

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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)*

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR  
THE SIX MONTHS ENDED 30 JUNE 2022  
AND  
SUPPLEMENTAL INFORMATION IN RELATION  
TO THE 2021 ANNUAL REPORT**

The board (the “**Board**”) of directors (the “**Directors**”) of Sky Chinafortune Holdings Group Limited (the “**Company**”) announces the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2022 (the “**Period**”), together with the comparative figures for the corresponding period in 2021 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS***For the six months ended 30 June 2022 — unaudited**(Expressed in Hong Kong dollars (“HK\$”))*

		<b>Six months ended 30 June</b>	
		<b>2022</b>	<b>2021</b>
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	5	<b>18,644</b>	22,103
Cost of sales		<b>(5,910)</b>	(9,534)
<b>Gross profit</b>		<b>12,734</b>	12,569
Other net income		<b>1,580</b>	503
Net valuation (loss)/gain on investment properties	9	<b>(32,662)</b>	13,742
Administrative expenses		<b>(9,691)</b>	(12,607)
Selling and distribution expenses		<b>(2,324)</b>	(6,757)
Provision for expected credit loss allowance for financial assets		<b>(904)</b>	—
<b>(Loss)/profit from operations</b>		<b>(31,267)</b>	7,450
Finance costs	6(a)	<b>(39)</b>	(618)
<b>(Loss)/profit before taxation</b>	6(b)	<b>(31,306)</b>	6,832
Income tax	7	<b>4,165</b>	(4,460)
<b>(Loss)/profit for the period</b>		<b>(27,141)</b>	2,372
<b>(Loss)/profit attributable to</b>			
— Equity shareholders of the Company		<b>(26,878)</b>	3,177
— Non-controlling interests		<b>(263)</b>	(805)
<b>(Loss)/profit for the period</b>		<b>(27,141)</b>	2,372
<b>(Loss)/earnings per share</b>	8		
— Basic and diluted ( <i>HK cents</i> )		<b>(7.78)</b>	0.92

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022 — unaudited

(Expressed in HK\$)

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
<b>(Loss)/profit for the period</b>	<b>(27,141)</b>	<b>2,372</b>
<b>Other comprehensive income for the period (after tax and reclassification adjustments):</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
— Exchange differences on translation of financial statements of operations in foreign jurisdictions	<u>(25,254)</u>	<u>4,592</u>
<b>Total comprehensive income for the period</b>	<b><u>(52,395)</u></b>	<b><u>6,964</u></b>
<b>Attributable to:</b>		
— Equity shareholders of the Company	<b>(52,159)</b>	7,761
— Non-controlling interests	<u>(236)</u>	<u>(797)</u>
<b>Total comprehensive income for the period</b>	<b><u>(52,395)</u></b>	<b><u>6,964</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022 — unaudited

(Expressed in HK\$)

		At 30 June 2022 HK\$'000	At 31 December 2021 HK\$'000
	<i>Note</i>		
<b>Non-current assets</b>			
Investment properties	<i>9</i>	<b>558,605</b>	617,010
Property, plant and equipment	<i>10</i>	<b>5,847</b>	6,544
Right-of-use assets	<i>11</i>	<b>1,627</b>	2,499
Intangible assets		<b>47</b>	51
Trademarks		<b>103</b>	115
Trade and other receivables, prepayments and deposits	<i>12</i>	<b>24,712</b>	13,159
		<b>590,941</b>	639,378
<b>Current assets</b>			
Properties held for sale		<b>1,246</b>	1,302
Inventories		<b>5,513</b>	8,513
Trade and other receivables, prepayments and deposits	<i>12</i>	<b>8,823</b>	3,786
Short-term bank deposits		<b>40,515</b>	49,565
Bank balances and cash		<b>10,329</b>	21,130
		<b>66,426</b>	84,296

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)***As at 30 June 2022 — unaudited**(Expressed in HK\$)*

		At 30 June 2022 <i>HK\$'000</i>	At 31 December 2021 <i>HK\$'000</i>
	<i>Note</i>		
<b>Current liabilities</b>			
Trade and other payables and accrued expenses	<i>13</i>	25,947	29,935
Rental deposits received		56	59
Lease liabilities		1,293	2,359
Tax payable		320	9
		<u>27,616</u>	<u>32,362</u>
<b>Net current assets</b>		<u>38,810</u>	<u>51,934</u>
<b>Total assets less current liabilities</b>		<u>629,751</u>	<u>691,312</u>
<b>Non-current liabilities</b>			
Rental deposits received		4,687	4,896
Lease liabilities		464	856
Deferred tax liabilities		82,371	90,936
		<u>87,522</u>	<u>96,688</u>
<b>NET ASSETS</b>		<u>542,229</u>	<u>594,624</u>
<b>Capital and Reserves</b>			
Share capital	<i>14</i>	193,246	193,246
Reserves		349,690	401,849
<b>Total equity attributable to equity shareholders of the Company</b>		542,936	595,095
<b>Non-controlling interests</b>		<u>(707)</u>	<u>(471)</u>
<b>TOTAL EQUITY</b>		<u>542,229</u>	<u>594,624</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022 — unaudited

(Expressed in HK\$)

