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中國幸福投資(控股)有限公司
China Fortune Investments (Holding) Limited

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8116)

**VOLUNTARY ANNOUNCEMENT IN RELATION TO
LEGAL PROCEEDINGS COMMENCED BY THE COMPANY**

Reference is made to Note 45 to the Consolidated Financial Statements in the 2019 Annual Report of China Fortune Investments (Holding) Limited (the “**Company**”) published on 1 April 2020.

The board (the “**Board**”) of directors of the Company (the “**Directors**”) disclosed that, the Company had commenced legal proceedings at the High Court of the Hong Kong Special Administrative Region (Case no. HCA 88/2020) (the “**Proceedings**”) against Tai Quan Enterprises Limited, Extreme Rich Corporate Development Limited (collectively, the “**Vendors**”) and Radiant Thrive Enterprises Limited (“**Radiant**”) on 16 January 2020.

The Company’s principal claims are for:

- (i) rescission of the acquisition agreement entered into between the Company and the Vendors for acquiring the entire share capital of Affluent Grand Limited on 28 April 2017 (“**Acquisition Agreement**”), the convertible bonds instruments and promissory notes (subsequently transferred to Radiant on 19 June 2018) issued to the Vendors on 27 November 2017 for fraudulent misrepresentation;
- (ii) declaration that the Vendors are not entitled to enforce the Acquisition Agreement, the convertible bonds instruments and promissory notes (subsequently transferred to Radiant on 19 June 2018) issued to the Vendors on 27 November 2017 for fraudulent misrepresentation;
- (iii) declaration that the Vendors and Radiant are not entitled to enforce the promissory notes dated 27 November 2017;
- (iv) return of HK\$120,000,000 money from the Vendors; and

(v) damages for fraudulent misrepresentation against the Vendors.

As at the date hereof, no notice of intention to contest the Proceedings has been received by the Company. The Company is taking legal advice and will take steps to obtain judgment against the Vendors and Radiant.

The Company will continue to closely monitor any further developments of the matter and will make further announcements as and when appropriate.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 5 November 2018 and will continue to be suspended until further notice.

By order of the Board of
CHINA FORTUNE INVESTMENTS (HOLDING) LIMITED
Cheng Wing Tsan
Chairman

Hong Kong, 30 November 2020

As at the date of this announcement, the Board comprises six executive Directors, namely, Mr. Cheng Wing Tsan (Chairman), Mr. Zhou Dengchao, Ms. Pan Xuemei, Mr. Cheng Chun Tak, Mr. Stephen William Frostick and Mr. Wong Chi Ho, one non-executive Director, namely Mr. Huang Shenglan and three independent non-executive Directors, namely Mr. Chang Jun, Mr. Xu Jingan and Mr. Lee Chi Hwa Joshua.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 announcement 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 announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of the Company.