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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)

RESUMPTION GUIDANCE
AND
CONTINUED SUSPENSION OF TRADING

This announcement is made by China Futex Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcements of the Company dated 30 December 2020, 10 March 2021, 20 May 2021 and 4 June 2021 in relation to, among other things, the provision of guarantees by an indirect wholly-owned subsidiary of the Company (the “**Unauthorised Guarantees**”); (ii) the announcement of the Company dated 1 April 2021 in relation to the suspension of trading in the shares of the Company (the “**Shares**”) on the Stock Exchange; and (iii) the announcements of the Company dated 25 March 2021, 4 May 2021 and 28 May 2021 in relation to, among other things, the possible delay or delay in publication of the 2020 Annual Results, the 2020 Annual Report, the 2021 First Quarterly Results and the 2021 First Quarterly Report (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements.

RESUMPTION GUIDANCE

On 15 June 2021, the Board received a letter from the Stock Exchange setting out the following resumption guidance (the “**Resumption Guidance**”) for the Company:

- (i) conduct an appropriate forensic investigation into the Unauthorised Guarantees, disclose the findings and take appropriate remedial actions;
- (ii) conduct an independent forensic investigation with a view to identifying, if any, other material financial assistance made by the Group without proper authorisation, announce the findings, and take appropriate remedial actions;
- (iii) demonstrate that there is no reasonable regulatory concern about management integrity, and/or the integrity of any persons with substantial influence over the Company’s management and operations, which will pose a risk to investors and damage market confidence;
- (iv) demonstrate that the Directors meet a standard of competence commensurate with their position as directors of a listed issuer to fulfil duties of skill, care and diligence as required under Rules 5.01 and 5.02 of the GEM Listing Rules;
- (v) demonstrate that the Company has in place adequate internal control systems and procedures to comply with the GEM Listing Rules;
- (vi) publish all outstanding financial results required under the GEM Listing Rules and address any audit modifications;
- (vii) demonstrate compliance with Rule 17.26 of the GEM Listing Rules; and
- (viii) inform the market of all material information of the Company.

The Stock Exchange may modify or supplement the Resumption Guidance and/or give further guidance if the Company’s situation changes.

Under Rule 9.14A(1) of the GEM Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from dealings for a continuous period of 12 months. In the case of the Company, the 12-month period will expire on **31 March 2022**. If the Company fails to fulfil the Resumption Guidance and comply with the GEM Listing Rules to the Stock Exchange’s satisfaction and resume trading in the Shares by **31 March 2022**, the Listing Division of the Stock Exchange will recommend the GEM Listing Committee of the Stock Exchange to proceed with the cancellation of the Company’s listing. Under Rule 9.15 of the GEM Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

The Company is currently working with its advisers to take the necessary steps to comply with the Resumption Guidance with the aim of resuming trading in the Shares as soon as practicable.

The Company is required to announce its quarterly update on or before 30 June 2021, and every 3 months from that date until resumption or cancellation of listing (whichever is earlier). The Company will also update the shareholders and potential investors of the Company on any further development on the above matters by way of further announcement(s) as and when necessary in accordance with the GEM Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021. Pending fulfilment of the Resumption Guidance, trading in the Shares on the Stock Exchange will remain suspended until further notice.

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

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

Hong Kong, 16 June 2021

As at the date of this announcement, the executive Directors are Mr. Cheng Jun (Chairman), Mr. Guan Min, Mr. Zheng Liangjian and Mr. Wang Kun; and the independent non-executive Directors are 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 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.