	Attributable to equity shareholders of the Company					Non-controlling interests	Total equity
	Share capital	Exchange reserve	Statutory reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Balance at 1 January 2021</b>	193,246	96,853	152	329,302	619,553	833	620,386
<b>Changes in equity for the six months ended 30 June 2021:</b>							
Profit for the period	—	—	—	3,177	3,177	(805)	2,372
Other comprehensive income	—	4,584	—	—	4,584	8	4,592
Total comprehensive income	—	4,584	—	3,177	7,761	(797)	6,964
Acquisition of additional interests in a subsidiary	—	5	—	(81)	(76)	76	—
<b>Balance at 30 June 2021</b>	<u>193,246</u>	<u>101,442</u>	<u>152</u>	<u>332,398</u>	<u>627,238</u>	<u>112</u>	<u>627,350</u>
	Attributable to equity shareholders of the Company					Non-controlling interests	Total equity
	Share capital	Exchange reserve	Statutory reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Balance at 1 January 2022</b>	193,246	112,247	217	289,385	595,095	(471)	594,624
<b>Changes in equity for the six months ended 30 June 2022:</b>							
Loss for the period	—	—	—	(26,878)	(26,878)	(263)	(27,141)
Other comprehensive income	—	(25,281)	—	—	(25,281)	27	(25,254)
Total comprehensive income	—	(25,281)	—	(26,878)	(52,159)	(236)	(52,395)
<b>Balance at 30 June 2022</b>	<u>193,246</u>	<u>86,966</u>	<u>217</u>	<u>262,507</u>	<u>542,936</u>	<u>(707)</u>	<u>542,229</u>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2022 — unaudited

(Expressed in HK\$)

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
<b>Operating activities</b>		
Net cash used in operating activities	<u>(7,130)</u>	<u>(2,354)</u>
<b>Investing activities</b>		
Deposit paid for investment properties	(10,325)	—
Purchase of property, plant and equipment	(10)	(4,884)
Others	<u>270</u>	<u>141</u>
Net cash used in investing activities	<u>(10,065)</u>	<u>(4,743)</u>
<b>Financing activities</b>		
Capital element of lease rentals paid	(992)	(2,847)
Interest element of lease rentals paid	<u>(34)</u>	<u>(626)</u>
Net cash used in financing activities	<u>(1,026)</u>	<u>(3,473)</u>
Net decrease in cash and cash equivalents	(18,221)	(10,570)
Cash and cash equivalents at 1 January	70,695	98,030
Effect of foreign exchange rates changes	<u>(1,630)</u>	<u>457</u>
Cash and cash equivalents at 30 June	<u><u>50,844</u></u>	<u><u>87,917</u></u>
<b>Analysis of balances of cash and cash equivalents</b>		
Bank balances and cash	10,329	28,163
Short-term bank deposits	<u>40,515</u>	<u>59,754</u>
	<u><u>50,844</u></u>	<u><u>87,917</u></u>

## NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

*(Expressed in HK\$ unless otherwise indicated)*

### 1 GENERAL INFORMATION

Sky Chinafortune Holdings Group Limited (the “**Company**”) is a limited liability company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The trading of shares has been suspended since 2 September 2021. The address of the registered office and principal place of business of the Company is Room 1512, 15/F, New World Tower 1, 16–18 Queen’s Road Central, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in property investment and the retail business in the People’s Republic of China (the “**PRC**”). The Company and its subsidiaries are collectively referred to as the “**Group**”.

The functional currency of the Company is Hong Kong dollars (“**HK\$**”) and the functional currency of its operations in the PRC is Renminbi (“**RMB**”). The consolidated financial statements are presented in HK\$.

### 2 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It was authorised for issue on 30 August 2022.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The financial information relating to the financial year ended 31 December 2021 that is included in the interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Companies Ordinance**") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report (i) was unqualified; (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and (iii) did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

### **3 CHANGES IN ACCOUNTING POLICIES**

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to HKAS37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*
- Amendments to HKFRS 3, *Reference to the Conceptual Framework*
- Annual Improvements to HKFRSs 2018–2020 Cycle

None of these developments have had a material effect on how the Group's results and financial position for the current period have been prepared or presented in this interim financial information. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

#### 4 SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision-makers, for the purpose of resource allocation and assessment of segment performance focuses on the operating divisions of the Group.

The executive directors of the Company have identified the following reportable segments for the Group's operating segments. These segments are managed separately as each business offers different services and requires different business strategies.

- (1) Property investment — leasing of properties situated in the PRC
- (2) Trading of properties and property related services — sale of properties situated in the PRC, including the short-term leasing of properties held for sale and the provision of property related services in the PRC. Due to the ongoing less than desirable financial performance, the Company did not renew the property management agreements for the provision of property related services upon their expiry on 31 May 2022.
- (3) Retail business — sale of Chinese liquor and wine, everyday items and ready-cooked food in the PRC

The accounting policies of the reportable segments are the same as the Group's accounting policies. There were no inter-segment sales between different operating segments for the six months ended 30 June 2022 (the “**Period**”) (six months ended 30 June 2021: Nil). Segment revenue represents revenue from external customers. Segment profit or loss after tax represents net profit earned or loss incurred by each reportable segment without allocation of income and expenses of the Group's headquarters, corporate income and expenses, unallocated finance costs and unallocated income tax expenses.

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than the Group's headquarters' corporate assets; and
- all liabilities are allocated to reportable segments other than the Group's headquarters' corporate liabilities.

