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China Futex Holdings Limited

中國福紡控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8506)

CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE OF COMPOSITION OF BOARD COMMITTEES

The Board hereby announces that, with effect from 18 January 2021,

1. Dr. Mu Zhirong resigned as an independent non-executive Director, a member of the Audit Committee, the chairman of the Remuneration Committee and a member of the Nomination Committee;
2. Ms. Yuan Yuan ceased to be the chairlady of the Nomination Committee and will remain as a member of the Nomination Committee; and
3. Mr. Chan Ka Leung Kevin has been appointed as an independent non-executive Director, a member of the Audit Committee, the chairman of the Remuneration Committee and the chairman of the Nomination Committee.

Resignation of Independent Non-Executive Director

The board (the “**Board**”) of directors (the “**Director(s)**”) of China Futex Holdings Limited (the “**Company**”) hereby announces that, with effect from 18 January 2021, Dr. Mu Zhirong (“**Dr. Mu**”) resigned as an independent non-executive Director, a member of the audit committee (the “**Audit Committee**”) of the Board, the chairman of the remuneration committee (the “**Remuneration Committee**”) of the Board and a member of the nomination committee (the “**Nomination Committee**”) of the Board in order to devote more time for his own business commitments.

Dr. Mu has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the shareholders of the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board would like to take this opportunity to extend its gratitude to Dr. Mu for his valuable contributions to the Company during his tenure of office.

Appointment of Independent Non-Executive Director

The Board further announces that, with effect from 18 January 2021, Mr. Chan Ka Leung Kevin (“**Mr. Chan**”) has been appointed as an independent non-executive Director. The biographical information of Mr. Chan is set out below.

Mr. Chan Ka Leung Kevin (陳家良)

Mr. Chan Ka Leung Kevin, aged 51, holds a bachelor of science degree in accountancy and a master of science degree from the University of Illinois of the United States of America. Mr. Chan has over 20 years of experiences in corporate finance. He is currently a responsible officer of a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) to conduct type 6 (advising on corporate finance) regulated activity.

Mr. Chan has been appointed as an independent non-executive director of Zhong Ao Home Group Limited (stock code: 1538) since 31 May 2017 and Teamway International Group Holdings Limited (stock code: 1239) since 21 June 2019, the shares of both companies are listed on the Main Board of the Stock Exchange.

Mr. Chan was a director of the following company which was incorporated in Hong Kong immediately prior to its dissolution:

Name of company	Principal business activities immediately prior to dissolution	Means of dissolution	Reasons of dissolution	Date of dissolution
WIDE ELITE LIMITED	Food and Beverage	Striking off	Cessation of business	16 August 2013

Mr. Chan confirmed that the above company was solvent with no outstanding liability at the time of its dissolution and to the best of his knowledge and understanding, the dissolution of the above company has not resulted in any liability or obligation to be imposed against him. Mr. Chan further confirmed that there was no wrongful act on his part leading to the dissolution of the above company and he is not aware of any actual or potential claim that has been or will be made against him as a result of the dissolution of the above company as at the date of this announcement.

Mr. Chan was an independent non-executive director of Greens Holdings Ltd (“**Greens Holdings**”), a company listed on the Main Board of the Stock Exchange (stock code: 1318), from 8 January 2015 to 12 November 2015. Greens Holdings is a company incorporated in the Cayman Islands with limited liability and was principally engaged in production and sale of heat transfer products, wind turbine towers and the services of waste heat power generation through its subsidiaries. Based on the announcements of Greens Holdings dated 4 September 2015, 2 October 2015 and 24 August 2016, (i) Greens Holdings filed a winding up petition and a summons with the Grand Court of the Cayman Islands on 2 September 2015 for an order to appoint provisional liquidators to it, (ii) Greens Holdings received a winding up petition (the “**Hong Kong Petition**”) filed with the High Court of the Hong Kong Special Administrative Region of the People’s Republic of China (the “**High Court**”) from a holder of unlisted bonds (the “**Petitioner**”) on 29 September 2015 for an outstanding debt under the unlisted bonds, (iii) the High Court granted leave for the Petitioner to withdraw the Hong Kong Petition on 3 August 2016. Please refer to the announcements of Greens Holdings for further details of the petitions. The shares of Greens Holdings were delisted from the Main Board of the Stock Exchange on 6 July 2020. Mr. Chan confirmed that there was no wrongful act on his part leading to the petitions of Greens Holdings and he is not aware of any actual or potential claim that has been or will be made against him as a result of the said petitions as at the date of this announcement.

Save as disclosed above and as at the date of this announcement, Mr. Chan does not hold any position in the Company or any of its subsidiaries, or have any other major appointments and professional qualifications. Save as disclosed above, Mr. Chan did not hold any other directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the date of this announcement. He does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”)) of the Company.

The Company has entered into a letter of appointment with Mr. Chan for a term of three years commencing from 18 January 2021, which may be terminated by either party giving not less than three months’ prior notice in writing and is subject to termination provisions therein and retirement and re-election in accordance with the articles of association of the Company, the GEM Listing Rules and any other applicable laws from time to time. He shall hold office until the first general meeting of the Company after his appointment, and be subject to re-election at the meeting in accordance with the articles of association of the Company. Pursuant to the letter of appointment, Mr. Chan is entitled to a fee of HK\$120,000 per annum, which has been approved by the Remuneration Committee with reference to (among others) his qualifications, experience, responsibilities, potential contribution to the Company and the prevailing market conditions.

In addition, as at the date of this announcement, Mr. Chan does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (within the meaning of Part XV of the SFO) of the Company.

Save as disclosed above, there are no other matters concerning the appointment of Mr. Chan that need to be brought to the attention of the shareholders of the Company and the Stock Exchange, nor is there any information relating to Mr. Chan that is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules.

The Board would like to take this opportunity to welcome Mr. Chan to join the Board.

CHANGE IN COMPOSITION OF THE AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

The Board also announces that, with effect from 18 January 2021:

1. Ms. Yuan Yuan ceased to be the chairlady of the Nomination Committee and will remain as a member of the Nomination Committee; and
2. Mr. Chan has been appointed as a member of the Audit Committee, the chairman of the Remuneration Committee and the chairman of the Nomination Committee.

By order of the Board
China Futex Holdings Limited
Cheng Jun
Chairman and executive Director

Hong Kong, 18 January 2021

As at the date of this announcement, the executive Directors are Mr. Cheng Jun (Chairman), Ms. Yuan Yuan, Mr. Guan Min and Mr. Zheng Liangjian; and the independent non-executive Directors are Dr. Hu Xudong, Mr. Shum Shing Kei and Mr. Chan Ka Leung Kevin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 in this announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.kx-machine.com.