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高富集團控股有限公司
GT GROUP HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 263)

ANNOUNCEMENT

Reference is made to the annual report of GT Group Holdings Limited (the “**Company**” and its subsidiaries, the “**Group**”) for the year ended 31 December 2018 (the “**2018 Annual Report**”) and interim report of the Company for the six months ended 30 June 2019 (the “**2019 Interim Report**”). The board of directors of the Company would like to provide further information on

- (a) the Group’s financial assets at fair value as disclosed on page 6 of the 2018 Annual Report and page 4 of the 2019 Interim Report in accordance with the requirements under paragraphs 32(4) and 40(2) of Appendix 16 of the Listing Rules; and
- (b) impairment loss and valuation on interests in China Sky Holdings Limited and its subsidiary (the “**China Sky Group**”) as disclosed on page 7 and 8 of the 2018 Annual Report and pages 5 and 6 of the 2019 Interim Report.

FINANCIAL ASSETS AT FAIR VALUE

The financial assets at fair value through profit or loss held of the Group as at 31 December 2018 and 30 June 2019 respectively with additional information are set out below:

As at 31 December 2018:

Name of securities	% of shareholding in the listed securities held by the Group as at 31 December 2018	Unrealised loss on financial assets at fair value through profit or loss for the year ended 31 December 2018 <i>HK\$'000</i>	Fair value of the investment in listed securities as at 31 December 2018 <i>HK\$'000</i>	Principal businesses (*copied from HKEX website)	Size compared to Company's total assets	Dividend received <i>HK\$'000</i>	Total cost <i>HK\$'000</i>	Gain or (loss) on disposal <i>HK\$'000</i>
CAA Resources Limited (stock code: 2112)	1.98%	(7,650)	43,033	Materials — Diversified Metals & Minerals — Iron & Steel	3.11%	nil	50,141	N/A
China Shandong Hi-Speed Financial Group Limited (stock code: 412)	2.65%	(12,952)	203,987	Financials — Other Financials — Financing	14.72%	nil	279,749	N/A
China Smarter Energy Group Holdings Limited (stock code: 1004)	1.15%	(5,014)	86,306	Utilities — Utilities — Alternative/Renewable Energy	6.23%	nil	90,543	(489)
Dongwu Cement International Limited (stock code: 695)	3.58%	—	26,515	Properties & Construction — Construction — Construction Materials	1.91%	nil	26,857	N/A
Sfund International Holdings Limited (stock code: 1367)	2.32%	(41,611)	52,747	Consumer Discretionary — Textiles & Clothing — Apparel	3.81%	nil	39,215	N/A
Others		<u>(49,756)</u>	<u>54,656</u>					
Total		<u><u>(116,983)</u></u>	<u><u>467,244</u></u>					

As at 30 June 2019:

Name of securities	% of shareholding in the listed securities held by the Group as at 30 June 2019	Unrealised loss on financial assets at fair value through profit or loss for the six months ended 30 June 2019 HK\$'000	Fair value of the investment in listed securities as at 30 June 2019 HK\$'000	Principal businesses (*copied from HKEX website)	Size compared to Company's total assets	Dividend received HK\$'000	Total cost HK\$'000	Gain or (loss) on disposal HK\$'000
China Shangdong Hi-Speed Financial Group Limited (stock code: 412)	2.65%	6,476	210,463	Financials — Other Financials — Financing	15.49%	nil	279,749	N/A
Imperial Pacific International Holdings Limited (stock code: 1076)	0.30%	67,425	90,480	Consumer Discretionary — Travel & Leisure — Casinos & Gaming	6.66%	nil	60,090	N/A
Sfund International Holdings Limited (stock code: 1367)	2.41%	(6,290)	48,305	Consumer Discretionary — Textiles & Clothing — Apparel	3.56%	nil	41,064	N/A
CAA Resources Limited (stock code: 2112)	1.95%	(292)	42,016	Materials — Diversified Metals & Minerals — Iron & Steel	3.09%	nil	49,388	134
China Smarter Energy Group Holdings Limited (stock code: 1004)	1.15%	(50,165)	36,140	Utilities — Utilities — Alternative/Renewable Energy	2.66%	nil	90,543	N/A
Others		<u>(2,692)</u>	<u>52,426</u>					
Total		<u>14,462</u>	<u>479,830</u>					

IMPAIRMENT LOSS AND VALUATION OF THE CHINA SKY GROUP

An asset-based approach was used in the valuation of the China Sky Group (the “**Valuation**”) as it is principally involved in property development business. The valuation focused on the China Sky Group’s net asset value, or the fair value of its total assets minus its total liabilities. Different types of asset/liability would employ different kind of valuation approach as appropriate on case by case basis. Fair value of the China Sky Group would be obtained from the aggregate of the fair values of all of its assets minus liabilities.

The value of inputs used in the Valuation included:

- management accounts of the China Sky Group as at 31 December 2018, stating the book value of each of the assets and liabilities;
- adjustments were made by employing different valuation approaches to the book value of each of the assets and liabilities of the China Sky Group, as necessary, to arrive at their respective fair market value as at the valuation date, e.g. discounted cash flow method was used for valuation of bank borrowing and market approach was used in the valuation of completed properties for sale;

- (c) complete write off of the investment in Tanzishi Project (reference is made to page 7 of the 2018 Annual Report and page 5 of the 2019 Interim Report);
- (d) further general valuation assumptions included:
 - (i) the Valuation reflected the reasonable conditions existing as at the date of valuation;
 - (ii) the financial statements of the China Sky Group for the year ended 31 December 2018 reflected truly and fairly the financial results and position of the China Sky Group and were prepared in accordance with the applicable accounting standards;
 - (iii) there would be no material changes in the interest rates and exchange rates in the regions where the China Sky Group had operations;
 - (iv) there would be no material changes in the political, legal, technological, economic or other conditions which would adversely affect the industry and the profitability of the China Sky Group; and
 - (iv) with respect to the valuation of the projects of the China Sky Group (whether they were valued individually or as part the assets of China Sky), the value of the inputs or assumptions used in the valuation of the projects were consistent with those previously adopted.

The impairment loss on the China Sky Group for the year ended 31 December 2018 represented the difference between the carrying cost of the Group's interest in the China Sky Group and the fair value of the China Sky Group attributable to the Group's interest.

By Order of the Board
GT GROUP HOLDINGS LIMITED
Li Dong
Chairman

Hong Kong, 5 December 2019

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Li Dong (Chairman), Ms. Ng Shin Kwan, Christine, Mr. Chan Ah Fei and Mr. Liang Shan and three Independent Non-executive Directors, namely Dr. Wong Yun Kuen, Mr. Wong Shun Loy and Mr. Hu Chao.