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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)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by GT Group Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2)(a) and Rule 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the provisions of Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 30 March 2021, 31 March 2021, 30 April 2021, 28 May 2021, and 10 June 2021, in relation to, amongst other things, (1) delay in publication of the 2020 Annual Results and possible delay in despatch of the 2020 Annual Report, (2) suspension of trading in shares, (3) change of registered office, (4) resumption guidance, and (5) further delay in publication of the 2020 Annual Results, delay in despatch of the 2020 Annual Report and postponement of the 2021 annual general meeting (the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements.

BUSINESS OPERATIONS OF THE GROUP

The Group’s current principal businesses include (i) trading of goods (“**Trading Business**”); (ii) money lending (“**Money Lending Business**”); and (iii) brokerage and securities investment (“**Securities Business**”).

As at the date of this announcement, the Group is carrying on its normal day-to-day operations. The Group is actively exploring options and strategies to revive its business, with an aim to improve the business operation and financial position of the Group. The Group has also been using its best endeavours to expand its source of income and increase return to the Shareholders by liaising with potential business partners to seek for business and investment opportunities. As at the date of this announcement, no formal agreement has been entered into in relation to the cooperation.

As the coronavirus pandemic continues to rage on, the global economy has been severely affected. Taking this into consideration, the Group will adopt a very prudent approach in its investment strategy this year. The Group will continue to identify suitable and attractive investment opportunities for possible acquisitions and further expansion of its existing businesses.

RESUMPTION GUIDANCE

As disclosed in the Company's announcement dated 28 May 2021, the Company received a letter from the Stock Exchange containing the following resumption guidance (the "**Resumption Guidance**") for the Company to:

- (i) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules;
- (ii) publish all outstanding financial results required under the Listing Rules and address any audit modifications; and
- (iii) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position.

The Company is taking appropriate steps to resolve the issues causing its trading suspension and to fully comply with the Listing Rules to the Stock Exchange's satisfaction. The Company will use its best endeavors to keep the duration of the trading suspension to the shortest possible period.

UPDATE ON RESUMPTION PROGRESS

(i) Resumption plan

The Company is still in the process of devising its resumption plan with an aim to reform its operations and to bring its business to a sufficient and sustainable level. The resumption plan will be devised base on the following targets:

- assessment and improvement on overall business risks;

- implementation of measures to improve liquidity;
- liaison with potential investors and business partners to seek for suitable and attractive investment opportunities;
- implementation of stringent cost control measures; and
- implementation of strategies to expand its businesses in all major segments.

(ii) Actions taken since trading suspension

Since trading suspension, the actions taken, and being taken, by the Company to improve the Group's working capital, cash flow position and mitigate its liquidity pressure are summarised as follows:

- (a) in relation to the overdue loans payable and notes payable, to negotiate with loan lenders and noteholders for extension of the liabilities, debt restructuring, and viable repayment plan for the outstanding amounts due;
- (b) to demand the customers of its Money Lending Business to settle all overdue loans. Such proceeds will be applied as working capital of the Group, including repayment of outstanding debts;
- (c) to expand the Trading Business;
- (d) to seek for all possible fund-raising exercises and debt restructuring; and
- (e) to pursue efficiency initiatives to streamline its operation and achieve reduction in management and administrative costs. The Company has been implementing appropriate cost control measures such as termination of employment, salary reduction of remaining employees, and relocation to a more affordable office.

The Group will use its best endeavours to improve its financial position and strive to continue its businesses and operations as a going concern.

Further announcements will be made by the Company to update the Shareholders and potential investors on the progress of the resumption plan of the Company as and when appropriate. The Company will also announce quarterly updates as required under Rule 13.24A of the Listing Rules.

(iii) Outstanding Financial Results

As disclosed in the Company's announcements dated 30 March 2021 and 10 June 2021, the publication of the 2020 Annual Results and the despatch of the 2020 Annual Report are delayed (the "**Delay**"). The Delay is mainly due to the inability of the Company's auditor (the "**Auditor**") to obtain sufficient and appropriate audit evidence regarding some associate companies of the Company.

The audit procedure started immediately after the formal engagement with the Auditor in around mid - January 2021, and the Company has tried its best to work in accordance with the audit plan that was devised for the production of the 2020 Annual Results. The audit procedure has taken longer than initially anticipated for multiple reasons, and these reasons are still subsisting.

There is certain outstanding audit evidence of two associate companies (the "**Outstanding Evidence**"), named Multi-Fame Group Limited ("**Multi-Fame**") and China Sky Holdings Limited ("**China Sky**"), to be provided by the associate companies' auditor (the "**Associates' Auditor**"). The Outstanding Evidence includes, but is not limited to, the audited consolidated financial statements of Multi-Fame and China Sky.

The provision of the Outstanding Evidence is contingent on the assistance of these associate companies. The Company has been pro-actively working with the associate companies, the Associates' Auditor, and the Auditor, via phone calls, email correspondences and physical meetings^[sc1], to procure the provision of the Outstanding Evidence.

In addition, the audit procedure of the Group is subject to further material uncertainties which are contingent on the outcome of a number of future events.

A subsidiary (the "**Subsidiary**") of one of the associate companies (the "**Associate Company**") of the Group has been involved in multiple litigations as of 31 December 2020, and various cases are still pending final adjudication. The legal representative of the Associate Company has stated that at this moment in time, there was insufficient information to assess the impact of these litigations on the liabilities of the Subsidiary. As a result, the audit procedure of the Associate Company has been hindered by these litigations.

As of 31 December 2020, the Group has incurred considerable debts which have been overdue for a period of time. As aforementioned, the Board has been undertaking a number of measures to improve the Group's liquidity. The consolidated financial statements of the Group and the validity of which would depend on the eventual successful outcome of the measures, as adjustments to liabilities may be required, and the true impact of the measures to the Group's financial position is presently uncertain.

Accordingly, because of the above reasons, the Auditor needs more time to finish the audit procedure of the Group. It is expected that the reporting and audit process can be completed as soon as possible when the Auditor has obtained the required audit evidence. The Company will use its best endeavor and will take all necessary steps to publish the 2020 Annual Results and despatch the 2020 Annual Report as soon as practicable. The Company will inform the shareholder of material developments and the resumption progress as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in its shares on the Stock Exchange was suspended from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice. The Company will publish further announcement(s) to keep its shareholders and potential investors informed of the latest progress as and when appropriate, and will announce quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

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

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

Hong Kong, 30 June 2021

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.