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中國恒泰
CHINA APEX

China Apex Group Limited
中國恒泰集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2011)

CLARIFICATION ON PROFIT ALERT ANNOUNCEMENT

References are made to (i) the announcements of China Apex Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 11 October 2021, 12 October 2021, 11 November 2021, 13 December 2021, 13 January 2022, 20 January 2022, 15 February 2022 and 24 February 2022 (the “**Announcements**”), respectively, pursuant to Rules 3.7 and 3.8 of the Code on Takeovers and Mergers (the “**Takeovers Code**”); (ii) the monthly update announcement of the Company pursuant to Rule 3.7 of the Takeovers Code dated 24 March 2022; and (iii) the profit alert announcement of the Company dated 25 March 2022 (the “**Profit Alert Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context herein requires otherwise. This clarification announcement is published in accordance with Practice Note 2 of the Takeovers Code.

The Board wishes to clarify that based on the principal reasons as set out in the Profit Alert Announcement, the updated assessment of the Group’s unaudited consolidated management accounts for the year ended 31 December 2021 and the information currently available to the Company, it is expected that the unaudited consolidated loss attributable to the owners of the Company for the year ended 31 December 2021 is expected to decrease approximately 60% (instead of 50% as disclosed in the Profit Alert Announcement) as compared with the corresponding period in 2020 (the “**Updated Assessment**”). As at the date of this announcement, the Company is still in the process of finalizing its annual results for the year ended 31 December 2021. The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group, and may be subject to final revisions and other audit adjustments on impairment of assets (if any), final share of profits/losses of associates, fair value of investment properties during the audit process.

The Board would like to clarify that the Profit Alert Announcement and the Updated Assessment are regarded as profit forecasts (the “**Profit Forecasts**”) under Rule 10 of the Takeovers Code and should have been reported on by the Company’s financial adviser and auditors or accountants in accordance with the Takeovers Code and the reports have been lodged with the Executive pursuant to Rule 10.4 of the Takeovers Code. These reports must be included in the next document to be sent to the Shareholders under Rule 10.4 of the Takeovers Code.

Since the Profit Forecasts are required to be made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong), which requires the Company to disclose any inside information as soon as practicable and given the time constraints, the Company has encountered practical difficulties in meeting the requirements set out in Rule 10.4 of the Takeovers Code. Accordingly, the Profit Forecasts do not meet the standard required by Rule 10 of the Takeovers Code. The Company acknowledges the mistake that the Profit Alert Announcement should have complied with Practice Note 2 and Rule 10 of the Takeovers Code. The Company will carefully observe and comply with all relevant requirements under the Takeovers Code and Practice Notes in the future.

Pursuant to Practice Note 2 of the Takeovers Code, the reports from the Company’s financial adviser and auditors or accountants on the Profit Forecasts are required to be included in the next document to be sent to the Shareholders. As the unaudited annual results announcement of the Company for the year ended 31 December 2021 is expected to be published on 30 March 2022 and the Company will publish the audited annual results for the year ended 31 December 2021 (the “**Audited Annual Results**”) upon completion of such reporting and audit processes as soon as practicable after they have been agreed with the Company’s auditors, which is envisaged to be prior to the despatch of any offer or response documents to the Shareholders in connection with any potential disposal of the shares of the Company (the “**Shares**”) by the Receivers, the requirement of Rule 10 of the Takeovers Code to report on the Profit Forecasts is expected to be superseded by the publication of the Audited Annual Results of the Company.

Save for the clarifications stated in this announcement, all information in the Profit Alert Announcement remains unchanged.

Shareholders and potential investors of the Company should note that the Profit Forecasts does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Forecasts in assessing whether the appointment of the Receivers will result in a change in control and whether it will lead to a mandatory general offer under Rule 26.1 of the Takeovers Code over the securities of the Company while the disposal of the Shares by the Receivers may or may not proceed.

Shareholders and potential investors of the Company should exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

By Order of the Board
China Apex Group Limited
Yip Siu Lun Dave
Chairman and Executive Director

Hong Kong, 30 March 2022

As at the date of this announcement, the executive Directors are Mr. Yip Siu Lun Dave, Mr. Qiu Chuanzhi, Mr. Mak Yung Pan Andrew and Mr. Wu, Cody Zhuo-xuan; the non-executive Director is Ms. Lin Ping; and the independent non-executive Directors are Mr. Leung Ka Tin, Mr. Cheng Hong Kei and Mr. Liew Fui Kiang.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.