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**CNC HOLDINGS LIMITED**  
**中國新華電視控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8356)**

**FULFILMENT OF ALL RESUMPTION GUIDANCE;  
AND  
RESUMPTION OF TRADING**

**FULFILMENT OF ALL RESUMPTION GUIDANCE**

The Board is pleased to announce that the Company has fulfilled all the Resumption Guidance.

**RESUMPTION OF TRADING**

Trading in the Shares on the Stock Exchange had been suspended with effect from 9:00 a.m. on 15 August 2022. As the Resumption Guidance have been satisfied in full, the Company has made an application to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 1 March 2024.

This announcement is made by CNC Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of 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 (i) the announcements of the Company dated 21 June 2022, 29 July 2022 and 15 August 2022 in relation to, among others, the delay in publication of the audited annual results of the Company for the year ended 31 March 2022 (the “**FY2022 Annual Results**”); (ii) the announcement of the Company dated 14 October 2022 in relation to, among others, the resignation of Mr. Wong Chung Yip, Kenneth, as an independent non-executive Director; (iii) the announcements of the Company dated 11 November 2022, 10 February 2023, 10 May 2023, 14 August 2023, 14 November 2023 and 8 February 2024 in relation to, among others, the guidance for the resumption of trading in the Shares (the “**Initial Resumption Guidance**”) and the quarterly update on the resumption progress; (iv) the announcements of the Company dated 12 December 2022, 14 February 2023, 15 February 2023, 8 March 2023 and 19 April 2023 in relation to, among others, the winding petition (the “**Winding-up Petition**”) filed by A. Plus Financial Press Limited against the Company and the withdrawal of the Winding-up Petition; (v) the announcement of the Company dated 12 January 2023 in relation to the additional guidance for the resumption of trading in the Shares (the “**Additional Resumption Guidance**”, together with the Initial Resumption Guidance, the “**Resumption Guidance**”); (vi) the announcement of the Company dated 5 September 2023 in relation to, among others, the GEM Listing Committee’s decision (the “**Delisting Decision**”) on the cancellation of the Company’s listing and the review request made by the Company; (vii) the announcement of the Company dated 18 December 2023 in relation to the Listing Review Committee’s decision to overturn the Delisting Decision; (viii) the announcement dated 15 January 2024 jointly issued by the Company and Shunleetat (BVI) Limited (the “**Offeror**”) in relation to, among others, the debt restructuring proposal and the possible conditional mandatory cash offer to be made by Aristo Securities Limited for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror, Mr. Kan and parties acting in concert with any of them); (ix) the announcement dated 5 February 2024 jointly issued by the Company and Offeror in relation to the delay in despatch of the composite offer and response document (the “**Composite Document**”); (x) the announcement dated 5 February 2024 jointly issued by the Company and Offeror in relation to the entering into of the formal Sale and Purchase Agreement, Share Subscription Agreement, Fifth Supplemental Deed, CB Subscription Agreement A and CB Subscription Agreement B; and (xi) the announcement of the Company dated 29 February 2024 in relation to, among others, the appointment of independent non-executive Directors and change in composition of the Board committees (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

## **BACKGROUND**

As disclosed in the announcement of the Company dated 21 June 2022, the Company was unable to publish the audited FY2022 Annual Results due to the delay in the completion of the relevant audit work caused by the surge of COVID-19 cases and the implementation of tightened COVID-19 prevention and control quarantine measures in the People’s Republic of China (the “**PRC**”) at the material time.

As disclosed in the announcement of the Company dated 29 July 2022, there was further delay in publication of the FY2022 Annual Results as the auditors of the Company (the “**Auditors**”) required additional time to complete the audit work on the FY2022 Annual Results for the foregoing reasons, and expected to publish the same on or around 15 August 2022.

