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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 COMPLIANCE ADVISER

The board (the “**Board**”) of directors (the “**Directors**”) of China Futex Holdings Limited (the “**Company**”) announces pursuant to Rule 6A.29 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) that Essence Corporate Finance (Hong Kong) Limited (“**Essence**”) has resigned as the compliance adviser to the Company on 8 April 2021 with effect from 17 April 2021 (the “**Resignation**”). According to Essence, the Resignation was due to the Company’s omissions to consult Essence and to provide Essence with drafts or proofs of several announcements prior to publication (the “**Incidents**”), which make Essence incapable of discharging its responsibility as a compliance adviser; and the Company’s failure to publish its preliminary announcement of results for the year ended 31 December 2020 (details of which are set out in the Company’s announcement dated 25 March 2021).

The Board is of the view that the Incidents were principally attributable to the reduced degree of involvement of the then Directors (who were responsible for communicating with compliance adviser) on the communication with Essence prior to publication of the relevant announcements due to (i) the changes in composition of the Board since December 2020 and (ii) the appointment of Luk Fook Capital (HK) Limited (“**Luk Fook Capital**”) as an additional compliance adviser to the Company commencing from 1 January 2021.

Save as disclosed in this announcement, the Board and Essence confirm that, as at the date of this announcement, there are no other matters relating to the Resignation that need to be drawn to the attention of the shareholders of the Company and the Stock Exchange.

The Board further announces that, upon the effective date of the Resignation on 17 April 2021, Luk Fook Capital will replace Essence and serve as the replacement compliance adviser to the Company as required under Rule 6A.27 of the GEM Listing Rules until the date (i) on which the Company complies with Rule 18.03 of the GEM Listing Rules in respect of the financial results of the Company for the second full financial year commencing after the date of initial listing of the shares of the Company on GEM of the Stock Exchange (being the financial year ended 31 December 2020) pursuant to Rule 6A.19 of GEM Listing Rules, or (ii) until the compliance adviser agreement entered into between the Company and Luk Fook Capital is terminated in accordance with its terms, whichever is earlier. Luk Fook Capital was initially appointed as an additional compliance adviser to the Company commencing from 1 January 2021.

Luk Fook Capital is a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company will use its best endeavours to cooperate with Luk Fook Capital such that it can discharge its responsibilities as the compliance adviser to the Company.

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

Hong Kong, 16 April 2021

As at the date of this announcement, the executive Directors are Mr. Cheng Jun (Chairman), Ms. Yuan Yuan, Mr. Guan Min, Mr. Zheng Liangjian and Mr. Wang Kun; 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 herein or 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.