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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) FURTHER DELAY IN PUBLICATION OF
AUDITED ANNUAL RESULTS ANNOUNCEMENT AND
ANNUAL REPORT;
(II) POSTPONEMENT OF BOARD MEETING; 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, 18 June 2020 and 30 June 2020 respectively in relation to the delay and further delay in publication of audited annual results announcement and annual report (the “**Delay Announcements**”). 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) FURTHER DELAY IN PUBLICATION OF AUDITED ANNUAL
RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

As disclosed in the Unaudited Annual Results Announcement 2019 and the Delay Announcements, as a consequence of the COVID-19 outbreak and precautionary measures, which included the flexible working arrangement, implemented in the PRC, audit fieldwork in the PRC was delayed and completed on 24 June 2020, which was 1.5 weeks behind schedule, and approximately 60% confirmation letters had not yet been received by the auditor

The Board wishes to update the Shareholders and potential investors of the Company on the progress of annual audit. After completion of audit fieldwork in the PRC on 24 June 2020, our auditor was mainly performing the followings:

- (i) perform the remaining audit procedure, including but not limited to, obtaining replies to the confirmations requested from the banks, debtors and creditors, approximately 60% confirmation letters had not yet been received as at 30 June 2020. As a result of the outbreak of COVID-19, flexible working schedule kept in place and allowed personnel to shorten the time of presence in office, additional time is required to get response from recipients and to check the details on the confirmation letters, as well as to arrange sign off procedure. After discussion between the Company and the auditor, the scope on alternative work on non-replying confirmation letters will be extended, which included but not limited to, additional review on contracts, invoices, bank statements, and subsequent settlement. The Group is gathering the required documents and expects the procedure will be completed by 10 July 2020;
- (ii) assess valuation performed by the external valuer on property, plant and equipment of the Group and its accounting treatment. As audit fieldwork and site visit were postponed due to the outbreak of COVID-19, the auditor could not ascertain the understanding on the status and usage of the Group's assets obtained from the Company, the assessment on valuation was therefore delayed. As at the date of this announcement, the auditor had obtained understanding from the audit fieldwork on general conditions of the Group's assets, including property, plant and equipment, and from external valuer regarding valuation methodology and assumptions. The update on the consolidated financial statements regarding the valuation results is in progress and is expected to complete by 10 July 2020;
- (iii) assess potential impairment on the Group's assets, which included but not limited to, trade and other receivables. As stated in (i) above, flexible working arrangement delay the time to obtain response from corresponding parties. Therefore more time was required for the Company and the auditor to gather required information and come into an agreement on the amount of provision. Consensus on provision on impairment of trade and other receivables had been reached by the Company and the auditor, the consolidated financial statements are being updated which are expected to completed by 10 July 2020; and
- (iv) finalise the consolidated financial statements which is delayed due to the abovementioned. The consolidated financial statements are expected to complete after the auditor's internal review by 17 July 2020.

As additional time is required in the compilation of the consolidated financial statements, the Company needs to further delay the publication of the announcement on the audited annual results and the annual report for the year ended 31 December 2019, subject to no unforeseen circumstances and assuming that the audit work will be completed per the above schedule, they are expected to be published on or before 17 July 2020.

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.

(II) POSTPONEMENT OF BOARD MEETING

The Board hereby announces that a meeting of the Board originally scheduled to be held on Tuesday, 30 June 2020 and will be further postponed to Friday, 17 July 2020 for the purpose of, among other matters, considering and approving the audited consolidated annual results of the Company and its subsidiaries for the year ended 31 December 2019 and its publication.

(III) POSTPONEMENT OF ANNUAL GENERAL MEETING

As a result of the further delay in publication of the audited consolidated annual results and annual report for the year ended 31 December 2019, and having considered the requirements under the applicable laws and regulations in relation to convening the AGM, it is expected that the AGM will be further postponed to 21 August 2020.

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, 8 July 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.