



**CHINA FUTEX
HOLDINGS LIMITED**

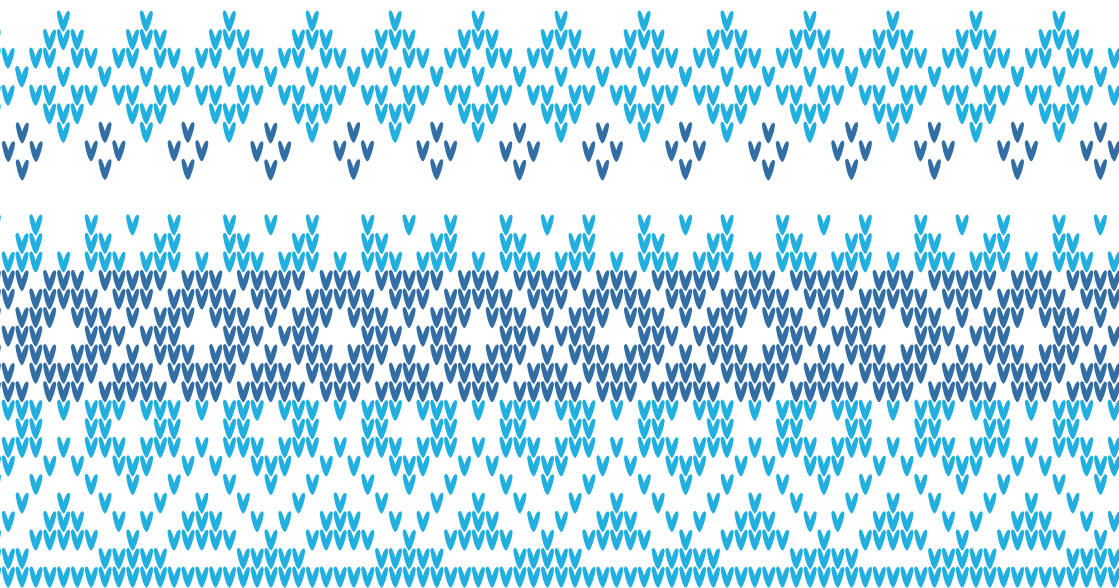
中國福紡控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8506

THIRD QUARTERLY REPORT

2018



CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

THIRD QUARTERLY RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the three months and the nine months ended 30 September 2018 together with the unaudited comparative figures for the corresponding period in 2017 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and the nine months ended 30 September 2018

	Note	Three months ended 30 September		Nine months ended 30 September	
		2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
Revenue	2	33,502	31,536	93,533	94,721
Cost of goods sold		(22,912)	(19,924)	(62,311)	(60,435)
Gross profit		10,590	11,612	31,222	34,286
Other income		2,217	238	2,905	655
Selling expenses		(662)	(471)	(2,071)	(1,509)
Administrative expenses		(3,003)	(5,656)	(13,211)	(13,757)
Profit from operations		9,142	5,723	18,845	19,675
Finance costs		(588)	(583)	(1,704)	(1,794)
Profit before tax		8,554	5,140	17,141	17,881
Income tax expense	4	(1,163)	(1,205)	(3,348)	(4,080)
Profit for the period and total comprehensive income attributable to owners of the Company	5	7,391	3,935	13,793	13,801
Earnings per share					
– Basic (RMB cents)	6	0.74	0.56	1.38	1.99

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2018

	Attributable to owners of the Company					
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000
As at 1 January 2017 (audited)	338	–	1,830	3,825	21,201	27,194
Issue of ordinary shares (Unaudited)	22	10,588	–	–	–	10,610
Total comprehensive income for the period (Unaudited)	–	–	–	–	13,801	13,801
Changes in equity for the period (Unaudited)	22	10,588	–	–	13,801	24,411
At 30 September 2017 (Unaudited)	360	10,588	1,830	3,825	35,002	51,605
At 1 January 2018 (Unaudited)	360	10,588	1,830	6,170	37,831	56,779
Issue of ordinary shares (Unaudited)	8,051	38,196	–	–	–	46,247
Total comprehensive income for the period (Unaudited)	–	–	–	–	13,793	13,793
Changes in equity for the period (Unaudited)	8,051	38,196	–	–	13,793	60,040
At 30 September 2018 (Unaudited)	8,411	48,784	1,830	6,170	51,624	116,819

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

1. BASIS OF PREPARATION

The Company was incorporated and domiciled in the Cayman Islands with limited liability. The shares of the Company have been listed on GEM of the Stock Exchange since 4 January 2018.

