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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 LISTING REVIEW 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, 2 February 2021, 5 May 2021 and 14 May 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 failed to comply with Rule 13.24 of the Listing Rules, the Company’s written request for the review of the decision of the Listing Division by the Listing Committee of the Stock Exchange (the “**Listing Committee**”), the decision of the Listing Committee to uphold the decision of the Listing Division to suspend trading in the Company’s shares (the “**Shares**”) under Rule 6.01(3) of the Listing Rules (the “**LC Decision**”) and the Company’s written request for the review of the LC Decision by the Listing Review Committee of the Stock Exchange (the “**Listing Review Committee**”), respectively. Unless otherwise defined, terms used herein shall bear the same meanings as defined in the Announcements.

### **DECISION OF THE LISTING REVIEW COMMITTEE TO SUSPEND TRADING IN THE SHARES OF THE COMPANY**

The Company submitted a written request for a review of the LC Decision by the Listing Review Committee on 14 May 2021 and the review hearing of the LC Decision by the Listing Review Committee (the “**LRC Review Hearing**”) was held on 20 July 2021. On 1 September 2021, the Company received a letter from the Stock Exchange notifying the

Company that, having considered all the submissions (both written and oral) made by the Company and the Listing Division, the Listing Review Committee decided to uphold the LC Decision to suspend trading in the Shares under Rule 6.01(3) of the Listing Rules (the “**LRC Decision**”). The Listing Review 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 the Shares.

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

1. The Listing Review Committee noted that the Company’s businesses consisted of: (i) the Property Business, (ii) Convenience Store Business, and (iii) Liquor Business.
2. The Listing Review Committee noted that the Company’s Property Business consisted of a small portfolio of properties generating limited rental income. The Company’s position was that it did not have plans to expand its property business and was exercising caution in this regard as it would amongst other matters involve significant financial resources. Revenue from the Property Business had been limited to between HK\$22 million and HK\$24 million for the past 5 years, The Listing Review Committee noted that the Company’s related property management business were small scale and the Company did not expect the same to be a key focus going forward.
3. The Listing Review Committee noted that the Company was focusing on the Convenience Store Business in order to achieve compliance with Rule 13.24 of the Listing Rules. However, it was apparent to the Listing Review Committee that the Company’s plans with respect to this new business had experienced difficulties and that the Company had built and was operating less stores than it had initially targeted in its forecasts. The amount of stores it intended to set up in 2021 had been reduced from 30 to 9. Overall it was clear that the Convenience Store Business had been operating for a short time, had a short track record and still had a small scale of operation. The plans outlined by the Company for its business did not demonstrate that the Company would successfully scale up its Convenience Store Business and the prospects for the same appeared uncertain with the whole business appearing to be at a nascent stage.
4. The Listing Review Committee noted that the Company’s Liquor Business also had a short operating history and was small in scale. The Company had achieved sales revenue of HK\$17.8 million in FY2020. The Convenience Store Business and Liquor Business had recorded a segment loss in FY2020. Overall the Listing Review Committee did not consider the Convenience Store Business and the Liquor Business were businesses of substance.
5. The Listing Review Committee noted that under that the Listing Rules it is provided that an issuer should carry out a business with sufficient level of operations and assets of sufficient value to support its operations in order to warrant continued listing. In looking at whether the Company had assets of sufficient value to support

is operation, the Listing Review Committee noted that it was not a question of applying an absolute test. It should always be by reference to the particular company's operations. GL106–19 at paragraph 8(c) sets out that: “An assessment of sufficiency of assets is with reference to and commensurate with the particular nature, mode and scale of the issuer's operations”. The same paragraph states: “Assets that are not used to support an issuer's operations are disregarded.” Here the Company had a significant amount of the assets however these appeared to the Listing Review Committee to be used by the Company to support its Property Business and that business had failed to generate significant revenue and income in order to maintain the listing of the Company. Furthermore it was not clear that the Convenience Store and Liquor Business could be successfully scaled up at this juncture based on the information provided by the Company.

6. Overall, the Listing Review Committee took the view that the Company had not demonstrated that it was carrying out a business with a sufficient level of operations and assets as required under Rule 13.24 of the Listing Rules. The Listing Review Committee noted that the Company still had a remedial period of 18 months to endeavor to re-comply with Rule 13.24 of the Listing Rules.

## **SUSPENSION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Thursday, 2 September 2021 and will remain suspended until further notice. Further announcement(s) will be made by the Company as and when appropriate and in compliance with the requirements under the Listing Rules.

**Shareholders and potential investors of the Company who have any queries about the implications of the dealing of the Shares are advised to seek advice from professional advisors.**

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

Hong Kong, 2 September 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.*