

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.



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)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO
THE ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2018**

The board (the “**Board**”) of directors (the “**Directors**”) of China Fortune Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) makes this announcement further to its annual report for the year ended 31 December 2018 (the “**2018 Annual Report**”).

Reference is made to the 2018 Annual Report and the Company’s announcements dated 23 December 2016 and 1 February 2017 (the “**Announcements**”) in relation to, among other matters, the issuance of 85,716,000 Shares and the Subscription for the same number of new Shares under the general mandate granted to the Directors for the issue of new Shares at the annual general meeting held on 27 May 2016. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

* *For identification purpose only*

The Board would like to provide the following additional information to the 2018 Annual Report regarding the Placing and Subscription as contemplated under paragraph 11 of Appendix 16 to the Listing Rules:

1. The Company conducted the issuance and Subscription to raise funds for the Group for general working capital purposes.
2. After taking into account the share issue expenses of approximately HK\$0.2 million, the net price per Subscription Share issued is about HK\$0.35.
3. 28,572,000, 28,572,000 and 28,572,000 Shares were issued to Fu Hong, Liu Li and 長春天天手機集團有限公司, which is beneficially owned and held as to 60.0% and 40.0% by Qi Xiu Zhen (祁秀珍) and Zhao Fa Ying (趙法英) respectively, respectively. The Subscribers, to the best of the knowledge and belief of the Directors, are experienced investors who are third parties independent of the Company and its connected persons.
4. The closing price of the Share as quoted on the Stock Exchange on 23 December 2016, being the date of the Subscription Agreement, was HK\$0.37 per Share.
5. The net proceeds, after deducting the share issue expenses, received by the Company is approximately HK\$29.8 million.

6. Up to 31 December 2018, approximately HK\$28.4 million or approximately 95.3% of the net proceeds has been utilised as general working capital as intended by the Group, with breakdown as follows:

	For the year ended 31 December 2017 HK\$'000	For the year ended 31 December 2018 HK\$'000	Total utilised up to 31 December 2018 HK\$'000	% of net proceeds utilised up to 31 December 2018 %
Selling and distribution costs	397	11	408	1.4
Administrative expenses				
–Directors' fee	4,253	3,631	7,884	26.4
–Salaries and allowances	3,980	3,731	7,711	25.8
–Professional fee	2,105	2,923	5,028	16.8
–Rental expenses	1,561	1,544	3,105	10.4
–Office expenses	236	294	530	1.8
–Travelling expenses	155	328	483	1.6
–Rates and management fee	121	192	313	1.1
–Utilities	132	115	247	0.8
–Insurance	113	112	225	0.8
–Others	1,371	1,140	2,511	8.4
	<u>14,424</u>	<u>14,021</u>	<u>28,445</u>	<u>95.3</u>
Total	<u>14,424</u>	<u>14,021</u>	<u>28,445</u>	<u>95.3</u>

7. Up to 30 June 2019, all the net proceeds has been utilised as general working capital as intended by the Group.

The Board confirmed that the above additional information does not affect other information contained in the 2018 Annual Report.

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

Hong Kong, 12 September 2019

As at the date of this announcement, the Board comprises two executive directors, namely Mr. Lau Siu Ying and Mr. Wang Yu; 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.