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**China Fortune Holdings Limited**

**中國長遠控股有限公司\***

*(Incorporated in Bermuda with limited liability, carrying on business in H.K. as CFH Ltd.)*

**(Stock Code: 110)**

**UPDATE ANNOUNCEMENT IN RELATION TO  
DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS  
ANNOUNCEMENT AND ANNUAL REPORT; AND  
POSTPONEMENT OF BOARD MEETING**

References are made to (i) the announcement of China Fortune Holdings Limited (the “**Company**”) dated 31 March 2020 in relation to the unaudited annual results of the Company and its subsidiaries (together referred to as the “**Group**”); (ii) the announcement of the Company dated 17 April 2020 in relation to the meeting of the board (the “**Board**”) of directors (the “**Directors**”) of the Company to be held on 29 April 2020; (iii) the announcement of the Company dated 28 April 2020 in relation to the delay in results announcement and postponement of board meeting; (iv) the announcement of the Company dated 7 May 2020 in relation to the further announcement delay in publication of audited annual results of the Group for the year ended 31 December 2019 and publication of the annual report for the year ended 31 December 2019; and postponement of board meeting; and (v) the announcement of the Company dated 13 May 2020 in relation to the further delay in publication of audited annual results and annual report for the year ended 31 December 2019; and postponement of board meeting (the “**Announcements**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide update information to the shareholders and potential investors of the Company in relation to the delay in the publication of the 2019 Audited Annual Results Announcement and the 2019 Annual Report.

\* *For identification purpose only*

## **DELAY IN PUBLICATION OF 2019 AUDITED ANNUAL RESULTS ANNOUNCEMENT AND 2019 ANNUAL REPORT**

As disclosed in the Announcements, the travel restrictions and the COVID-19 Outbreak situation have caused difficulties on the auditing and reporting process which resulted in the Auditor being unable to obtain all necessary documents and/or information (including the Outstanding Documents, originals of the Audit Supporting Documents, the audit confirmations and the bank confirmations) to enable them to finish the audit procedures and issue the Company's 2019 Audited Annual Results on or before 31 March 2020 and the Company being unable to comply with the relevant Listing Rules for the publication of the 2019 Audited Annual Results Announcement and 2019 Annual Report on or before 31 March 2020.

As disclosed in the announcement dated 13 May 2020, the Company originally expected the 2019 Audited Annual Results Announcement and the 2019 Annual Report to be published on or before 29 May 2020.

However, due to: (i) the ability to conduct an audit of the Group's financial statements has been affected due to COVID-19 Outbreak, mainly as a result of the travel restrictions and quarantine measures restriction on business. This causes delay in the audit work performed by our statutory auditor of the Group. Since the subsidiaries of the Group mainly located in Beijing, Chongqing, Shanghai and Hubei province which some of the offices were being imposed restriction until the first week of April, our staff members could not report duty and work regularly, led to the delay of progress of the audit process in all the PRC subsidiaries, as a result additional time is required for completion of the audit process for the Annual Results and the Annual Report; (ii) the Auditor needs additional time to complete the Audit Procedures, including the assessment on repayment of certain other receivables, gathering audit and bank confirmations and various items required under the IT general controls assessments relevant to the audit, that may have impact to the 2019 Annual Results.

As at the date of this announcement, the following audit procedures in relation to the 2019 Audit are yet to be carried out:

- (i) obtain the outstanding audit and bank confirmations;

- (ii) perform field audit on the IT System of a subsidiary located in the PRC and receive the required information from this subsidiary which is scheduled to take place in June 2020; and
- (iii) check the books and records relating to the subsequent settlements of certain other receivables and unrecorded liabilities after 31 December 2019.

In view of the above, the 2019 Audited Annual Results and 2019 Annual Report could not be published by 29 May 2020 but required to be extended to on or before 19 June 2020. An application has been made by the Company to the Stock Exchange for a waiver from strict compliance with Rules 13.46(2)(a) and 13.49(1) of the Rules Governing the Listing of Securities on the Stock Exchange to postpone the dates by which it is required to publish the 2019 Audited Annual Results and 2019 Annual Report.

The following illustrates the updated timetable in relation to the auditing process and the publication of the 2019 Audited Annual Results Announcement and 2019 Annual Report:

<b>Date</b>	<b>Events/Tasks</b>
On or before 29 May 2020	Company to finish resending the outstanding audit and bank confirmations that were unable to be received by the intended recipients
On or before 1 June 2020	Commencement of the field audit on the IT System of a subsidiary located in the PRC
On or before 9 June 2020	Completion of all audit fieldwork
On or before 12 June 2020	Auditor to issue the first draft report, make follow-up enquiries and requests in order to ascertain the information in the 2019 audited results

<b>Date</b>	<b>Events/Tasks</b>
On or before 12 June 2020	All outstanding audit confirmations and bank confirmations to be obtained by the Auditor
15-19 June 2020	Circulation of the final draft report to the directors of the Company for review and comments
19 June 2020	Publish 2019 Audited Annual Results Announcement and 2019 Annual Report

The Company is in the course of applying to the Stock Exchange for the approval for the extension of time for the publication of the 2019 Audited Annual Results, 2019 Annual Report and the despatch of the 2019 Annual Report.

## **FURTHER POSTPONEMENT OF BOARD MEETING DATE**

As disclosed in the announcement of the Company dated 13 May 2020, a meeting of the Board was originally scheduled to be held on Friday, 29 May 2020 for the purpose of, among other matters, considering and approving the 2019 Audited Annual Results and considering the payment of a final dividend, if any. In light of the delay in the audit progress, the Board meeting will be further postponed to Friday, 19 June 2020.

## **DELAY OF ANNUAL GENERAL MEETING**

In light of the delay in publication of the 2019 Audited Annual Results and the despatch of the 2019 Annual Report, the board of directors of the Company has decided to delay holding the annual general meeting of the Company (the “AGM”), which was initially scheduled to be held on or before the end of June 2020.

Due to the delay of the publication of the 2019 Audited Annual Results and the despatch of the 2019 Annual Report as set out in this announcement, the Company has applied to the Stock Exchange for an extension to convene the AGM on a date falling on or before 31 July 2020 according to Rule 13.46(2)(b).

The expected timeline of the publication of the 2019 Audited Annual Results and 2019 Annual Report and the convening of the AGM is set out as follows:

Date of the Board Meeting . . . . . on or before 19 June 2020

Publication of the 2019 Audited Annual Results . . . . . on or before 19 June 2020

Publication of the 2019 Annual Report . . . . . on or before 19 June 2020

Despatch of the 2019 Annual Report . . . . . on or before 26 June 2020

The AGM . . . . . on or before 31 July 2020

The Company will make further announcement(s), as and when appropriate, to inform the Shareholders of (i) the date of the Board Meeting to consider and approve the 2019 Audited Annual Results, (ii) the date of the publication of the 2019 Audited Annual Results, (iii) the date of despatch of the 2019 Annual Report, and (iv) the date of AGM.

**Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

By order of the Board  
**China Fortune Holdings Limited**  
**Lau Siu Ying**  
*Chairman and Chief Executive Officer*

Hong Kong, 28 May 2020

*As at the date of this announcement, the Board comprises three executive directors, namely Mr. Lau Siu Ying, Mr. Wang Yu and Mr. Gao Fei; one non-executive director, namely Mr. Bao Kang Rong; and three independent non-executive directors, namely Dr. Law Chun Kwan, Mr. Lam Man Kit and Dr. Lo Wai Shun.*