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CECEP COSTIN NEW MATERIALS GROUP LIMITED (IN PROVISIONAL LIQUIDATION)

中國節能海東青新材料集團有限公司（臨時清盤中）

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2228)

DECISION OF THE LISTING COMMITTEE ON CANCELLATION OF LISTING AND REQUEST TO REVIEW DECISION OF THE STOCK EXCHANGE ON RULE 14.06B

Financial Adviser to the Company



YU MING INVESTMENT MANAGEMENT LIMITED
禹銘投資管理有限公司

This announcement is made by CECEP COSTIN New Materials Group Limited (In Provisional Liquidation) (the “**Company**”) pursuant to Rule 13.09(2)(a) 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 (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 1 August 2018, 1 November 2018, 1 February 2019, 1 March 2019, 29 March 2019, 30 April 2019, 31 July 2019, 30 August 2019, 31 October 2019, 3 February 2020, 29 April 2020, 12 June 2020, 31 July 2020, 31 August 2020, 30 October 2020, 29 January 2021 and 30 April 2021 (the “**Announcements**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless otherwise specified.

DECISION OF THE LISTING COMMITTEE ON CANCELLATION OF LISTING

On 5 February 2021 the Company submitted an enquiry/waiver application to the Stock Exchange (i) seeking its confirmation that the property valuation gains or losses on investment properties should be excluded when considering the Target Company’s compliance with the profits requirements of Rule 8.05; and (ii) failing which, a waiver from strict compliance from the profit requirement under Rule 8.05 requirement in view of the extreme circumstance of the unprecedented double impact on the global and local economy created by the social unrest in Hong Kong followed immediately by the worldwide pandemic of COVID-19.

On 31 March 2021, the Stock Exchange notified the Company that given the Target Group’s principal business is property leasing, it considers that the property valuation gains and losses as reflected in the Target Group’s income statement are derived from the Target Group’s ordinary and usual course of business and should be counted towards the profit test for the purpose of Rule 8.05(1)(a) and that it does not consider there are compelling reasons to grant the waiver from straight compliance of Rule 8.05(1)(a).

On 31 May 2021, the Listing Division of the Stock Exchange informed the Company that it intends to recommend the Listing Committee of the Stock Exchange (the “**Listing Committee**”) to cancel the listing of the Company under Practice Note 17 to the Listing Rules. The Company is of the view that the decision of the Listing Committee will detrimentally affect the interest of the Company, its shareholders and stakeholders, and therefore cannot and should not be administrative in nature and made a request to be present at the Listing Committee hearing to make an effective representation to the Listing Committee members (the “**Company’s Request**”).

On 11 June 2021, the Company received a letter (the “**Letter**”) from the Stock Exchange stating that the Listing Committee has decided to reject the Company’s Request and cancel the Company’s listing (the “**Delisting Decision**”). The Listing Committee arrived at the Delisting Decision for the following reasons:

1. based on the Stock Exchange’s reply, the property valuation gains or losses on investment properties should be included in the profit test for the purpose of Rule 8.05(1)(a) as they formed part of the Target Group’s ordinary and usual course of business; and there were no compelling reasons to grant the waiver for Rule 8.05(1)(a). The Target Group had not been substantiated to meet the eligibility requirement under Rule 8.05(1)(a) taking into account its results of the year ended 31 March 2021. Hence, the resumption proposal was no longer viable; and
2. the Listing Committee considers the Company has not taken adequate action to resubmit the New Listing Application, fulfil all the resumption conditions and resume trading as required under Rule 6.04, taking into account:
 - (i) trading in the Company’s shares has been suspended for more than 4 years and the 3rd delisting stage under Practice Note 17 to the Listing Rules has lapsed for more than 2 years. In addition, the last new listing application submitted by the Company has lapsed for over 1 year (since May 2020) but the Company has not re-submitted its new listing application concerning the resumption proposal;
 - (ii) the long stop date of the acquisition agreement/restructuring agreements relating to the resumption proposal lapsed on 15 May 2021. The parties did not agree to renew the agreements; and
 - (iii) the Company has remained unable to meet the resumption condition requiring the publication of the outstanding financial statements given the results for the interim period ended 30 June 2020 and the annual results for the year ended 31 December 2020 being unpublished.

REVIEW REQUEST OF THE DELISTING DECISION

After seeking professional advice and due consideration, on 23 June 2021, the Company has made a formal request to review the Delisting Decision by the Listing Review Committee pursuant to Chapter 2B of the Listing Rules.

Further announcement(s) in relation to material development of the aforementioned matters will be made by the Company as and when appropriate.

SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 3:17 p.m. on 15 August 2016. Trading in the Shares will continue to be suspended until further notice and full satisfaction of the resumption conditions and such other further conditions that may be imposed by the Stock Exchange.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.

For and on behalf of
CECEP COSTIN New Materials Group Limited
(In Provisional Liquidation)
Man Chun So
Yat Kit Jong
Simon Conway
Joint Provisional Liquidators
Acting as agents without personal liability

Hong Kong, 25 June 2021

As at the date of this announcement, the board of directors comprises one executive director, Ms. Yang Jian Hui and two independent non-executive Directors, Mr. Fan Tak Wah and Mr. Kelvin Kin-Cheong Ho.