As disclosed in the announcement of the Company dated 15 August 2022, in the light of the continuing implementation of the COVID-19 pandemic prevention and control quarantine measures in the PRC, the auditing processes of the FY2022 Annual Results have been adversely affected and the audit procedures have yet to be completed. The key outstanding audit documentation for the completion of the audit works are primarily attributable to the fact that (i) certain key audit confirmations with material balances had yet to be obtained due to postal services delay; and (ii) the Company required additional time to finalise certain information in relation to the renewals of the overdue promissory note and convertible notes.

In compliance with Rule 17.49A of the GEM Listing Rules, trading in the Shares was at the request of the Company suspended with effect from 9:00 a.m. on 15 August 2022, pending publication of the outstanding financial results of the Company.

## **INITIAL RESUMPTION GUIDANCE**

On 10 November 2022, the Company received a letter from the Stock Exchange, which the Stock Exchange set out the Initial Resumption Guidance for the resumption of trading in the Shares on the Stock Exchange, details of which are set out as follows:

- (i) publishing all outstanding financial results required under the GEM Listing Rules and address any audit modifications (“**Resumption Guidance 1**”);
- (ii) demonstrating compliance with Rule 17.26 of the GEM Listing Rules (“**Resumption Guidance 2**”);
- (iii) informing the market of all material information for the Shareholders and investors of the Company to appraise the Company’s position (“**Resumption Guidance 5**”).

## **ADDITIONAL RESUMPTION GUIDANCE**

On 14 October 2022, the Company announced the resignation of Mr. Wong Chun Yip, Kenneth from his position as an independent non-executive Director, the chairman of the audit committee (the “**Audit Committee**”) and a member of each of the nomination committee (the “**Nomination Committee**”), remuneration committee (the “**Remuneration Committee**”) and risk management committee (the “**Risk Management Committee**”) of the Company, all with effect from 14 October 2022 due to his other business commitments which require more of his attention and dedication. Following the resignation, the Company became incompliant with Rules 5.05, 5.05A, 5.28 and 5.36A of the GEM Listing Rules.

On 12 December 2022, the Company announced that the Winding-up Petition was filed against the Company by A. Plus Financial Press Limited at the High Court in relation to an outstanding debt in the sum of HK\$429,489 and interests accrued thereon.

On 11 January 2023, the Company has been further notified by the Stock Exchange of the following Additional Resumption Guidance:

- (i) re-complying with the Rules 5.05, 5.05A, 5.28 and 5.36A of the GEM Listing Rules (“**Resumption Guidance 3**”); and
- (ii) having the Winding-up Petition (or order, if made) against the Company withdrawn or dismissed and the appointment of any liquidators (provisional or not) discharged (“**Resumption Guidance 4**”).

The Company received a letter from the Stock Exchange dated 25 August 2023 notifying the Company that the GEM Listing Committee, having considered that save for the Resumption Guidance 4, the Company had not met any of the Resumption Guidance, decided to cancel the Company’s listing. On 5 September 2023, the Company submitted an application requesting for review (the “**Review**”) of the Delisting Decision by the Listing Review Committee. The Listing Review Committee heard the Review on 24 November 2023. The Company received a letter from the Listing Review Committee dated 14 December 2023 indicating that they had decided to overturn the Delisting Decision and instead grant an extension of the remedial period to 29 February 2024 for the Company to demonstrate compliance with Resumption Guidance 3.

## **FULFILMENT OF ALL RESUMPTION GUIDANCE**

### **Resumption Guidance 1 – publishing all outstanding financial results required under the GEM Listing Rules and address any audit modifications**

As at the date of this announcement, all the Company’s outstanding financial results have been published as follows:

- (i) on 24 October 2023, the Company published its audited FY2022 Annual Results with the relevant annual report issued on 21 November 2023;
- (ii) on 16 November 2023, the Company published its unaudited first quarterly results for the three months ended 30 June 2022 with the relevant first quarterly report issued on 17 November 2023;
- (iii) on 16 November 2023, the Company published its unaudited interim results for the six months ended 30 September 2022 with the relevant interim report issued on 17 November 2023;

- (iv) on 16 November 2023, the Company published its unaudited third quarterly results for the nine months ended 31 December 2022 with the relevant third quarterly report issued on 17 November 2023;
- (v) on 16 November 2023, the Company published its audited annual results for the year ended 31 March 2023 with the relevant annual report issued on 23 November 2023;
- (vi) on 22 November 2023, the Company published its unaudited first quarterly results for the three months ended 30 June 2023 with the relevant first quarterly report issued on 22 November 2023;  
and
- (vii) on 22 November 2023, the Company published its unaudited interim results for the six months ended 30 September 2023 with the relevant interim report issued on 22 November 2023.

