of the opinion that, after taking into account the Group's internal resources and the available banking facilities, the working capital available to the Group is sufficient for the Group's requirements for at least the next 12 months from the date of this announcement.

The Group has obtained confirmations from the auditor and financial adviser of the Company that the above statement has been made by the Directors after due and careful enquiry.

In light of the above, the Group considers that it is carrying out a business with sufficient level of operations to support its operation which complies with Rule 13.24. As such, the Company is of the view that it has fulfilled the Resumption Guidance 1.

### **Resumption Guidance 2**

The Company has published the 2021 Annual Results and 2022 Annual Results on 27 May 2022 and 30 March 2023 respectively and all audit modification has been addressed. As such, the Company is of the view that it has fulfilled the Resumption Guidance 2.

### Resumption Guidance 3

As at the date of this announcement, the Resumption Guidance 3 has been fulfilled by the Company as shown below:

<b>Listing Rules</b>	<b>Requirements</b>	<b>Compliance of the requirements</b>
3.10(1)	The Board must include at least three independent non-executive directors	As at the date of this announcement, the Board comprises three independent non-executive directors, namely, Mr. Man Wai Lun, Mr. Zhou Zhencun and Mr. Chen Yongping.
3.21	The Company must establish an audit committee comprising non-executive directors only. The audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under the Listing Rules 3.10(2). The majority of the audit committee members must be independent non-executive directors of the Company. The audit committee must be chaired by an independent non-executive director.	The Company established the Audit Committee on 11 October 2011. As at the date of this announcement, the Audit Committee comprises three independent non-executive directors, namely, Mr. Chen Yongping, Mr. Man Wai Lun and Mr. Zhou Zhencun.  As disclosed in the 2022 Annual Report, Mr. Chen Yongping, as an independent non-executive director of the Company and the chairman of the Audit Committee, obtained his qualification of accountant in 1993 and has over 30 years of experience in the financial accounting and auditing industry.
3.25	The Company must establish a remuneration committee chaired by an independent non-executive director and comprising a majority of independent non-executive directors.	The Company established the Remuneration Committee on 11 October 2011. As at the date of this announcement, the Remuneration Committee comprises one executive director, namely, Mr. Liu Xin Chen and three independent non-executive directors, namely, Mr. Man Wai Lun, Mr. Zhou Zhencun and Mr. Chen Yongping.
3.27A	The Company must establish a nomination committee chaired by the chairman of the Board or an independent non-executive director and comprising a majority of independent non-executive directors.	The Company established the Nomination Committee on 11 October 2011. As at the date of this announcement, the Nomination Committee comprises one executive director, namely, Mr. Liu Xin Chen and three independent non-executive directors, namely, Mr. Zhou Zhencun, as the chairman of the Nomination Committee, Mr. Man Wai Lun and Mr. Chen Yongping.

Based on the above, the Company is of the view that it has fulfilled the Resumption Guidance 3.

## EXPERTS AND CONSENTS

A letter from McMillan Woods and a letter from Donvex Capital are included in the appendices to this announcement. The following are the qualifications of McMillan Woods and Donvex Capital.

<b>Name</b>	<b>Qualification</b>
Donvex Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
McMillan Woods (Hong Kong) CPA Limited	Certified Public Accountants

Each of McMillan Woods and Donvex Capital has given and has not withdrawn its respective written consent to the publication of this announcement with inclusion of its report/letter and all references to its name (including its qualifications) in the form and context in which they are included. To the best knowledge, information and belief of the Board and having made all reasonable enquiries, each of McMillan Woods and Donvex Capital is a third party independent of the Group and is not a connected person of the Group.

As at the date of this announcement, neither McMillan Woods nor Donvex Capital has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

As at the date of this announcement, neither McMillan Woods nor Donvex Capital had any direct or indirect interests in any assets which have been, since 31 December 2022 (the date to which the latest published annual report of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

## RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended since 4 November 2021. Since the Resumption Guidance has been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading of the Shares with effect from 9:00 a.m. on 26 June 2023 on the Stock Exchange.

## DEFINITIONS

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

“2022 Annual Report”	annual report of the Group for FY2022
“2021 Annual Results”	audited annual results of the Group for FY2021 dated 27 May 2022

“2022 Annual Results”	audited annual results of the Group for FY2022 dated 30 March 2023
“2M2023”	two months ended 28 February 2023
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“B2B”	business-to-business
“B2C”	business-to-consumer
“Company”	Momentum Financial Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange (stock code: 1152)
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“COVID-19”	Novel Coronavirus (COVID-19) or Novel Coronavirus Pneumonia, a respiratory illness caused by a new strain of coronavirus and characterized especially by fever, cough, and shortness of breath and may progress to pneumonia and respiratory failure
“Director(s)”	the director(s) of the Company
“Forecast Period”	the period of 10 months ending 31 December 2023
“FY2021”	the year ended 31 December 2021
“FY2022”	the year ended 31 December 2022
“FY2023”	the year ending 31 December 2023
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons
“Listing Division”	Listing Division of the Stock Exchange
“Listing Committee”	Listing Committee of the Stock Exchange