## Segment revenue and results

Information regarding the above segments is reported below:

	Property investment <i>HK\$'000</i>	Trading of properties and property related services <i>HK\$'000</i>	Retail business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>For the six months ended 30 June 2022</b>				
Reportable segment revenue	<u>13,624</u>	<u>1,560</u>	<u>3,460</u>	<u>18,644</u>
Reportable segment (loss)/profit after tax	<u>(18,415)</u>	<u>20</u>	<u>(4,314)</u>	<u>(22,709)</u>
Net corporate expenses				(4,394)
Unallocated finance costs				(34)
Unallocated tax expenses				<u>(4)</u>
Loss for the period				<u><u>(27,141)</u></u>
	Property investment <i>HK\$'000</i>	Trading of properties and property related services <i>HK\$'000</i>	Retail business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>For the six months ended 30 June 2021</b>				
Reportable segment revenue	<u>13,079</u>	<u>1,851</u>	<u>7,173</u>	<u>22,103</u>
Reportable segment profit/(loss) after tax	<u>19,482</u>	<u>174</u>	<u>(10,644)</u>	9,012
Net corporate expenses				(6,595)
Unallocated finance costs				<u>(45)</u>
Profit for the period				<u><u>2,372</u></u>

## Segment assets and liabilities

	Property investment <i>HK\$'000</i>	Trading of properties and property related services <i>HK\$'000</i>	Retail business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>At 30 June 2022</b>				
Reportable segment assets	591,117	2,690	9,833	603,640
Unallocated corporate assets				<u>53,727</u>
Consolidated total assets				<u><u>657,367</u></u>
Reportable segment liabilities	93,334	16,190	2,801	112,325
Unallocated corporate liabilities				<u>2,813</u>
Consolidated total liabilities				<u><u>115,138</u></u>
	Property investment <i>HK\$'000</i>	Trading of properties and property related services <i>HK\$'000</i>	Retail business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>At 31 December 2021</b>				
Reportable segment assets	636,447	2,944	20,763	660,154
Unallocated corporate assets				<u>63,520</u>
Consolidated total assets				<u><u>723,674</u></u>
Reportable segment liabilities	101,812	17,081	4,880	123,773
Unallocated corporate liabilities				<u>5,277</u>
Consolidated total liabilities				<u><u>129,050</u></u>

Unallocated corporate assets mainly comprised of right-of-use assets and property, plant and equipment which are used by the Group's headquarters, trademarks, certain bank balances and cash and short-term bank deposits which are held as the general working capital of the Group as a whole and other corporate assets of the Group's headquarters which are not directly attributable to the business activities of any operating segment.

Unallocated corporate liabilities mainly comprised of corporate liabilities of the Group's headquarters which are not directly attributable to the business activities of any operating segment.

## Geographical information

As the Group does not have material operations outside the PRC, no geographic segment information is presented.

## 5 REVENUE

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
<b>Rental revenue:</b>		
Shops	12,047	11,587
Residential	1,294	1,249
Car parking spaces	307	262
	<u>13,648</u>	<u>13,098</u>
	-----	-----
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Retail sales	3,460	7,173
Property related services	1,536	1,832
	<u>18,644</u>	<u>22,103</u>
	=====	=====

The Group's customer base includes one (six months ended 30 June 2021: one) customer with whom transactions have exceeded 10% of the Group's revenue. During the Period, revenue from rental income received from the one (six months ended 30 June 2021: one) customer in the "Property investment" segment, amounted to approximately HK\$8,144,000 (six months ended 30 June 2021: approximately HK\$7,436,000).

## 6 (LOSS)/PROFIT BEFORE TAXATION

### (a) Finance costs

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Interest on leases liabilities	<u>39</u>	<u>618</u>
	=====	=====

(b) (Loss)/profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Amortisation of trademarks	10	10
Amortisation of intangible assets	2	70
Depreciation charge		
— owned property, plant and equipment	444	1,135
— right-of-use assets	840	3,168
Expected credit loss allowance for financial assets	904	—
Interest income	(254)	(249)
Government subsidy	(112)	—
Exchange (gain)/loss, net	(1,233)	56
Staff costs (including directors' emoluments)	9,465	9,762
Cost of inventories recognised as expenses included in cost of sales	3,879	6,873
Short-term leases charges	585	449
	<u>          </u>	<u>          </u>
Gross rental income	(13,648)	(13,098)
Less: direct operating expenses	912	1,410
	<u>          </u>	<u>          </u>
Net rental income	<u>(12,736)</u>	<u>(11,688)</u>

7 INCOME TAX

Taxation (credited)/charged to profit or loss:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Current tax — PRC tax	605	1,022
Deferred tax	(4,770)	3,438
	<u>          </u>	<u>          </u>
	<u>(4,165)</u>	<u>4,460</u>

In March 2018, the Hong Kong Government introduced a two-tiered profits tax rate regime by enacting the Inland Revenue (Amendment) (No. 3) Ordinance 2018 (the “**Ordinance**”). Under the two-tiered profits tax rate regime, the first HK\$2,000,000 of assessable profits of qualifying corporations is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

No provision was made for Hong Kong Profits Tax as the Group did not generate any assessable profits arising in Hong Kong during the Period and the six months ended 30 June 2021, respectively.

Under the law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the PRC subsidiaries are subject to an Enterprise Income Tax rate of 25%.

Income tax arising from certain Hong Kong subsidiaries' operations in the PRC is calculated at a tax rate of 10% (six months ended 30 June 2021: 10%) on the rental income earned by these Hong Kong subsidiaries for the Period.

## **8 (LOSS)/EARNINGS PER SHARE**

The calculation of the basic and diluted (loss)/earnings per share is based on the following data:

The calculation of basic (loss)/earnings per share is based on the loss attributable to the ordinary equity shareholders of the Company of approximately HK\$26,878,000 (six months ended 30 June 2021: profit of approximately HK\$3,177,000) and the weighted average of 345,374,910 ordinary shares (six months ended 30 June 2021: 345,374,910 ordinary shares) in issue during the Period.