As disclosed in the annual reports of the Company for the years ended 31 March 2022 (“**FY2022 Annual Report**”) and 31 March 2023 (“**FY2023 Annual Report**”), there were audit modifications (the “**Audit Modifications**”) (i.e. in the form of a disclaimer of opinion) in respect of the financial statements for the years ended 31 March 2022 and 31 March 2023 on the basis of material uncertainties relating to going concern.

As extracted from the FY2022 Annual Report and FY2023 Annual Report, the Group recorded (i) net loss of approximately HK\$42,152,000 and approximately HK\$9,457,000 for the years ended 31 March 2022 and 31 March 2023, respectively; (ii) net current liabilities of approximately HK\$404,003,000 and 370,510,000 as at 31 March 2022 and 31 March 2023, respectively; and (iii) net liabilities of approximately HK\$385,308,000 and HK\$394,806,000 as at 31 March 2022 and 31 March 2023, respectively.

As at the date of this announcement, the Group is indebted to (i) Xinhua News Agency Audio News Desk# (新華音像中心), which is a wholly-owned subsidiary of Xinhua News Agency (新華社) and a fellow subsidiary of China Xinhua News Network Co., Limited (the “**Vendor**”), in the amount of HK\$2,008,844; (ii) the Vendor in the amount of HK\$24,586,856, being the outstanding broadcasting fee owed to the Vendor as a service provider to the Group; and (iii) other independent third parties in the amount of approximately HK\$30.8 million.

On 5 February 2024, (i) the Vendor, as vendor, and Mr. Kan entered into the Sale and Purchase Agreement in relation to the sale and purchase of 1,188,621,377 Sale Shares for a total consideration of HK\$16,640,699; (ii) the Company, as issuer, and Mr. Kan, as subscriber, entered into the Share Subscription Agreement in relation to the proposed subscription of 1,666,666,667 Subscription Shares at the Share Subscription Price of HK\$0.012 per Subscription Share at a total consideration of approximately HK\$20,000,000; (iii) the Company, as issuer, and the Vendor, as bondholder, entered into the Fifth Supplemental Deed to amend certain terms of the Existing Convertible Bonds; (iv) the Company, as issuer, and the Vendor, as subscriber, entered into the CB Subscription Agreement A in relation to the proposed subscription of the Convertible Bonds A in the principal amount of HK\$64,127,855 to set off the interests payable by the Company under the Existing Convertible Bonds of HK\$64,127,855 as at 9 December 2021; and (v) the Company, as issuer, and the Vendor, as subscriber, entered into the CB Subscription Agreement B in relation to the proposed subscription of the Convertible Bonds B in the principal amount of HK\$16,240,000 to set off part of the outstanding broadcasting fee owed to the Vendor.

As disclosed in the FY2023 Annual Report, the validity of the preparation of the consolidated financial statements on going concern basis depends on the successful eventual outcome of, among other things, the above transactions which are inherently uncertain and subject to multiple uncertainties.

As at the date of this announcement, save for the Acquisition, none of the above transactions have been completed. However, the Board is confident that upon the completion of the forgoing transactions, the net liabilities position of the Group could be significantly improved and the Audit Modifications would not be expected to recur thereafter.

Accordingly, the Resumption Guidance 1 has been fulfilled.

## **Resumption Guidance 2 – demonstrating compliance with Rule 17.26 of the GEM Listing Rules**

The Group is principally engaged in the provision of civil engineering services for the public sector in Hong Kong (the “**Civil Engineering Business**”), and all of the revenue of the Group were derived from the Civil Engineering Business for the year ended 31 March 2023 and the six months ended 30 September 2023.