The unaudited consolidated financial statements for the three months and the nine months ended 30 September 2018 are presented in Renminbi.

The unaudited consolidated financial statements for the three months and the nine months ended 30 September 2018 have been prepared in accordance with International Financial Reporting Standards (“IFRSs”, which comprise all applicable respective International Financial Reporting Standards, International Accounting Standards and Interpretations). The unaudited consolidated financial statements also include applicable disclosures required by GEM Listing Rules.

The unaudited consolidated financial statements for the nine months ended 30 September 2018 should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2017 and the notes thereto (the “**2017 Audited Consolidated Financial Statements**”). The significant accounting policies adopted in the preparation of the unaudited consolidated financial statements are consistent with those followed in the preparation of the 2017 Audited Consolidated Financial Statements. It should be noted that accounting estimates and assumptions were adopted in the preparation of the unaudited consolidated financial statements. Although the estimates are based on the management’s best knowledge of and judgement on the present events and actions, the actual results may eventually differ from those estimates.

Certain new and revised IFRSs have been issued. Adoption of new IFRSs which are effective for the accounting periods beginning on 1 January 2018 will not have any material impact on the preparation and presentation of the results and financial conditions of the current period and previous periods. For the IFRSs that are not yet effective nor have not been early adopted, the Group is in the process of assessing the potential impact of the new IFRSs.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

2. REVENUE

The revenue of the Group recognised in the three months and the nine months ended 30 September 2018 includes the following:

	For the three months ended 30 September	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of circular knitting machines	33,198	31,426
Sales of parts and consumables of circular knitting machines	304	110
	33,502	31,536

	For the nine months ended 30 September	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of circular knitting machines	92,426	94,050
Sales of parts and consumables of circular knitting machines	1,107	671
	93,533	94,721

3. SEGMENT INFORMATION

The Group has three operating segments as follows:

- Single circular knitting machine – manufacture and sales of single circular knitting machines
- Double circular knitting machine – manufacture and sales of double circular knitting machines
- Others – manufacture and sales of parts of circular knitting machines and sales of consumables

NOTES TO THE UNAUDITED
CONSOLIDATED FINANCIAL RESULTS

3. SEGMENT INFORMATION (CONTINUED)

Information about operating segment profit or loss:

	Single circular knitting machine RMB'000 (Unaudited)	Double circular knitting machine RMB'000 (Unaudited)	Others RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
For the three months ended 30 September 2018				
Revenue from external customers	11,743	21,455	304	33,502
Segment profits	3,512	7,030	48	10,590
For the three months ended 30 September 2017				
Revenue from external customers	7,007	24,419	110	31,536
Segment profits	2,320	9,280	12	11,612
For the nine months ended 30 September 2018				
Revenue from external customers	32,429	59,997	1,107	93,533
Segment profits	10,363	20,700	159	31,222
For the nine months ended 30 September 2017				
Revenue from external customers	23,505	70,545	671	94,721
Segment profits	7,926	26,279	81	34,286

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

3. SEGMENT INFORMATION (CONTINUED)

The Group's revenue from external customers by location of operations (including through trading companies) are detailed below:

	For the three months ended 30 September	
	2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
PRC	17,269	14,071
Overseas	16,233	17,465
Consolidated total	33,502	31,536

	For the nine months ended 30 September	
	2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
PRC	44,604	47,014
Overseas	48,929	47,707
Consolidated total	93,533	94,721

NOTES TO THE UNAUDITED
CONSOLIDATED FINANCIAL RESULTS

4. INCOME TAX EXPENSE

	For the three months ended 30 September	
	2018	2017
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Provision – PRC	1,163	1,205

	For the nine months ended 30 September	
	2018	2017
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Provision – PRC	3,743	4,080
Overprovision in prior periods	(395)	–
Consolidated total	3,348	4,080

No provision for Hong Kong profits tax was required since the Group had no assessable profit for the nine months ended 30 September 2018 (2017: Nil).

Tax charge on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on the existing legislation, interpretation and practices in respect thereof.

