SKY LIGHT HOLDINGS LIMITED
天彩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3882)

ACQUISITION OF 51% EQUITY INTERESTS IN WUHAN SHOW LIFE PROFIT GUARANTEE

This announcement is made by Sky Light Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 14.36B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Reference is made to the announcements of the Company dated 23 September 2022, 17 November 2022 and 30 November 2022 (the "**Announcements**"), respectively, in respect of the acquisition of 51% equity interests in Wuhan Show Life Convenience Store Co., Ltd.* (武漢秀生活便利店有限公司) ("**Wuhan Show Life**"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Announcements.

Pursuant to the Agreement and the Supplemental Agreement, the Vendor undertook and guaranteed to the Company that the net profit after taxation (after excluding any non-recurring gains and losses) attributable to the owners of Wuhan Show Life (the "**Net Profit**") for each of the two years ending 31 December 2023 (the "**2023 Guaranteed Net Profit**") and 31 December 2024 (the "**2024 Guaranteed Net Profit**", together with the 2023 Guaranteed Net Profit, the "**Guaranteed Net Profit**") will not be lower than RMB70,000,000 and RMB100,000,000, respectively (the "**Profit Guarantee**").

In the event that (i) any of the 2023 Guaranteed Net Profit and the 2024 Guaranteed Net Profit is less than the guaranteed amount, the number of Consideration Shares to be allotted and issued and the principal amount of the Promissory Notes to be issued will be adjusted downwards; (ii) the actual Net Profit for the year ending 31 December 2023 is less than RMB10,000,000 or the actual Net Profit for the year ending 31 December 2024 is less than RMB17,000,000, the Net Profit for the relevant financial year shall be deemed as zero for the purpose of the calculation of the Consideration Shares and the Promissory Notes; and (iii) the actual Net Profit for the two years ending 31 December 2023 and 31 December 2024, respectively, is more than the Guaranteed Net Profit, there shall not be any upwards adjustment on the Consideration, and the number of the Consideration Shares to be allotted and issued and the principal amount of the Promissory Notes to be issued shall remain the same. For further details on the Profit Guarantee, please refer to the Announcements. As disclosed in the Announcements, the

Consideration was determined after arm’s length negotiations between the Company and the Vendor with reference to, among other matters, the Guaranteed Net Profit.

According to the unaudited management account of Wuhan Show Life for the year ended 31 December 2023, Wuhan Show Life recorded a net loss after taxation (after excluding any non-recurring gains and losses) of approximately RMB64,690,000 for the year ended 31 December 2023, which represented a shortfall of RMB134,690,000 of the 2023 Guaranteed Net Profit in the amount of RMB70,000,000 for the financial year ended 31 December 2023.

The net loss of Wuhan Show Life of approximately RMB64,690,000 for the year ended 31 December 2023, was mainly due to an impairment loss of non-current assets in the amount of approximately HK$36,400,000 attributable to the retailing business through artificial intelligence (“**AI**”) vending machines as set out in the annual report of the Company for the year ended 31 December 2023. Such impairment loss included the impairment loss of (i) property, plant and equipment (which mainly included vending machines) in the amount of approximately HK$28,083,000; (ii) intangible assets with finite life in the amount of approximately HK$5,000; and (iii) right-of-use assets from the retailing business through AI vending machines (which mainly included properties and vending machines leasing related rights) in the amount of approximately HK$8,342,000, respectively, for the year ended 31 December 2023. In addition, as the retailing business through AI vending machines is still in early stage of development, the Group has incurred expenses for promotion and development of the business in 2023, including installation of additional vending machines together with inventories, optimization of the underperforming locations of the vending machines and inventories sales categories, and development and optimization of the intelligent management system for the vending machines. However, as the domestic consumer market in the Mainland China was weak in 2023 and the Group's retailing business through AI vending machines has been facing severe competition from various online and on-demand delivery platforms, the performance of Wuhan Show Life thus did not meet the expectations.

The Board, having considered the above unaudited financial information of Wuhan Show Life for the year ended 31 December 2023, is of the view that, the Vendor did not meet the 2023 Guaranteed Net Profit of RMB70,000,000 and did not fulfilled its obligations under the Profit Guarantee for the year ended 31 December 2023 under the Agreement and the Supplemental Agreement.

As Wuhan Show Life recorded a net loss after taxation for the year ended 31 December 2023 of approximately RMB64,690,000 (lower than a net profit of RMB10,000,000), the Company is not obliged to pay the first batch Consideration by way of allotment and issue of the First Batch Consideration Shares and issue of the First Promissory Notes under the Agreement and the Supplemental Agreement. Accordingly, neither the First Batch Consideration Shares nor the First Promissory Notes were issued to the Vendor on the First Allotment Date. Save as the above, the Vendor does not incur any liabilities in respect of the failure to achieve the 2023 Guaranteed Net Profit.

Under the Agreement and the Supplemental Agreement, there is no other performance related guarantee save as the Profit Guarantee nor any put option or other similar rights under the terms of the Profit Guarantee available to the Company. For the avoidance of doubt, whether the 2024 Guaranteed Net Profit can be wholly or partially achieved, and thus, whether any of the Second Batch Consideration Shares or any of the Second Promissory Note will be issued, is dependent on the audited financial results of Wuhan Show Life for the year ending 31 December 2024.

By order of the Board
Sky Light Holdings Limited
Tang Wing Fong Terry
Chairman

Hong Kong, 10 July 2024

As at the date of this announcement, the executive Directors are Mr. Tang Wing Fong Terry and Mr. Shan Chuanlong; and the independent non-executive Directors are Mr. Wong Wai Ming, Ms. Lo Wan Man and Mr. Lau Wai Leung Alfred.