There was no difference between the basic and diluted (loss)/earnings per share as there were no dilutive potential shares outstanding for the periods presented.

## **9 INVESTMENT PROPERTIES**

The valuations of investment properties carried at fair value were performed by the Group's independent valuer, Asset Appraisal Limited, using the same valuation techniques as were used by this valuer when carrying out the valuation for the year ended 31 December 2021. A net loss of approximately HK\$32,662,000 has been recognised in profit or loss for the Period in respect of investment properties (six months ended 30 June 2021: gain of approximately HK\$13,742,000).

## **10 PROPERTY, PLANT AND EQUIPMENT**

During the Period, the Group acquired property, plant and equipment at a cost of approximately HK\$10,000 (six months ended 30 June 2021: approximately HK\$4,884,000).

## **11 RIGHT-OF-USE ASSETS**

During the Period, the Group did not enter any lease agreements. For the six months ended 30 June 2021, the Group entered into various lease agreements for use of retail stores and office premises and therefore recognised the additions to right-of-use assets of approximately HK\$5,970,000.

The leases of retail stores contain fixed payment terms. During the Period and six months ended 30 June 2021, no rent concessions in the form of a discount on fixed payments was received by the Group.

## 12 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

As at the end of the Period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance is as follows:

	At 30 June 2022 <i>HK\$'000</i>	At 31 December 2021 <i>HK\$'000</i>
0–30 days	2,558	1,248
31–60 days	655	—
61–90 days	163	—
91–120 days	2,383	—
Over 120 days	1,212	—
	<hr/>	<hr/>
Trade receivables	6,971	1,248
Less: expected credit loss	(904)	—
	<hr/>	<hr/>
	6,067	1,248
Accrued lease receivables	15,436	12,933
Prepayments, deposits and other receivables	12,032	2,764
	<hr/>	<hr/>
Carrying amount	33,535	16,945
Less: current portion	(8,823)	(3,786)
	<hr/>	<hr/>
Non-current portion	24,712	13,159
	<hr/> <hr/>	<hr/> <hr/>

The Group primarily offers an average credit period ranging from 0 to 30 days to its retail business customers (2021: 0 to 30 days).

A refundable deposit of approximately HK\$10,048,000 was paid for a possible acquisition of certain investment properties in Anshan, the PRC.

Trade receivables represent the lease receivables due for payment from tenants according to the payment schedule stated in the rental agreement. Rents from leasing of properties are normally received in advance without credit terms to tenants. At 30 June 2022, trade receivables of approximately HK\$4,413,000 (31 December 2021: Nil) were past due.

Provision for expected credit loss allowance was assessed and adequately made on a tenant-by-tenant basis, based on the historical default experience and forward-looking information that may impact the tenants' ability to repay the outstanding balances.

Apart from the balance of non-current portion expected to be recovered or recognised as expense after more than one year, all other trade and other receivables, prepayments and deposits are expected to be recovered or recognised as expense within one year.

### 13 TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES

	At 30 June 2022 <i>HK\$'000</i>	At 31 December 2021 <i>HK\$'000</i>
Trade payables	65	584
Other payables and accrued expenses	<u>25,882</u>	<u>29,351</u>
	<u>25,947</u>	<u>29,935</u>

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

The ageing analysis of trade payables, based on invoice dates, as of the end of the Period is as follows:

	At 30 June 2022 <i>HK\$'000</i>	At 31 December 2021 <i>HK\$'000</i>
0–30 days	<u>65</u>	<u>584</u>

### 14 CAPITAL, RESERVES AND DIVIDENDS

#### (a) Dividends

##### *Interim dividends*

No interim dividend was declared and paid for the Period (six months ended 30 June 2021: Nil).

#### (b) Share capital

	At 30 June 2022		At 31 December 2021	
	Number of shares	Amounts HK\$'000	Number of shares	Amounts HK\$'000
Ordinary shares, issued and fully paid	<u>345,374,910</u>	<u>193,246</u>	<u>345,374,910</u>	<u>193,246</u>

## 15 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### (a) Financial assets and liabilities measured at fair value

At 30 June 2022 and 31 December 2021, the Group did not have any financial assets or liabilities measured at fair value.

### (b) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair value as at 31 December 2021 and 30 June 2022.

## 16 COMMITMENTS

At 30 June 2022 and 31 December 2021, the Group had no capital commitment.

## 17 RELATED PARTY TRANSACTIONS

### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group was as follows:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Fees, salaries, other benefits and retirement benefit costs	<u>2,328</u>	<u>2,538</u>

Total remuneration was included in "staff costs" (see note 6(b)).

### (b) Other related party transactions

#### (i) Significant related party transactions

During the Period, the Group entered into transactions with the following related party:

Name of a party	Nature of transaction	Six months ended 30 June	
		2022	2021
		HK\$'000	HK\$'000
Sky Fortune Boutique Hotel	Short-term rental paid	356	369
Shanghai (Note (a))	Staff messing	15	26
	Retail sales	<u>282</u>	<u>368</u>

**(ii) Balance with a related party**

As at 30 June 2022, the Group had the following balance with a related party:

	At 30 June 2022 <i>HK\$'000</i>	At 31 December 2021 <i>HK\$'000</i>
Amount due from Sky Fortune Boutique Hotel Shanghai	510	296
Lease liabilities	<u>700</u>	<u>850</u>

**18 IMMEDIATE AND ULTIMATE CONTROLLING PARTY**

At 30 June 2022, the directors of the Company consider the immediate parent of the Group to be Hopevision Group Ltd., a company which was incorporated in Seychelles and the ultimate controlling party of the Group is Mr. JIANG Tian.