Under the Law of Enterprise Income Tax of the PRC (the “**EIT Law**”) and the Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

A wholly owned subsidiary of the Company which was granted the status of a “High and New Technology Enterprise” was entitled to a preferential enterprise income tax rate of 15% that covered three years commencing from the year ended 31 December 2012 and was further extended for three more years commencing from the year ended 31 December 2015.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS

5. PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY

The Group's profit attributable to owners of the Company is stated after charging/(crediting) the following:

	For the three months ended 30 September	
	2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
Amortisation of prepaid land lease payments	17	17
Depreciation	525	533
Research and development expenditure	1,409	1,623
Listing expenses	-	2,294
Cost of inventories sold	22,912	19,924
Net exchange (gain)/loss	(136)	153

	For the nine months ended 30 September	
	2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
Amortisation of prepaid land lease payments	53	53
Depreciation	1,609	1,611
Research and development expenditure	4,476	4,396
Listing expenses	3,186	5,164
Cost of inventories sold	62,311	60,435
Net exchange loss	426	259

6. EARNINGS PER SHARE

The calculation of basic earnings per share for the three months ended 30 September 2018 is based on the profit attributable to owners of the Company of approximately RMB7,391,000 (2017: RMB3,935,000) and the weighted average number of 1,000,000,000 ordinary shares in issue for the period (2017: 700,000,000 shares).

The calculation of basic earnings per share for the nine months ended 30 September 2018 is based on the profit attributable to owners of the Company of approximately RMB13,793,000 (2017: RMB13,801,000) and the weighted average number of 997,802,198 ordinary shares in issue for the period (2017: 694,888,144 shares).

7. DIVIDENDS

The Directors do not recommend any payment of dividend for the nine months ended 30 September 2018 (2017: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the research and development, manufacturing and sale of circular knitting machines. The Group derives its revenue mainly from the sales of circular knitting machines (i) domestically under the Group's own brands; and (ii) overseas either under the Group's own brands or the brands specified by trading companies purchasing on OEM basis. For the nine months ended 30 September 2018, the Group recorded revenue of approximately RMB93.5 million, representing a slight decrease of 1.3% from approximately RMB94.7 million recorded for the nine months ended 30 September 2017.

Despite fierce competition from other market players, the Group relies on its strong research and development ("**R&D**") capabilities to continuously enhance the competitiveness of the Group in the circular knitting machines industry, and actively seeks for and explores new markets by taking part in trade fairs. For the nine months ended 30 September 2018, the Group has registered three utility model patents for its circular knitting machines and has applied for eight utility model patents in the PRC.

OUTLOOK

The Group adheres to the implementation of technology-driven and innovation-led development strategy to enhance the comprehensive strength and competitiveness of the Group. In response to the Belt and Road Initiative of the PRC, the Group aims to provide high quality products and services, and continues to explore the markets in countries along the Silk Road.

FINANCIAL REVIEW

Revenue

The Group derives its revenue primarily from the manufacturing and sales of circular knitting machines which can be classified into (i) single circular knitting machines; and (ii) double circular knitting machines. For the nine months ended 30 September 2018, the Group recorded revenue of approximately RMB93.5 million, representing a slight decrease of 1.3% from approximately RMB94.7 million recorded for the nine months ended 30 September 2017. The sales of single circular knitting machines increased by approximately 38% from approximately RMB23.5 million for the nine months ended 30 September 2017 to approximately RMB32.4 million for the nine months ended 30 September 2018. The sales of double circular knitting machines decreased by approximately 15% from approximately RMB70.5 million for the nine months ended 30 September 2017 to approximately RMB60.0 million for the nine months ended 30 September 2018. The fluctuations in the sale of single circular knitting machines and double circular knitting machines were mainly attributable to the constant change in the demand of the Group's customers during the nine months ended 30 September 2018.

Overseas sales increased by approximately 2.6% from approximately RMB47.7 million for the nine months ended 30 September 2017 to approximately RMB48.9 million for the nine months ended 30 September 2018. In view of the shifting of the manufacturing base of textiles manufacturers to Southeast Asian and other Asian countries with a lower labour costs than the PRC, the Group adopted a more proactive approach in the expansion of its overseas business through its wholly-owned subsidiary, Zhangzhou Fukai. Domestic sales decreased by approximately 5.1% from approximately RMB47.0 million for the nine months ended 30 September 2017 to approximately RMB44.6 million for the nine months ended 30 September 2018.

Cost of Goods Sold

The Group's cost of goods sold slightly increased by 3.1% from approximately RMB60.4 million for the nine months ended 30 September 2017 to approximately RMB62.3 million for the nine months ended 30 September 2018. Such increase in the cost of goods sold was primarily due to the price increase of raw materials of the Group for the nine months ended 30 September 2018.

