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TESSON HOLDINGS LIMITED

天臣控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1201)

**(I) UPDATED INFORMATION ON THE ANNUAL RESULTS FOR
THE YEAR ENDED 31 DECEMBER 2019;
(II) FURTHER DELAY IN PUBLICATION OF
AUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL
REPORT; AND
(III) POSTPONEMENT OF ANNUAL GENERAL MEETING**

References are made to the announcements of Tesson Holdings Limited (the “**Company**”) (i) dated 31 March 2020 in relation to the unaudited annual results for the year ended 31 December 2019 (the “**Unaudited Annual Results Announcement 2019**”); and (ii) dated 28 April 2020 in relation to the delay in publication of audited annual results announcement and annual report (the “**Delay Announcement**”). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Unaudited Annual Results Announcement 2019.

**(I) UPDATED INFORMATION ON THE ANNUAL RESULTS FOR
THE YEAR ENDED 31 DECEMBER 2019**

As disclosed in the Unaudited Annual Results Announcement 2019, valuation carried by external valuers had not been finalised as at the date of the Unaudited Annual Results Announcement. Accordingly, property, plant and equipment and investment property of the Group were stated at cost or past valuation performed. The Board hereby provides updated information on the preliminary assessment on the impact of the valuation to the annual results for the year ended 31 December 2019.

Taking into account of the valuation performed by external valuers, major change in the annual results is as below.

	<i>Disclosure in the Unaudited Annual Results Announcement 2019 HK\$'000 (Unaudited)</i>	<i>Adjustment on valuation HK\$'000 (Unaudited)</i>	<i>Adjusted total HK\$'000 (Unaudited)</i>
For the year ended 31 December 2019			
Gain on valuation	-	14,649	14,649
Income tax	(19,923)	(3,662)	(23,585)
Loss for the year	(107,240)	10,987	(96,253)
As at 31 December 2019			
Property, plant and equipment	422,358	56,864	479,222
Investment property	24,467	14,419	38,886
Deferred tax liabilities	(90,533)	(12,463)	(102,996)
Total assets	3,166,353	71,283	3,237,636
Total liabilities	(2,071,096)	(12,463)	(2,083,559)

These amounts are not yet finalised and are subject to change in accordance to the audit process.

(II) FURTHER DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

As disclosed in the Unaudited Annual Results Announcement 2019 and the Delay Announcement, as a consequence of the COVID-19 outbreak and precautionary measures implemented in the PRC, normal operation resumption of the Group was delayed. The precautionary measures in the PRC included but not limited to, temporary suspension of work and business in various provinces, extension of the lunar new year holiday, quarantine order to restrict entry to and exit from certain cities, etc. Currently, the Group's operating units are mainly located in (i) Weinan and Nanjing for the Lithium Ion Motive Battery Business; and (ii) Nanchang, Nanning, Nanjing and Guangzhou for the Property and Cultural Business. These precautionary measures led to inability for the Group's employees to station in the production bases and limited operations of the Group in the PRC. As a result, the auditor of the Company was unable to conduct field works in the PRC, which included but not limited to, inspection of original documents, and completion of audit procedures was expected to be delayed.

The Company wishes to update the Shareholders and potential investors of the Company that, based on current development of COVID-19 pandemic and latest discussion with the auditor of the Company, the Company expects audit work in the PRC will end on or before 30 June 2020. As at the date of this announcement, the auditor is in the process of inspecting certain accounting documents and obtaining replies to the confirmations requested from the banks, debtors and creditors. Some other audit procedures, including but not limited to, (i) consensus in accounting treatment regarding the accounting policy effective in 2019; (ii) assessing potential impairment of the Group's assets; and (iii) assessment on internal control of the Group, were outstanding. Barring unforeseen circumstances, the audited results announcement and the annual report for the year ended 31 December 2019 are expected to be published on or before 30 June 2020. The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 13.46(2)(a) of the Listing Rules, on the condition that the Company will despatch the Annual Report on or before 30 June 2020.

(III) POSTPONEMENT OF ANNUAL GENERAL MEETING

Under Rule 13.46(2)(b) of the Listing Rules, the Company is required to lay the annual financial statements before the shareholders at the Annual General Meeting of the Company (the “AGM”) within the period of 6 months after the end of the financial year (i.e. by the end of 30 June 2020). As the COVID-19 pandemic had resulted in delay in publication of the audited annual results announcement and annual report for the year ended 31 December 2019, the Board decided to postpone the AGM to a date on or before 31 July 2020 to ensure that requirements with respect to the notice period of convening the AGM are fulfilled. The Board confirmed that such decision do not contravene the laws and regulations in Bermuda, as well as its Bye-laws. The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 13.46(2)(b) of the Listing Rules, on the condition that the postponement is in compliance with the Bye-laws and regulations in Bermuda.

The Company will keep the Shareholders and potential investors of the Company informed of the latest progress of the annual audit and make further announcement when necessary.

Shareholders and potential investors of the Company are advised to exercise caution in dealing in the shares of the Company.

By order of the Board
Tesson Holdings Limited
Tin Kong
Chairman and Executive Director

Hong Kong, 18 June 2020

As at the date of this announcement, the Board comprises Mr. Tin Kong, Ms. Cheng Hung Mui, Mr. Chen Dekun and Mr. Sheng Siguang as executive Directors; and Dr. Ng Ka Wing, Mr. See Tak Wah and Mr. Wang Jinlin, as independent non-executive Directors.