**19 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE PERIOD**

A number of amendments and new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted. The Group has not early adopted any new or amended standards in preparing this interim financial information. These standards are not expected to have a material impact on the Group's consolidated financial statements.

**20 IMPACT OF COVID-19 PANDEMIC**

The outbreak of the COVID-19 pandemic since December 2019 has brought additional uncertainties to the Group's operating environment and has temporarily impacted the Group's operations and financial position.

The Group has been closely monitoring the impact on the developments of the Group's business and has put in place contingency measures. The contingency measure includes offering one to two months rent relief to several tenants, and the amount of rental concession was determined on a case-by-case basis during the Period. The Group will keep the contingency measures under review as the situation evolves.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Market Overview

During the Period, the international market environment became increasingly complicated while pandemic conditions resurged and emerged across the PRC, which brought greater downward pressure on the PRC's economic development.

Due to the new wave of the COVID pandemic in March 2022 which resulted in a mandatory lockdown in Shanghai, the PRC, being a principal operating base for the Group, and various containment measures being adopted in response to the COVID pandemic, the operating environment for the retail sectors have been affected, which led to notable underperformance of the retail store operations of the Group.

During the Period, the overall revenue and financial results of the Group were principally derived from its rental income generated from its investment properties in the PRC, the performance of which suffered as certain tenants have not paid rent due to the difficult operating environment, including tenants located in Shanghai, the PRC, where most of the properties of the Group are located.

Despite working under an overall challenging operating environment and against the backdrop of the ongoing development of the COVID pandemic during the Period, the Board has navigated through difficulties and risen above challenges during the Period. With the support of the shareholders (the “**Shareholders**”) and the management of the Company, the Board will continue to focus on the tasks at hand, remain fully committed to the continuous development of the Group's businesses and will continue to dedicate themselves to enhancing long-term Shareholders value.

### Financial Review

Revenue of the Group for the Period decreased by approximately HK\$3.46 million to approximately HK\$18.64 million (six months ended 30 June 2021: approximately HK\$22.10 million). The decrease in retail sales generated from the retail business was mainly due to the impact from the ongoing development and knock on effects of the COVID pandemic, which have caused temporary and adverse effects on the Group's operating environment in the PRC as described above.

Our gross profit was approximately HK\$12.73 million (six months ended 30 June 2021: approximately HK\$12.57 million) for the Period, while gross profit margin was approximately 68.30% (six months ended 30 June 2021: approximately 56.87%). The gross profit margin had increased as compared with the corresponding period in 2021 due to the decrease in scale, or cessation, of the operation of loss-making convenience stores and retail food stores (which recorded substantially lower gross profit margins) during the Period.

Other net income was approximately HK\$1.58 million for the Period, while that for the corresponding period in 2021 was approximately HK\$0.50 million. Such increase was mainly due to the one-off subsidy received from the Government of the HKSAR and the one-off value-added-tax refund received from the authorities in Anshan, the PRC, in response to the COVID pandemic for the Period.

Administrative expenses mainly comprised of salaries and benefits including Directors' emoluments, depreciation of property, plant and equipment, depreciation charge of right-of-use assets, short-term rental expenses, legal and professional expenses and other office expenses. Administrative expenses for the Period and the six months ended 30 June 2021 were approximately HK\$9.69 million and HK\$12.61 million, respectively, representing a decrease of approximately HK\$2.92 million for the Period. Such decrease was mainly due to the closure of certain convenience stores and retail food stores in Shanghai, the PRC, during the Period.

Selling and distribution expenses mainly comprised of salaries and benefits of the operation staff, depreciation of property, plant and equipment and depreciation charge of right-of-use assets for the retail business. Selling and distribution expenses for the Period and the six months ended 30 June 2021 were approximately HK\$2.32 million and HK\$6.76 million, respectively, representing a decrease of approximately HK\$4.44 million for the Period. Such decrease was mainly due to the closure of certain convenience stores and retail food stores in Shanghai, the PRC, during the Period.

Loss for the Period attributable to owners of the Company amounted to approximately HK\$26.88 million (six months ended 30 June 2021: profit of approximately HK\$3.18 million). The turn from profit to loss for the Period was mainly attributable to (i) the impact from the ongoing development and knock on effects of the COVID pandemic, which have caused temporary and adverse effects on the Group's operating environment in the PRC; (ii) the net valuation loss on the investment properties held by the Group as a whole of approximately HK\$32.66 million; and (iii) the increase in provision of doubtful debts on account receivables, for which the Group had encountered delays in rental collection from certain tenants.

Basic and diluted loss per share of the Company (the "Share") for the Period were HK7.78 cents (six months ended 30 June 2021: earnings per Share were HK0.92 cents).

## **Business Review**

### ***Property Investment***

Due to the ongoing development of the COVID pandemic and the related containment measures in the PRC, in particular, the lockdown in Shanghai, the PRC, during the months of April and May 2022 which impacted the businesses of the Group's tenants and consequently, the Group has encountered delays in rental collection from certain tenants.

### ***Residential Premises***

For the Period, the Group generated revenue of approximately HK\$1.27 million (six months ended 30 June 2021: approximately HK\$1.23 million) from the leasing of residential premises. The average occupancy rate per unit was approximately 93.33% for the Period (six months ended 30 June 2021: approximately 91.11%). The occupancy rate per unit as at 30 June 2022 was approximately 93.33% (as at 30 June 2021: 93.33%). As at 30 June 2022, 15 residential premises (as at 30 June 2021: 15 residential premises) were classified as investment properties, which were valued by an independent professional valuer. These investment properties are primarily located in Shanghai and Hainan, the PRC. The fair value loss on investment properties was approximately HK\$4.26 million for the Period (six months ended 30 June 2021: fair value gain of approximately HK\$13.31 million).