Gross Profit and Gross Profit Margin

The Group's gross profit for the nine months ended 30 September 2018 was approximately RMB31.2 million, representing a decrease by approximately 8.9% when compared with its gross profit of approximately RMB34.3 million for the nine months ended 30 September 2017.

The Group's gross profit margin slightly decreased from approximately 36.2% for the nine months ended 30 September 2017 to approximately 33.4% for the nine months ended 30 September 2018. This was primarily due to the increase in the cost of goods sold and the decrease in the revenue of the Group for the nine months ended 30 September 2018.

Other Income

The Group's other income consists of incentive fees for the Listing, rental income, scrap sales and interest income. The Group's other income was approximately RMB2.9 million for the nine months ended 30 September 2018, representing a significant increase of approximately 343.5% as compared with the other income of approximately RMB0.7 million for the nine months ended 30 September 2017. This was primarily due to the incentive fees for the Listing of RMB2.0 million received by the Group from the government of the Longhai City of the PRC and the increase in interest income.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling Expenses

The Group's selling expenses mainly consist of travelling, entertainment and transportation expenses, sales staff salary, staff benefits expenses and promotion expenses. For the nine months ended 30 September 2018, the Group's selling expenses were approximately RMB2.1 million, representing an increase of approximately 37.2% over the selling expenses of approximately RMB1.5 million for the nine months ended 30 September 2017. The increase was primarily due to the increase in (i) transportation expenses incurred from higher overseas sales; (ii) promotion expenses incurred from organising customer seminars and attending industry exhibitions; and (iii) sales staff salary.

Administrative Expenses

The Group's administrative expenses mainly include (i) R&D expenses; (ii) employee salary and benefits expenses; (iii) listing expenses; (iv) professional fees and (v) foreign exchange losses. The Group's administrative expenses for the nine months ended 30 September 2018 were approximately RMB13.2 million, representing a decrease of approximately 4.0% over the administrative expenses of approximately RMB13.8 million for the nine months ended 30 September 2017. The decrease was primarily attributable to the decrease in non-recurring listing expenses.

Profit for the Period Attributable to Owners of the Company

Profit attributable to owners of the Company for the nine months ended 30 September 2018 and 30 September 2017 remained stable at approximately RMB13.8 million, respectively.

USE OF PROCEEDS FROM LISTING

The proceeds from the Listing, after deducting of related issuance expenses, amounted to approximately HK\$40.9 million. Since the date of the Listing and up to 30 September 2018, approximately HK\$0.7 million has been used to enhance customer loyalty and brand awareness, approximately HK\$0.1 million has been used to maintain and enhance the Group's R&D capabilities, approximately HK\$2.3 million has been used to purchase machineries and approximately HK\$3.6 million has been used as working capital.

PURCHASE, SALE OR REDEMPTION OF THE SECURITIES BY THE COMPANY AND ITS SUBSIDIARIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2018.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2018, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) have to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long Positions in Ordinary Shares

Name of Directors	Capacity and nature of interest	Number of Shares held	Percentage of the Company's share capital
Mr. Chen Yihui (陳毅輝)	Interest in a controlled corporation	81,195,379 (note 1)	8.119%
Mr. Zheng Jiafu (鄭加福)	Interest in a controlled corporation	41,877,649 (note 2)	4.188%

Notes:

- (1) Sheen Vision Group Limited is wholly owned by Mr. Chen Yihui and is the beneficial owner of 81,195,379 Shares. Accordingly, Mr. Chen Yihui is deemed to be interested in 81,195,379 Shares held by Sheen Vision Group Limited by virtue of the SFO.
- (2) Apex Green International Limited is wholly owned by Mr. Zheng Jiafu and is the beneficial owner of 41,877,649 Shares. Accordingly, Mr. Zheng Jiafu is deemed to be interested in 41,877,649 Shares held by Apex Green International Limited by virtue of the SFO.

