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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 STOCK EXCHANGE ON RULE 13.24

This announcement is made by Sky Chinafortune Holdings Group Limited (the “**Company**” and together with its subsidiaries, collectively 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 (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company has received a letter (the “**Letter**”) dated 22 January 2021 from the Stock Exchange, which serves as a notice that the Stock Exchange has decided that the Company has failed to maintain a sufficient level of operations as required under Rule 13.24 of the Listing Rules to warrant the continued listing of the shares of the Company (the “**Shares**”), and that, subject to whether the Company applies for a review of the Decision (defined hereafter), trading in the Shares shall be suspended under Rule 6.01(3) of the Listing Rules (the “**Decision**”). In making the Decision, the Stock Exchange has considered, among others, the following:

1. The Shares have been listed on the Main Board of the Stock Exchange since 7 March 1973. The Company’s principal businesses include:
  - (i) 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. Mr. Jiang Tian, an executive Director and the chairman of the Company, has been the single largest shareholder of the Company since 2016. He currently holds a 55.98% interest in the Company as at the date of this announcement.
3. Over the past five years, the Property Business has been the principal business of the Company. The Company's revenue had decreased from HK\$1.2 billion in 2015 to HK\$24 million in 2019 after the cessation of its general trading business. It had also suffered losses after excluding any fair value change of investment properties and non-recurring items (i.e. gains or losses in relation to discontinued businesses). The Stock Exchange considers that the operation scale of the Company is small and such situation has not been temporary. In addition, the Stock Exchange considers that the Company has had no plans to significantly expand the Property Business. In 2020, the Company commenced the Convenience Store Business and the Liquor Business to support its compliance with Rule 13.24 of the Listing Rules. However, the Stock Exchange considers that both of these businesses are new and has failed to demonstrate that the Company has a business of substance that is viable and sustainable.

#### **Property Business**

4. The Stock Exchange considers that the Property Business has a small property portfolio. The Company had only generated annual revenue ranging from HK\$20 million to HK\$24 million in the past five years, and revenue of HK\$12 million in the first half of 2020. The segmental profits, excluding any fair value change on investment properties and non-recurring items, have been insufficient to cover the Company's corporate expenses in each of the past five years. The Stock Exchange considers that the property management business commenced in June 2020 by the Company only has a minimum revenue of HK\$3 million annually and the Company does not have any substantial plans to grow this business.

#### **Convenience Stores Business**

5. The Company only operated one convenience store in November 2020. The Stock Exchange considers that this business is preliminary and has no information on the revenue and profitability. The proposed new stores are either under renovation or without identified locations. It is unclear whether the Company can realise its expansion plans to set up any remaining stores in any suitable locations and this business has no relationship or synergy with the Property Business. It is unclear to the Stock Exchange how this business can improve the financial performance of the Company.
6. As the Convenience Stores Business is at the infancy stage, and as a result no credible financial forecasts could be provided to the Stock Exchange by the Company, the Stock Exchange considers that the Company is unable to demonstrate the Convenience Stores Business is viable and sustainable.

## Liquor Business

7. As this business has a short operating history and is small in scale and considering that this business had only generated minimal revenue of HK\$12.2 million for the nine months ended 30 September 2020 and also recorded segmental losses in the first half of 2020, the Stock Exchange considers that the Company is unable to demonstrate that this business is viable and sustainable.

Under Rules 2B.06(1) and 2B.08(1) of the Listing Rules, the Company has the right to have the Decision reviewed by the Listing Committee (as defined in the Listing Rules) within 7 business days of receipt of the Decision. Therefore, if the Company does not make any review application by 2 February 2021, trading in the Shares will be suspended from 9:00 a.m. on 3 February 2021. Before that, trading in the Shares will continue.

Pursuant to the Letter, the Company is required to re-comply with Rule 13.24 of the Listing Rules and will have a remedial period of 18 months to re-comply with the Listing Rules. If the Company fails to do so by the expiry of the 18-month period, the Stock Exchange may proceed with cancellation of the listing of the Shares.

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

The directors of the Company (the “**Directors**”) remind the shareholders (the “**Shareholders**”) and potential investors of the Company that (i) the Company may or may not proceed with the review by the Listing Committee; and (ii) the outcome of such review is uncertain, if undertaken.

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 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.**

By order of the Board  
**Sky Chinafortune Holdings Group Limited**  
**JIANG Tian**  
*Chairman of the Board*

Hong Kong, 22 January 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.*