### ***Shops and Car Parks***

For the Period, the Group generated revenue of approximately HK\$12.35 million (six months ended 30 June 2021: approximately HK\$11.85 million) from the leasing of shops and car parks. The average occupancy rate per unit was approximately 100% for the Period (six months ended 30 June 2021: approximately 100%). As at 30 June 2022, all shops and car parks were classified as investment properties, which were valued by an independent professional valuer. The fair value loss on investment properties was recorded at approximately HK\$28.40 million for the Period (six months ended 30 June 2021: fair value gain of approximately HK\$0.43 million).

The Group intends to enlarge its investment portfolio and diversify its risk by holding a mixed portfolio of investment properties by seeking opportunities to acquire quality investment properties. As such, during the Period, the Group had entered into a non-legally binding letter of intent relating to a possible acquisition of certain properties in the PRC, which may or may not proceed at the sole discretion of the Company, and a refundable deposit of approximately HK\$10.05 million has been paid accordingly.

### ***Trading of Properties and Property Related Services***

During the Period, the Group generated revenue of approximately HK\$1.56 million (six months ended 30 June 2021: approximately HK\$1.85 million) and recorded a profit after tax of approximately HK\$0.02 million (six months ended 30 June 2021: approximately HK\$0.17 million) for this segment.

#### ***Trading of Properties***

For the Period, the Group generated revenue of approximately HK\$0.02 million (six months ended 30 June 2021: approximately HK\$0.02 million) from leasing residential property held for sale on a short term basis, which was located in Shanghai, the PRC. The average occupancy rate per unit was approximately 50.00% for the Period (six months ended 30 June 2021: 33.33%). As at 30 June 2022, 1 residential premise was located in Shanghai, the PRC (as at 30 June 2021: 1 residential premise) and was classified as property held for sale, which was measured at the lower of cost and net realisable value.

#### ***Property Related Services***

During the Period, the Group generated revenue of approximately HK\$1.54 million (six months ended 30 June 2021: approximately HK\$1.83 million). Due to the ongoing less than desirable financial performance, the Company did not renew the property management agreements for the provision of property related services in Anshan, the PRC, upon their expiry on 31 May 2022.

#### ***Retail Business***

During the Period, the retail business of the Group was faced with a challenging business environment in the PRC and the ongoing development and knock-on effects of the COVID pandemic. Customer traffic has experienced a decrease and the level of retail business activities have been affected. With the recent closure of a majority of its loss-making retail stores, the Group has further streamlined its cost structure with a view to maintain overall business and cost efficiencies.

During the Period, the retail business generated revenue and losses after tax of approximately HK\$3.46 million (six months ended 30 June 2021: approximately HK\$7.17 million) and HK\$4.31 million (six months ended 30 June 2021: approximately HK\$10.64 million) for the Period, respectively. The Group believes losses would persist in the foreseeable future if the Group were to press ahead with the continued development of its retail business under the current business model. As such, after detailed assessment and much deliberation, the Board had decided to close down all the convenience stores and retail food stores in Shanghai and Anshan, the PRC, by the

second half of 2022 to cease the loss making part of the retail business. As the operating environment continues to evolve, the Board shall monitor and actively manage the development of the Group's retail business and reassess its strategy accordingly.

### **Regional Information**

As the Group did not have material operations outside the PRC during the Period, no geographic segment information is presented.

### **Prospects**

Looking forward, the Board appreciates the fact that overcoming the challenges to both the domestic and global economies will not be immediate nor straightforward, hence no effort will be spared in monitoring and proactively managing the challenges ahead. With the Group's proactive business management, barring unforeseen circumstances, the Board is cautiously optimistic that the Group's businesses will improve over time and the Board will continue to act prudently and in the interests of the Shareholders by reviewing and re-adjusting the Group's business strategy, where necessary, and optimising the deployment of resources from time to time. To this end, the Group has been and shall continue to seek suitable diversification opportunities to manage business risks and broaden its income base, and will continue to closely monitor the development of its different business segments from time to time.

For its properties and property related services businesses, leveraging on our industry experience and insight, the Group intends to enlarge its investment portfolio and diversify its risk by holding a mixed portfolio of investment properties by seeking opportunities to acquire quality investment properties.

Having faced and overcome many challenges in the retail business during the Period, the Board had decided to close down all the convenience stores and retail food stores in Shanghai and Anshan, the PRC, by the second half of 2022 with the aim to cease the loss making part of the retail business.

The Board will continue to act with caution and use its best endeavors to develop a business strategy that can, to the extent possible, contain the adverse effects of the COVID pandemic variants, and their adverse impact on the economy and the markets in which the Group operates.

With the interests of the Shareholders in mind, the Board has and shall continue to monitor the impact of the macroeconomic issues on its performance and to act prudently and cautiously by re-adjusting the Group's strategy over time to manage the situations arising from the development of the COVID pandemic, as demonstrated by our decision to close a number of the Group's retail stores in the PRC in the past, and to maintain a good relationship with key tenants and secure continued and stabilised income for the Group.