Save as disclosed above, as at 30 September 2018, none of the Directors or chief executive of the Company nor their associates had registered an interest or short position in any Shares or underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which they are taken or deemed to have under such provisions of the SFO) or that was required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2018, the following interests and short positions of 5% or more of the share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long Positions

Name	Capacity and nature of interest	Number of Shares held	Percentage of the Company's share capital
Azure Wealth Limited (藍裕有限公司)	Beneficial owner	369,219,084	36.922%
Ms. Zheng Yonghua (鄭勇華)	Interest in controlled corporation	369,219,084 (note 1)	36.922%
Mr. Ke Weibin (柯葳彬)	Interest of spouse	369,219,084 (note 2)	36.922%
Sheen Vision Group Limited	Beneficial owner	81,195,379	8.119%
Ms. Chen Qing (陳晴)	Interest of spouse	81,195,379 (note 3)	8.119%

Notes:

- (1) Azure Wealth Limited is owned as to 95% by Ms. Zheng Yonghua. Accordingly, Ms. Zheng Yonghua is deemed to be interested in 369,219,084 Shares held by Azure Wealth Limited by virtue of the SFO.
- (2) Mr. Ke Weibin (柯葳彬) is the spouse of Ms. Zheng Yonghua and is therefore deemed to be interested in all the Shares held/owned by Ms. Zheng Yonghua through Azure Wealth Limited by virtue of the SFO.
- (3) Ms. Chen Qing (陳晴) is the spouse of Mr. Chen Yihui and is therefore deemed to be interested in all the Shares held/owned by Mr. Chen Yihui through Sheen Vision Group Limited by virtue of the SFO.

Save as disclosed above, as at 30 September 2018, no person, other than the Directors whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

COMPETING INTERESTS

During the nine months ended 30 September 2018, none of the Directors or the Controlling Shareholders or substantial Shareholders or their respective close associates (as defined in the GEM Listing Rules) is interested in any business which competes or may compete, either directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.

DEED OF NON-COMPETITION

Each of the Controlling Shareholders, namely Azure Wealth Limited, Ms. Zheng Yonghua and Ms. Yuan Yuan, entered into a deed of non-competition on 19 December 2017 (the “**Deed of Non-Competition**”) in favour of the Company, under which each of the Controlling Shareholders, among other things, irrevocably and unconditionally, jointly and severally, warrants and undertakes to the Company (for itself and as trustee for each of its subsidiaries) on competition related matters. Details of the Deed of Non-Competition are set out in the section headed “Relationship with Controlling Shareholders – Non-competition Undertaking” in the Prospectus.

INTEREST OF COMPLIANCE ADVISER

As notified by Essence Corporate Finance (Hong Kong) Limited (“**ECF**”), the Company’s compliance adviser, save for (i) ECF’s participation as the sole sponsor in relation to the Listing; and (ii) the compliance adviser’s agreement entered into between the Company and ECF on 19 December 2017, none of ECF or its directors, employees or close associates (as defined in the GEM Listing Rules) had any interest in the Group as at 30 September 2018, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

AUDIT COMMITTEE

The audit committee of the Company, which consists of Mr. Shum Shing Kei, Dr. Mu Zhirong and Dr. Hu Xudong, all being independent non-executive Directors, has reviewed this report and the Group's unaudited consolidated financial results for the nine months ended 30 September 2018, and is of the opinion that the preparation of such results complied with applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made in respect thereof.

DIVIDENDS

The Board does not recommend the payment of any interim dividend for the nine months ended 30 September 2018 (2017: Nil)

In this report, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	China Futex Holdings Limited 中國福紡控股有限公司, a company incorporated as an exempted company with limited liability in the Cayman Islands on 28 July 2016
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time as the context may require
“Group”	the Company and its subsidiaries, or any of them or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at that time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the Shares on GEM of the Stock Exchange on 4 January 2018
“OEM”	acronym for original equipment manufacturer, whereby products are manufactured in accordance with the customer’s specification and are marketed under the brand names specified by the customers
“PRC”	the People’s Republic of China and, except where the context requires otherwise and only for the purposes of this announcement, references to China or the PRC exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“Prospectus”	the prospectus of the Company published on 20 December 2017 in connection with the Listing
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhangzhou Fukai”	漳州福凱貿易有限公司 (Zhangzhou Fukai Trading Co., Ltd*), a limited liability company established in the PRC on 12 October 2016 and an indirect wholly owned subsidiary of the Company
“%”	per cent

* For identification purposes only

By order of the Board
China Futex Holdings Limited
Yuan Yuan
Chairlady and Chief Executive Officer

Hong Kong, 5 November 2018

As at the date hereof, the Board comprises Ms. Yuan Yuan, Mr. Chen Yihui and Mr. Zheng Jiafu as Executive Directors; and Dr. Hu Xudong, Mr. Shum Shing Kei and Dr. Mu Zhirong as Independent Non-executive Directors.