“Listing Review Committee”	Listing Review Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	the remuneration committee of the Company
“Resumption Guidance”	the letters issued by the Stock Exchange on 11 November 2021, 1 April 2021, 2 June 2022 and 7 June 2023 in which the Stock Exchange set out the guidance for the resumption of trading in the Shares
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S2B2C”	supplier-business-consumers
“%”	per cent

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

Hong Kong, 23 June 2023

*As at the date of this notice, the Board comprises two executive directors of the Company, namely, Mr. Liu Xin Chen and Mr. Zhang Rujie; and three independent non-executive directors of the Company, namely, Mr. Zhou Zhencun, Mr. Chen Yongping and Mr. Man Wai Lun.*

## **APPENDIX I — LETTER FROM THE AUDITOR**

5 June 2023

The Board of Directors  
Momentum Financial Holdings Limited  
Flat C, 13/F.,  
Unionway Commercial Centre,  
283 Queen's Road Central,  
Hong Kong

Dear Sirs,

### **Momentum Financial Holdings Limited (the “Company”) and its subsidiaries (the “Group”) Profit Forecast for the Year Ending 31 December 2023**

We refer to the forecast of the consolidated profit attributable to equity holders of the Company for the year ending 31 December 2023 (the “**Profit Forecast**”) set forth in the profit forecast memorandum of the Group prepared by the Company and submitted to The Stock Exchange of Hong Kong Limited on 19 April 2023.

#### **Directors’ Responsibilities**

The Profit Forecast has been prepared by the directors of the Company (the “Directors”) based on the audited consolidated results of the Group for the year ended 31 December 2022, the unaudited consolidated results based on the management accounts of the Group for the two months ended 28 February 2023 and a forecast of the consolidated results of the Group for the remaining ten months ending 31 December 2023.

The Directors are solely responsible for the Profit Forecast.

#### **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements”, which requires the firms to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Forecast based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Directors have properly complied the Profit Forecast in accordance with the based and assumptions adopted by the Directors and as to whether the Profit Forecast in presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

## **Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly complied in accordance with the bases and assumptions adopted by the Directors as set out in the profit forecast memorandum of the Group for the year ending 31 December 2023 and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements in the Company’s annual report for the year ended 31 December 2022.

Yours faithfully,

**McMillan Woods (Hong Kong) CPA Limited**  
*Certified Public Accountants*  
Hong Kong

## APPENDIX II — LETTER FROM THE FINANCIAL ADVISER

5 June 2023

The Directors  
Momentum Financial Holdings Limited  
Flat C, 13/F  
Unionway Commercial Centre  
283 Queen's Road Central, Hong Kong

Dear Sirs,

### **Re: Profit Forecast for the year ending 31 December 2023**

We refer to the profit forecast of Momentum Financial Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) for the year ending 31 December 2023 (the “**Profit Forecast**”) set forth in the profit forecast memorandum (the “**Memorandum**”) which formed part of the resumption plan prepared by the Company and submitted to The Stock Exchange of Hong Kong Limited on 19 April 2023.

The Profit Forecast, for which the Directors are solely responsible, has been prepared based on the unaudited management accounts of the Group for the two months ended 28 February 2023 and a forecast of the results of the Group for the ten months ending 31 December 2023.

We, as the financial adviser to the Company, have reviewed the Profit Forecast, for which the Directors are solely responsible, and have discussed with the Directors the information and documents provided by the Directors which formed part of the bases and assumptions, which are set out in the section headed “Assumptions” in the Memorandum. We have also considered the letter from McMillan Woods (Hong Kong) CPA Limited (“**McMillan Woods**”) dated 5 June 2023 addressed to the Company regarding the calculation and accounting policies upon which the Profit Forecast has been made. McMillan Woods is of the opinion that so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly complied in accordance with the assumptions as set out in the Memorandum adopted by the directors of the Company and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group.

We have assumed that all information, materials and representations referred to or contained in the Profit Forecast were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of this letter and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, expressed or implied, is made by us on the accuracy, truth or completeness of such information, materials, opinions and/or representations. Circumstances could have developed or could develop in the future that, if known to us at the time of this letter, would have altered our respective assessment and review.

## **Opinion**

Based on our procedures above, we are of the view that the Profit Forecast has been made by the directors of the Company after due and careful enquiry.

## **Intended users and purpose**

This letter is prepared in connection with the Company's submission of the Memorandum to The Stock Exchange of Hong Kong Limited. It should not be relied upon by any party for any other purpose and we expressly disclaim any liability or duty to any party in this respect. It should not be disclosed, referred to or quoted in whole or in part without our prior written consent.

Yours faithfully,

For and on behalf of  
**Donvex Capital Limited**  
**Doris Sy**  
*Director*