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天禧海嘉控股集團有限公司

SKY CHINA FORTUNE HOLDINGS GROUP LIMITED

LISTED ON THE STOCK EXCHANGE OF HONG KONG (STOCK CODE: 141)

(Incorporated in Hong Kong with limited liability)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by Sky Chinafortune Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 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 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 5 October 2021, 30 November 2021 and 28 February 2022 (the “**Announcements**”) in relation to, among other things, the guidance for the resumption of trading in the Shares set by the Stock Exchange (the “**Resumption Guidance**”) and the quarterly updates on the resumption progress, respectively. Unless otherwise specified, capitalised terms used in this announcement have the same meanings as defined in the Announcements.

Since the publication of the Announcements, the Company continued to work on the resumption of trading in the Shares and has been communicating with professional advisers of the Group to examine and consider different alternatives available to the Company in preparing a feasible resumption proposal to address matters set out in the Resumption Guidance. Further announcement(s) in relation to material developments of the Group will be made as and when appropriate pursuant to the applicable Listing Rules.

BUSINESS OPERATIONS

The Company is an investment holding company and its subsidiaries are principally engaged in (i) investment property business; (ii) trading of properties; (iii) property related services business; and (iv) retail business in the PRC.

Since the previous quarterly update announcement of the Company dated 28 February 2022, the Board has continued to work towards the fulfilment of the requirements as set out under the Resumption Guidance. However, business activities of the Group in the PRC have been temporarily and adversely affected due to the development and knock-on effects of the COVID outbreak in the PRC. Nonetheless, the Board remains committed to improving the long-term financial performance and business operations of the Group over time.

In March 2022, with a view to manage and contain the local COVID outbreak reported in parts of Shanghai, the PRC, containment measures (the “**Containment Measures**”) were introduced, including, among others, the lockdown of micro-districts* (小區) with positive COVID cases and movement restrictions in parts of Shanghai. As the number of COVID cases reported in Shanghai increased, Containment Measures were subsequently introduced throughout the city of Shanghai.

In or around late April 2022, the PRC government published a whitelist of corporations, which are allowed to resume their operations, subject to conditions. However, as at 27 May 2022, being the latest practicable date to ascertain certain information in this announcement, the retail operations of the Group in Shanghai remained temporarily suspended and properties leased out by the Group in Shanghai are located in areas with movement restrictions, subject to further publications and/or instructions from the relevant authorities. The Board will continue to monitor the situation and make further announcement(s) in accordance with the Listing Rules as and when appropriate.

In this connection, the Board shall continue to review and, where necessary, modify its business strategies to adjust the Group’s businesses to the evolving operating environment and, where considered appropriate, modify, downscale or cease certain operations of the Group with an aim to improve the Group’s overall financial performance. As set out in the annual report for the year ended 31 December 2021, the Board had decided to close down all the convenience stores and retail food stores in Shanghai and Anshan by the second half of 2022 with the aim to control and where possible, cease the loss making part of the retail business.

In relation to the Resumption Guidance, the Company is exploring different means to satisfy the resumption conditions, including, among others, adoption of measures to improve and strengthen the business capabilities of the Group as well as seeking potential new business opportunities with a view to broaden its income base, enhance its long-term growth potential and further improve the overall financial performance of the Group.

As at the date of this announcement, no definitive agreement in relation to any acquisition and/or disposal which constitutes a notifiable transaction has been entered into by the Company, and the aforesaid strategies may or may not lead to any notifiable transactions, and there is no certainty that any definitive agreement will be reached. The Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

Lastly, following the resignation of Mr. HU Jianxing on 31 March 2022, the Company is in the process of identifying suitable candidate(s) to fill the vacancy of the independent non-executive Director and the membership of the audit committee of the Company. The Company will use its best endeavours to ensure that a suitable candidate is appointed as soon as practicable in order to ensure compliance with the relevant Listing Rules. Further announcement(s) will be made by the Company as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Thursday, 2 September 2021 and will remain suspended until the Company fulfils the Resumption Guidance.

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 with the Shares.

On behalf of the Board
Sky Chinafortune Holdings Group Limited
Mr. JIANG Tian
Chairman of the Board

Hong Kong, 31 May 2022

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. JIANG Tian, Ms. HOU Yingxuan, Mr. GONG Biao and Ms. JIANG Jiabao; one non-executive Director, namely, Mr. CHAI Yuet; and two independent non-executive Directors, namely, Mr. TSEUNG Yuk Hei Kenneth and Mr. JI Qing.

* *For identification purposes only*