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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, 28 February 2022, 31 May 2022, 15 June 2022, 18 August 2022 and 29 November 2022 (the “**Announcements**”) in relation to, among other things, the guidance for the resumption of trading in the shares of the Company (the “**Shares**”) set by the Stock Exchange (the “**Resumption Guidance**”) and 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.

The Company has continued to use its best endeavours in 2023 to work on the resumption of trading in the Shares and is currently communicating with professional advisers of the Group to consider different alternatives available to the Company with a view to preparing a feasible resumption proposal to the Stock Exchange addressing matters set out in the Resumption Guidance. The Company also considered potential new business opportunities to satisfy the requirements of the Resumption Guidance. In particular, the Company has furthered its due diligence work in relation to a possible acquisition. A term sheet has been entered into between the Company and the relevant vendors in relation to the aforesaid possible acquisition in January 2023, but no definitive agreement has been entered into by the Company as at the date of this announcement in this connection.

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.

The development of COVID-19 in the PRC throughout 2022 caused temporary macro-economic headwinds, in particular, to the retail sector, property development and related sectors, as the PRC government imposed various containment measures, including, among others, the lockdown of micro-districts* (小\區) with positive cases and movement restrictions, which adversely affected the business activities of the Group's tenants. As a result, the Group encountered delays and/or difficulties in rental collection for certain of its properties.

Towards the end of 2022 and going into 2023, the relaxation of the aforesaid containment measures and the re-opening of the PRC has increased the overall level of business activities. The Board intends to seize the opportunities arising from the aforesaid development and is committed to improving the long-term financial performance and business operations of the Group in order to fulfil the requirements set out in the Resumption Guidance.

Despite the difficult operating environment in 2022, the Board is cautiously optimistic on the recovery of the overall PRC economy in 2023 and remains committed to turn around the Group's businesses. The Board shall continue to review and, where necessary, modify its business strategies with such goal in mind. In addition to the closure of the loss-making retail businesses in the first half of 2022 and the streamlined cost structure to maintain overall business and cost efficiencies, the Board closed down the remaining convenience stores and retail food stores in Shanghai and Anshan with the aim to control and where possible, cease the loss-making part of the retail business.

The Company has explored and will continue to explore different means with the intention of satisfying the requirements of the Resumption Guidance, including, among others, formulating and adopting appropriate strategies 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.

A term sheet has been entered into between the Company and the relevant vendors in relation to a possible acquisition in January 2023. However, no definitive agreement in relation to such acquisition, other acquisition and/or disposal which constitutes a notifiable transaction was entered into by the Company as at the date of this announcement, 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. Furthermore, the Company will continue to use its best endeavours to identify suitable candidate(s) to fill the independent non-executive director vacancy as soon as practicable and in accordance with the relevant Listing Rules. The Company will make further announcement(s) in

accordance with the Listing Rules 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, 28 February 2023

** For identification purpose only*

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