As shown from the Company’s audited annual results for the year ended 31 March 2023 (“**FY2023 Annual Results**”) and the unaudited interim results for the six months ended 30 September 2023 (“**1H2023 Interim Results**”), the Group has maintained a high level of operating activities and revenue. Based on the FY2023 Annual Results and 1H2023 Interim Results, the Company has recorded (i) revenue of approximately HK\$496.5 million and HK\$225.7 million respectively; and (ii) gross profit of approximately HK\$3.4 million and 10.9 million respectively. The latest asset value of the Group as at 30 September 2023 was approximately HK\$232.0 million.

Further, the Share Subscription, the Fifth Amendment of Terms and the issue of the long-term Convertible Bonds A and Convertible Bonds B are expected to bring significant improvement on the current liability position of the Company.

Therefore, the Company has continued to maintain a business with sufficient level of operation and assets of sufficient value in compliance with Rule 17.26 of the GEM Listing Rules.

In light of the above, the Resumption Guidance 2 has been fulfilled.

### **Resumption Guidance 3 – re-complying with the Rules 5.05, 5.05A, 5.28 and 5.36A of the GEM Listing Rules**

With effect from 29 February 2024, each of Mr. Chin Chi Ho Stanley (“**Mr. Chin**”) and Mr. Kwok Man To (“**Mr. Kwok**”) has been appointed as an independent non-executive Director.

The biographical details of Mr. Chin and Mr. Kwok are set out as follows:

#### **Mr. Chin**

Mr. Chin, aged 41, has over 15 years of experience in the areas of audit, financial management, corporate governance and operations in capital markets. Mr. Chin has obtained a Master of Business Administration from the University of Hong Kong in 2019. He was admitted as a Certified Public Accountant (CPA) in 2009 and served as an audit specialist in PricewaterhouseCoopers and KPMG for 7 years. He has also been awarded the qualification of Financial Risk Manager in 2009 and Chartered Financial Analyst in 2010. Mr. Chin has extensive experience serving as senior management for multiple listed companies in Hong Kong. Mr. Chin is currently an independent non-executive director of each of Champion Alliance International Holdings Limited and Peking University Resources (Holdings) Company Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock codes: 1629 and 618 respectively).

#### **Mr. Kwok**

Mr. Kwok, aged 56, obtained a Bachelor of Science (Economics) from the University of London in the United Kingdom in 1994, and a Master of Applied Finance from the Macquarie University of Australia in 2000. Mr. Kwok is also a member of the Hong Kong Institute of Certified Public Accountants, a member of the Association of Chartered Certified Accountants and a fellow member of the Association of Chartered Certified Accountants.

Mr. Kwok possesses extensive knowledge and experience in accounting, financing, capital investment and management, operational risks and banking industries. From 1990 to 1995, Mr. Kwok started his career at PricewaterhouseCoopers to provide audit and assurance services with his last position as deputy manager. From 1995 to 2004, Mr. Kwok joined the Fortis Bank Group as a manager, with his last position as a financial controller responsible for corporate control and accounting services. From 2004 to 2005, Mr. Kwok acted as a consultant to a company established in the People's Republic of China in respect of a listing project. From 2005 to 2007, Mr. Kwok was the head of Asia Finance Controls of The Royal Bank of Scotland. From 2008 to 2009, Mr. Kwok served as a vice president and financial controller of AIG Finance Limited, being a restricted licensed bank providing a full suite of retail banking products. After the service at AIG Finance Limited, Mr. Kwok joined ING Real Estate Investment Management as a senior vice president and regional controller for two years. From 2011 to 2012, Mr. Kwok served as director of the Macquarie Bank, and was mainly responsible for, among others, financial accounting, management reporting and corporate governance. From 2012 to 2017, Mr. Kwok acted as the chief financial officer at the Hong Kong office of the Commonwealth Bank of Australia, being one of the largest banking group in Australia. From 2017 to 2018, Mr. Kwok joined IP Global Group as a chief financial controller. From 2018 to 2019, Mr. Kwok was the head of the Assets, Liabilities and Capital Management Department of Chong Hing Bank, being locally incorporated bank previously listed on the Main Board of the Stock Exchange and subsequently acquired by the Yuexiu Group. After leaving Chong Hing Bank, Mr. Kwok was involved in establishing the Hong Kong office of the Qatar National Bank, and has thereafter acted as its chief financial officer and alternate chief executive.

