

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

**INSIDE INFORMATION
AND
PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provision under Part XIVA of the SFO.

DEMAND FOR OVERDUE PAYMENT UNDER A LOAN

On 17 March 2020, the Company has received a letter from the solicitors of the lender (being an independent third party financial institution) of the Loan in principal amount of US\$35,000,000, which demanded the immediate repayment of the Loan together with interest accrued thereon, and threatened the institution of legal proceedings against the Company (including but not limited to the appointment of receivers). The Loan was accelerated because the Company has not repaid US\$5,000,000 under the Loan which was payable in November 2019.

PROFIT WARNING

Based on the preliminary review of the unaudited management accounts of the Group, it is expected that the Group will record a consolidated net loss for the year ended 31 December 2019, which is mainly due to (i) net realised loss and unrealised loss on financial assets as stated at fair value through profit or loss of approximately HK\$1.8 million and approximately HK\$145 million respectively for the year ended 31 December 2019 and (ii) impairment under expected credit loss model of approximately HK\$163 million in respect of overdue loan receivables of the Group.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

This announcement is made by GT Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

DEMAND FOR OVERDUE PAYMENT UNDER A LOAN

On 17 March 2020, the Company has received a letter from the solicitors of the lender (being an independent third party financial institution) of a loan (“**Loan**”) in principal amount of US\$35,000,000, which demanded the immediate repayment of the Loan together with interest accrued thereon, and threatened the institution of legal proceedings against the Company (including but not limited to the appointment of receivers). The Loan was accelerated because the Company has not repaid US\$5,000,000 under the Loan which was payable in November 2019. As disclosed in the Company’s interim report for the six months ended 30 June 2019, there is a repayment on demand clause in the loan agreement that gives the lender an unconditional right at any time to require immediate payment. The Group has been in discussion since November 2019 and continues to be in discussion with the lender for extension or rescheduling the repayment of the Loan.

The Loan bears interests at 6.80% per annum. It is guaranteed, secured by equity interest in subsidiaries of the Group and associates of the Group, charge over listed equities securities held by the Group together with equity pledges, receivables pledge and assignment of shareholder loans and receivables provided by independent third parties. These collaterals are also security for a loan from another financial institution in the principal amount of US\$49,500,000 which has been overdue since March 2019. As disclosed in the annual report 2018 and interim report for the six months ended 30 June 2019 of the Company, the Group is in the process of negotiating with lender for extension of such loan. The negotiation is still ongoing as at the date of this announcement.

PROFIT WARNING

Reference is made to the Company’s profit warning announcement dated 9 January 2020 (the “**January Announcement**”).

Based on the preliminary assessment of unaudited management accounts of the Group and financial information currently available and that before taking into account any possible adjustments in relation to finalisation of the annual results of the Group for the year ended 31 December 2019, the Group is expected to record a consolidated net loss for the year ended 31 December 2019, which is mainly due to (i) as disclosed in the January Announcement, net realised loss and unrealised loss on financial assets as stated at fair value through profit or loss of approximately HK\$1.8 million and approximately HK\$145 million respectively for the year ended 31 December 2019 (as compared to net realised loss of approximately HK\$150 million and unrealised loss of approximately HK\$117 million of the same respectively for the corresponding period 2018) and (ii) impairment under expected credit loss model of approximately HK\$163 million (as compared to HK\$6.41 million for the corresponding period 2018) in respect of overdue loan receivables of the Group.

As auditing process for the annual results of the Group for the year ended 31 December 2019 is still underway, the information contained in this announcement is only based on the Company's preliminary assessment of the unaudited management accounts of the Group for the year ended 31 December 2019 and financial information currently available, which may be subject to adjustments upon the finalisation of the review by the auditors of the Company. The unaudited annual results announcement of the Group for the year ended 31 December 2019 is expected to be published before the end of March 2020 in accordance with the requirements of the Listing Rules.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 24 March 2020

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.