Under the “New Normal”, the Board recognises the inherent limitations of a rigid business strategy. Hence, the Board has and shall continue to incorporate flexibilities into its business strategy for each of the business segments with a view to better adapt to the fast changing operating environment that the “New Normal” has and may bring upon the Group’s businesses. As certain adjustments to the business strategies may require a longer period of time to take effect and yield results than others, the Board will exercise its due care and skills to ensure an appropriate balance is struck between the merits and effectiveness of each strategy so as to achieve long-term Shareholders’ value enhancement.

### **Liquidity and Financial Resources**

As at 30 June 2022, the Group’s current ratio was approximately 2.41 (31 December 2021: approximately 2.60), calculated on the basis of current assets of approximately HK\$66.43 million (31 December 2021: approximately HK\$84.30 million) over current liabilities of approximately HK\$27.62 million (31 December 2021: approximately HK\$32.36 million).

As at 30 June 2022, total short-term bank deposits, bank balances and cash on hand, which were denominated in Hong Kong dollars, United States dollars and Renminbi, were approximately HK\$50.84 million (31 December 2021: approximately HK\$70.70 million).

### **Gearing Ratio**

As at 30 June 2022, the Group’s gearing ratio was nil (31 December 2021: Nil), due to there being no bank borrowings for the Group (31 December 2021: Nil) and total assets of the Group amounting to approximately HK\$657.37 million (31 December 2021: approximately HK\$723.67 million).

### **Future Plans for Material Investment or Capital Assets**

Save as disclosed above, the Directors currently do not have any future plans for material investments or capital assets and will continue to monitor the industry and review its business expansion plans regularly, so as to take necessary measures in the Group’s interests. If the Company decides to proceed with the properties acquisition, it is expected that the same will be funded by internal resources and/or borrowings from banks.

### **Significant Investments**

During the Period, the Group did not have any significant investments (six months ended 30 June 2021: Nil).

## **Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Ventures**

There were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

## **Foreign Exchange Exposure**

During the Period, most of the Group's business transactions were conducted in Hong Kong dollars and Renminbi. Review of the Group's exposure to foreign exchange risks is conducted periodically. The Group expected that the exposure to exchange rate fluctuation was not significant and therefore the Group did not engage in any hedging activity during the Period.

## **Capital Commitment**

As at 30 June 2022, the Group had no capital commitments (31 December 2021: Nil).

## **Contingent Liability**

The Group had no material contingent liability as at 30 June 2022 (31 December 2021: Nil).

## **Charge on Assets**

As at 30 June 2022, the Group did not have any charges on its assets (31 December 2021: Nil).

## **Treasury Policy**

The Group adopts a treasury policy that aims to better control its treasury operations and lower its borrowing cost. As such, the Group endeavours to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Board also considers various funding sources depending on the Group's need to ensure that financial resources have been used in the most cost-effective and efficient way to meet the Group's financial obligations. The time deposits of the Group at various licensed banks have been and shall continue to be conducted in accordance with the Group's treasury policy. The Board reviews and evaluates the Group's treasury policy from time to time to ensure its adequacy and effectiveness.

## **Employees and Remuneration Policies**

As at 30 June 2022, the Group employed 49 employees (30 June 2021: 148 employees) with staff costs excluding the non-executive Director and independent non-executive Directors for the Period amounting to approximately HK\$8.95 million (six months ended 30 June 2021: approximately HK\$9.17 million). Remuneration policies are reviewed annually by the management of the Company. Remuneration packages are structured to take into account comparable market levels and the prevailing business scale of the Group.

## **INTERIM DIVIDEND**

The Board has resolved not to declare any interim dividend for the Period (six months ended 30 June 2021: Nil).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

## **CORPORATE GOVERNANCE**

The Company recognises the importance of good corporate governance in enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company complied with all the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) during the Period, except the following deviation.

### **Code Provision D.1.2**

Code Provision D.1.2 of the CG Code stipulates that the management of the Company should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

As the containment measures adopted by the PRC Government, in particular, the lockdown in Shanghai, the PRC, had seriously affected the progress of the preparation of the Company's monthly management accounts during the Period, the Company could not provide monthly updates to the members of the Board in time and such practice deviated from code provision D.1.2 of the CG Code.

The Company has already resumed the provision of monthly updates on a timely basis to the Board as at the date of this announcement.

## **NON-COMPLIANCE WITH RULES 3.10(1), 3.10A AND 3.21 OF THE LISTING RULES**

Following the resignation of Mr. HU Jianxing on 31 March 2022, the Company fails to meet the requirement of (i) Rule 3.10(1) of the Listing Rules that the Board must include at least three independent non-executive directors; (ii) Rule 3.10A of the Listing Rules which requires the number of independent non-executive directors representing at least one-third of the Board; and (iii) Rule 3.21 of the Listing Rules in relation to the composition of the audit committee.

In order to comply with the Listing Rules, the Company will continue to use its best endeavours to identify suitable candidate(s) to fill the subject vacancies as soon as practicable and in accordance with the relevant Listing Rules.

#### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES**

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' dealings in the securities of the Company. Having made specific enquiry of all Directors, each of the Directors confirmed that he/she had complied with the required standards as set out in the Model Code throughout the Period.

The Board has also adopted the Model Code as a guideline for relevant employees in respect of their dealings in the securities of the Company. No incident of non-compliance with such guideline by relevant employees was noted by the Company during the Period.

#### **REVIEW OF INTERIM RESULTS BY AUDIT COMMITTEE AND AUDITOR**

The audit committee of the Company, comprising the two independent non-executive Directors, has reviewed the Group's unaudited condensed consolidated financial statements for the Period and discussed with the management of the Company the accounting principles and accounting standards adopted by the Group and matters relating to risk management and internal control systems and financial reporting of the Group.

