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CHINA HANYA GROUP HOLDINGS LIMITED

中國瀚亞集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8312)

**DECISION OF GEM LISTING (REVIEW) COMMITTEE
AND
SUSPENSION OF TRADING**

This announcement is made by China Hanya Group Holdings Limited (the “**Company**”) pursuant to 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 of the Company dated 19 March 2018, 26 March 2018, 3 July 2018 and 11 July 2018 (collectively known as, the “**Announcements**”). Terms defined in the Announcements shall have the same meaning herein unless otherwise defined or the context otherwise required.

DECISION OF THE GEM LISTING (REVIEW) COMMITTEE

On 21 November 2018, the GEM Listing (Review) Committee (the “**Review Committee**”) conducted a review hearing, upon the application of the Company, to review the decision of the GEM Listing Committee set out in its letter dated 3 July 2018 (the “**GLC’s Decision**”). Please refer to the Company’s announcement dated 3 July 2018 for details of the GLC’s Decision.

On 7 December 2018, the Company received a letter from the Review Committee (the “**Review Committee Letter**”) setting out its decision (the “**Review Committee Decision**”) to uphold the GLC’s Decision to suspend trading in the Company’s shares under Rule 9.04 of the GEM Listing Rules and proceed with cancellation of the Company’s listing under Rule 9.14 of the GEM Listing Rules.

The Company is required to submit a resumption proposal to demonstrate that it has a sufficient level of operations or assets as required by Rule 17.26 of the GEM Listing Rules before the expiry of six months from the date of the Review Committee Letter. If the Company fails to submit a viable proposal by the expiry of six-month period, the Stock Exchange will proceed with the cancellation of the Company's listing. The Company is in the course of seeking professional advice and will use its best endeavours to submit a viable resumption proposal before the expiry of the six-month period.

REASONS FOR THE REVIEW COMMITTEE DECISION

The Company has made submissions to the Review Committee to substantiate its business model and financial projections. The Review Committee noted that the Company has been devoting its effort to strengthening the scale of its distribution business, including the recruitment of additional staff with experience in the apparel business, the participation in fashion/apparel shows and fairs to further develop its connections with market professionals and build up its global awareness, and the negotiation with various potential customers and strategic partners. However, the Review Committee was not persuaded and considered that the Company did not provide sufficient evidence to demonstrate its competitive strengths and capabilities to support the viability and sustainability of its business. In particular, the Review Committee noted, among others, the following:

- (a) the Company's distribution business in the PRC had a short operating history starting only in late 2016;
- (b) the Company's distribution of garment products business was operating in a competitive and fragmented market environment with a low gross profit margin. The Company was unable to demonstrate it possessed any unique technology or access which would allow it to make more favourable margin;
- (c) the Company did not provide a detailed concrete business plan on its distribution of household products business, which forms a bigger part of the Company's business. The Review Committee had similar concerns about the market environment of this business (as set out in (b) above); and
- (d) the Company had been loss-making in the past few years, and still incurred a loss as state in its latest fourth quarterly results announcement for the twelve months ended 30 September 2018.

As a result, the Review Committee was of the view that the Company had not demonstrated that it was operating a business of substance which was viable and sustainable. The Review Committee therefore decided to uphold the GLC's decision.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company will be suspended with effect from 9:00 a.m. on 10 December 2018.

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

Shareholders of the Company and public investors who have any queries about the implications of the Review Committee Decision are advised to obtain appropriate professional advice.

By order of the Board
China Hanya Group Holdings Limited
Lu Zhuo
Chairman

Hong Kong, 10 December 2018

As at the date of this announcement, the Board comprises Ms. Lu Zhuo and Mr. Yun Liguu as executive Directors, Ms. Yang Haibi as non-executive Director, and Mr. Leung Ka Wo, Mr. Zhang Tianbao and Mr. Christopher Francisco as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 Company Announcements” page of the GEM website (www.hkgem.com) for at least 7 days from its date of its posting and on the Company’s website at www.chinahanya.com.hk.