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CHINA SUPPLY CHAIN HOLDINGS LIMITED

中國供應鏈產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3708)

(I) QUARTERLY UPDATE ON STATUS OF RESUMPTION; AND (II) CONTINUED SUSPENSION OF TRADING

This announcement is made by China Supply Chain Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) 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 30 September 2021, 29 October 2021 and 30 November 2021 in relation to, among other things, (i) the delay in the publication of the announcement of 2021 Annual Results and delay in despatch of the 2021 Annual Report; (ii) postponement of the Board Meeting; and (iii) suspension of trading in the shares of the Company on the Stock Exchange from 9:00 a.m. on 4 October 2021, and the announcement of the Company dated 24 December 2021, in relation to, among other things, the Resumption Guidance issued to the Company by the Stock Exchange, and the announcement of the Company dated 3 January 2022 and 7 January 2022 in relation to, among other things, the quarterly update on status of resumption (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

RESUMPTION GUIDANCE

As disclosed in the Announcements dated 24 December 2021 and 3 January 2022, the Company received from the Stock Exchange the following Resumption Guidance for the Company:

- (a) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (b) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules;

- (c) conduct an appropriate independent investigation into the Misappropriation of Assets, announce the investigation findings, assess and announce the impact on the Company's business operation and financial position and take appropriate remedial actions;
- (d) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet obligations under the Listing Rules; and
- (e) announce all material information for the Company's shareholders and investors to appraise the Company's position.

Under Rule 6.01A of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period will expire on 3 April 2023. If the Company fails to remedy the issue(s) causing its trading suspension, fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 3 April 2023, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, when appropriate.

UPDATES ON BUSINESS OPERATION

The Group is mainly engaged in providing building maintenance and renovation services in Hong Kong. Since the suspension of trading in the Company's shares from 4 October 2021 and up to the date of this announcement, the Group has continued its normal business operations and there has been no major change on the business operations of the Group, save for the entering into a strategic co-operation framework agreement (the "**Strategic Co-operation Framework Agreement**") with Shenzhen Baima Yiwu Technology Company Limited* (深圳市白馬易物科技有限公司) ("**Baima Yiwu**") in respect of potential co-operation in the development, optimization and upgrade of new retail consumer goods supply chain management platform in the People's Republic of China, as mentioned in the announcement of the Company dated 4 April 2022. The Group will make announcement(s) to update its shareholders and investors regarding the major development of the business operations of the Group as and when appropriate.

* *For identification purpose only*

UPDATE ON PROGRESS OF RESUMPTION

The Company would like to provide the following information to the Shareholders and potential investors in relation to progress on the Company's resumption plan and the expected timetable towards fulfillment of the Resumption Guidance set by the Stock Exchange.

Resumption Guidance

- (a) Publish all outstanding financial results required under the Listing Rules and address any audit modifications

Progress and Expected Timeline

As disclosed in the Announcements dated 30 September 2021, 29 October 2021 and 30 November 2021, the dispatch of the 2021 Annual Results and the 2021 Annual Report is delayed (the "**Delay**"). The Delay is due to outstanding documents unable to be provided to the Company's auditor for preparation of the 2021 Annual Results and the 2021 Annual Report (the "**Outstanding Documents**").

As at the date of this announcement, the Company is still in the process of retrieving the Outstanding Documents. Further, due to the COVID-19 epidemic outbreak ("**COVID-19**") in Hong Kong and China, the processes of the Group for preparing the financial results have been adversely affected due to the travel restrictions and the suspension of courier services between Hong Kong and China. Further, due to the spread of COVID-19 to our staff and the mandates quarantine requirements, the process for preparing the Group's financial results has been further interrupted for lack of sufficient manpower.

The Company will continue to update its Shareholders and potential investors the progress on publication of the 2021 Annual Results and 2021 Annual Report as and when appropriate.

Resumption Guidance

- (b) Demonstrate the Company's compliance with Rule 13.24 of the Listing Rules
- (c) Conduct an appropriate independent investigation into the Misappropriation of Assets, announce the investigation findings, assess and announce the impact on the Company's business operation and financial position and take appropriate remedial actions
- (d) Conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet obligations under the Listing Rules
- (e) Announce all material information for the Company's shareholders and investors to appraise the Company's position

Progress and Expected Timeline

The Group has continued its normal business operations and there has been no major change on the business operations of the Group, save for the entering of the Strategic Co-operation Framework Agreement with Baima Yiwu as mentioned above.

As at the date of this announcement, the Independent Investigation is still ongoing.

The Company will continue to update its Shareholders and potential investors the investigation findings as and when appropriate and in accordance with the Listing Rules.

On 31 March 2022, the Company appointed an independent internal control consultant to assess the adequacy of the internal controls and procedures of the Company.

The Company is currently discussing the scope of work and working timetable with the internal control consultant, and will continue to update its Shareholders and potential investors the progress of the independent internal control review as and when appropriate.

Since the suspension of trading in its shares, the Company has been keeping its Shareholders and potential investors informed of all material information to appraise the Company's position by way of publication of announcements on the website of the Stock Exchange in accordance with the Listing Rules.

The Company will continue to keep its Shareholders and potential investors abreast of the material developments by making further announcement(s) as and when appropriate and in accordance with the Listing Rules.

Further announcements will be made by the Company in relation to the progress of the resumption plan as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect since 9:00 a.m. on 4 October 2021 and will remain in suspension until further notice.

By order of the Board
China Supply Chain Holdings Limited
Ma Huijun
Chairman

Hong Kong, 4 April 2022

As at the date of this announcement, the Board comprises four executive Directors, namely Ms. Ma Huijun (Chairman), Mr. Dai Jian (Vice Chairman and Chief Executive Officer), Mr. Lai Aizhong and Mr. Dai Ming; a non-executive Director, namely Mr. Zhang Junze; and three independent non-executive Directors, namely Mr. Huang Shuhui, Ms. Wang Ying and Mr. Wong Ka Shing.