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CIL Holdings Limited

華建控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00479)

UPDATE ON LISTING STATUS AND CONTINUED SUSPENSION OF TRADING

This announcement is made by CIL Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (“**Listing Rules**”) 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).

Reference is made to the announcements (the “**Announcements**”) made by the Company dated 18 May 2020, 20 May 2020, 26 May 2020, 21 September 2020 and 28 September 2020. Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcements.

The Board wishes to inform the Shareholders and potential investors of the Company that the review hearing (the “**Review Hearing**”) of the Listing Committee Decision took place on 19 January 2021. On 29 January 2021, the Company received a letter from the Listing Review Committee that they had decided to uphold the Listing Committee Decision (the “**Listing Review Committee Decision**”). According to the said letter, the Listing Review Committee arrived at the Listing Review Committee Decision for, amongst others, the following reasons:

1. The Company’s shares have been listed on the Main Board of the Stock Exchange since July 1993. At that time, the Company is principally engaged in the IC Trading Business. In addition, the Group has also engaged in (i) the Building Materials Business; (ii) the Commodity Trading Business; (iii) the Household EA Business; and (iv) the Money Lending Business; (v) the Securities Investment; and (vi) the Entertainment Business.

2. The Company's largest shareholder as at the date of the Review Hearing was Mr. Ke Jun Xiang ("**Mr. Ke**") holding over approximately 18.4% shareholding in the Company. Mr. Ke has also been the Company's executive Director since 10 July 2003.
3. On 4 February 2020, the Listing Division wrote to the Company expressing its concern that the Company might have failed to maintain a sufficient level of operations under Rule 13.24 of the Listing Rules. On 9 April 2020, the Company by its financial adviser made a submission in response (the "**April Submission**"). On 15 May 2020, the Listing Division issued a letter informing the Company of its decision (the "**Decision**") to suspend trading in the Company's shares under Rule 6.01(3) of the Listing Rules on the ground that the Company had failed to comply with Rule 13.24 of the Listing Rules.
4. On 26 June 2020, the Company requested a review of the Decision by the Listing Committee. The Company also provided the Listing Committee by letter dated 26 June 2020 with an update regarding certain aspects of its business plans (the "**June Update Letter**"). As set out in a letter dated 18 September 2020, the Listing Committee decided to uphold the Decision.
5. Having considered all of the submissions and evidence presented, the Listing Review Committee considered that, as at the time of the Review Hearing, the Company had not demonstrated to the Listing Review Committee's satisfaction that the Company was carrying out a sufficient level of operations under Rule 13.24 of the Listing Rules to warrant a continued listing of its shares, and it had therefore failed to comply with Rule 13.24 of the Listing Rules.
6. From the Company's published unaudited results for the financial year ended 30 June 2020, it was apparent that the Company's revenue had dropped between the financial year ended 30 June 2019 and 30 June 2020 and that the Company continued to be a loss-making entity. The Listing Review Committee noted that it was accepted that the IC Trading Business which had been the Group's major source of revenue had diminished to a low level of operations and that these were due to circumstances that were not temporary in nature. The Listing Review Committee also noted the other business of the Company were of a small scale and lacked substance. The Listing Review Committee noted the Company's plans to diversify its business model with the original design manufacture business model and that it had commenced this process. However, the Company had not demonstrated to the Listing Review Committee that these proposals were anything other than preliminary in nature. It was unclear whether the business plans would lead to an improvement to the Group's performance.

7. Overall, the Listing Review Committee took the view that the Company has not demonstrated that it was carrying out a business with a sufficient level of operations as required under Rule 13.24 of the Listing Rules. The Company's shares had been suspended since 5 October 2020 pending publication of the Company's audited results for the financial year ended 30 June 2020. The Listing Review Committee noted that the Company still had the remainder of its remedial period of 18 months to carry out its plans, seek opportunities and endeavor to re-comply with Rule 13.24 of the Listing Rules.

The Listing Review Committee therefore decided to uphold the Listing Committee's Decision to suspend trading in the Company's shares under Rule 6.01(3) of the Listing Rules on the Group that the Company has failed to comply with Rule 13.24 of the Listing Rules.

In view of the Listing Review Committee Decision, the Company is required to re-comply with Rule 13.24 of the Listing Rules and it will have a remedial period of 18 months to re-comply with Rule 13.24 of the Listing Rules. If the Company fails to do so by the expiry of the 18-month period (i.e. 4 April 2022), the Stock Exchange will proceed with cancellation of the Company's listing.

The Board is still in the process of reviewing the Listing Review Committee Decision and is discussing the same with the Company's legal advisers and financial adviser and will actively prepare for the proposal(s) to re-comply with Rule 13.24 of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the shares has been suspended with effect from 9:00 a.m. on 5 October 2020 and shall remain suspended pending the Company's compliance with the resumption guidance as informed by the Stock Exchange to the Company on 29 December 2020.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and obtain appropriate professional advice if they have any queries about the implication of the Listing Review Committee Decision.

By Order of the Board
CIL Holdings Limited
Ke Jun Xiang
Chairman

Hong Kong, 1 February 2021

As at the date of this announcement, the Board comprises 4 executive directors, namely Mr. Ke Jun Xiang (Chairman and Chief Executive Officer), Mr. Wilson Wong (Deputy Chairman), Ms. Lo Yuen Chung and Mr. Fu Daoding; 2 non-executive directors, namely Mr. Chow Yeung Tuen, Richard and Mr. Li Chung Kai, Philip; and 3 independent non-executive directors, namely Mr. Chan Siu Kay, Mr. Choi Chin Yu and Dr. Chow Ho Wan Owen.

** For identification purpose only*