Further, as disclosed in the announcement of the Company dated 29 February 2024, in relation to, among other things, the appointment of Mr. Chin and Mr. Kwok as independent non-executive Directors, following the appointment of each of Mr. Chin and Mr. Kwok and with effect from 29 February 2024,

- (i) Dr. Li Yong Sheng, being an executive Director, has ceased to be a member of the Nomination Committee;
- (ii) Mr. Chin has been appointed as the chairman of the Audit committee and the Risk Management Committee, and a member of each of the Nomination Committee and the Remuneration Committee; and
- (iii) Mr. Kwok has been appointed as a member of each of the Audit Committee, the Risk Management Committee, the Nomination Committee and the Remuneration Committee.

As such, upon the appointment of each of Mr. Chin and Mr. Kwok as an independent non-executive Director, the Company is in compliance with the Rules 5.05, 5.05A, 5.28 and 5.36A of the GEM Listing Rules.

Accordingly, Resumption Guidance 3 has been fulfilled.



**Resumption Guidance 4 – having the Winding-up Petition (or order, if made) against the Company withdrawn or dismissed and the appointment of any liquidators (provisional or not) discharged**

As disclosed in the announcement of the Company dated 19 April 2023, the High Court has granted leave for the withdrawal of the Winding-up Petition.

As such, Resumption Guidance 4 has been fulfilled.

**Resumption Guidance 5 – informing the market of all material information for the Shareholders and investors of the Company to appraise the Company’s position**

Since the suspension of trading in the Shares on the Stock Exchange, the Company has kept its Shareholders and potential investors informed of all material information in relation to the Resumption Guidance and any relevant updates and progress by way of announcements.

The Board believes that the Company has announced all material information it considers necessary and appropriate for the Shareholders and investors of the Company to appraise the Company’s position.

In light of the above, Resumption Guidance 5 has been fulfilled.

**RESUMPTION OF TRADING IN THE SHARES**

Trading in the Shares on the Stock Exchange had been suspended with effect from 9:00 a.m. on 15 August 2022. As the Resumption Guidance have been satisfied in full, the Company has made an application to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 1 March 2024.

In the meantime, Shareholders and potential investors of the Company are advised to exercise caution when dealing with the Shares.

By order of the Board  
**CNC Holdings Limited**  
**Li Yong Sheng**

*Vice Chairman and Chief Executive Officer*

Hong Kong, 29 February 2024

*As at the date of this announcement, the Directors are Dr. Jiang Yan<sup>1</sup> (Chairman), Dr. Li Yong Sheng<sup>1</sup> (Vice Chairman and Chief Executive Officer), Mr. Liu Da Yong<sup>1</sup>, Mr. Kan Kwok Cheung<sup>1</sup>, Ms. Tang Li<sup>2</sup>, Mr. Law Cheuk Hung<sup>2</sup>, Mr. Wu Guo Ming<sup>3</sup>, Mr. Wan Chi Keung, Aaron, BBS, JP<sup>3</sup>, Mr. Chin Chi Ho Stanley<sup>3</sup> and Mr. Kwok Man To Pau<sup>3</sup>.*

<sup>1</sup> *Executive Director*

<sup>2</sup> *Non-executive Director*

<sup>3</sup> *Independent non-executive Director*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at <http://www.hkexnews.hk> for at least 7 days from the date of its publication and on the website of the Company at <http://www.cnctv.hk>.*