The unaudited interim financial report of the Group for the Period has been reviewed by the Company's external auditor in accordance with Hong Kong Standard on Review Engagements 2410 "*Review of interim financial information performed by the independent auditor of the entity*" issued by the HKICPA. The unmodified review report will be included in the interim report to be sent to the Shareholders.

#### **DECISION OF THE STOCK EXCHANGE ON RULE 13.24**

On 22 January 2021, the Company had received a letter from the Stock Exchange, which served as a notice that the Stock Exchange had decided that the Company had failed to maintain a sufficient level of operations as required under Rule 13.24 of the Listing Rules to warrant the continued listing of the Shares, and that, subject to whether the Company applies for a review of the LD Decision (as defined hereinafter), trading in the Shares shall be suspended under Rule 6.01(3) of the Listing Rules (the "**LD Decision**").

On 2 February 2021, the Company had submitted a written request for the LD Decision to be referred to the Listing Committee of the Stock Exchange for review pursuant to Rule 2B.06(1) of the Listing Rules, and the review hearing had been scheduled.

On 5 May 2021, the Company received a letter from the Listing Committee notifying the Company that the Listing Committee, having considered all the submissions (both written and oral) made by the Company and the Listing Division, decided to uphold the LD Decision to suspend trading in the Shares under Rule 6.01(3) of the Listing Rules (the “**LC Decision**”). The Listing Committee was also of the view that the Company failed to maintain a sufficient level of operations as required under Rule 13.24 of the Listing Rules to warrant the continued listing of its Shares.

On 14 May 2021, the Company had made a written request to the Listing Review Committee of the Stock Exchange (the “**Listing Review Committee**”) for the LC Decision to be referred to the Listing Review Committee for a further and final review (the “**LRC Review**”) pursuant to Rule 2B.06(2) of the Listing Rules.

On 1 September 2021, the Company received a letter from the Stock Exchange notifying the Company that, having considered all the submissions (both written and oral) made by the Company and the Listing Division, the Listing Review Committee decided to uphold the LC Decision to suspend trading in the Shares under Rule 6.01(3) of the Listing Rules (the “**LRC Decision**”). The Listing Review Committee was also of the view that the Company failed to maintain a sufficient level of operations as required under Rule 13.24 of the Listing Rules to warrant the continued listing of the Shares.

On 30 September 2021, the Company received a letter from the Stock Exchange setting out the guidance for the resumption of trading in the Shares. The Company further received a letter from the Stock Exchange on 8 June 2022, which sets out additional resumption guidance for the resumption of trading in the Shares. Together with the resumption guidance issued by the Stock Exchange on 30 September 2021, details of the resumption guidance (the “**Resumption Guidance**”) are as follows:

- (i) demonstrate its compliance with Rule 13.24;
- (ii) inform the market of all material information for the Shareholders and investors to appraise the Company’s position; and
- (iii) re-comply with Rules 3.10(1), 3.10A and 3.21 of the Listing Rules.

Details of (i) the LD Decision were set out in the announcements of the Company dated 22 January 2021 and 2 February 2021; (ii) the LC Decision were set out in the announcement of the Company dated 5 May 2021; (iii) the LRC Review were set out in the announcement of the Company dated 14 May 2021; (iv) the LRC Decision were set out in the announcement of the Company dated 2 September 2021; (v) the Resumption

Guidance were set out in the announcements of the Company dated 5 October 2021 and 15 June 2022; and (vi) the quarterly update on resumption progress was set out in the announcements of the Company dated 30 November 2021, 28 February 2022, 31 May 2022 and 18 August 2022.

At the request of the Company, the trading in the Shares on the Stock Exchange had been suspended with effect from 9:00 a.m. on Thursday, 2 September 2021 and will remain suspended until further notice. Pursuant to Rule 6.01A of the Listing Rules, the Company shall have a period of 18 months from 2 September 2021 to take appropriate actions to demonstrate its compliance with Rule 13.24 of the Listing Rules, failing which the Stock Exchange may cancel the listing of the Shares. Further announcement(s) will be made by the Company as and when appropriate and in compliance with the requirements under the Listing Rules.

#### **EVENTS AFTER THE REPORTING PERIOD**

The Group had no significant events after 30 June 2022.

#### **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This announcement is published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.skychinafortune.com](http://www.skychinafortune.com). An interim report of the Company, containing information required by the Listing Rules, will be despatched to the Shareholders and will be published on the websites of the Stock Exchange and the Company in due course.

#### **APPRECIATION**

On behalf of the Board, I would like to thank all our colleagues for their diligence, dedication, loyalty and integrity. I would also like to thank all our Shareholders, customers, bankers and other business associates for their trust and support.

#### **SUPPLEMENTAL INFORMATION IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (THE “2021 AR”)**

Reference is made to the section headed “Fund Raising” in the Directors’ Report of the 2021 AR. Unless otherwise defined, capitalised terms used in this section have the same meanings as those defined in the 2021 AR.

The Board wishes to provide the following additional information in relation to the actual use of proceeds from the Placings during the year ended 31 December 2021:

First Placing: Approximately HK\$0.98 million had been applied as general working capital of the Group; and

Second Placing: Approximately HK\$6.04 million had been applied as general working capital of the Group; and approximately HK\$16.22 million had been used for the retail business.

The above information does not affect the information disclosed in the 2021 AR and save as disclosed in this announcement, all other information in the 2021 AR remains unchanged.

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

Hong Kong, 30 August 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.*