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FUGUINIAO CO., LTD.
富貴鳥股份有限公司

(A joint stock company established in the People's Republic of China with limited liability)
(Stock Code: 1819)

UPDATE ON DEVELOPMENT OF SUSPENSION OF TRADING

This announcement is made by Fuguiniao Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcement of the Company dated 31 August 2016 in relation to, among others, the suspension of trading in the shares of the Company (the “**Shares**”) on the Stock Exchange; (ii) the announcement of the Company dated 18 May 2017 in relation to the conditions for resumption of trading of the Shares imposed on the Company by the Stock Exchange; (iii) the announcement of the Company dated 4 July 2018 in relation to the modified conditions for resumption of trading of Shares imposed on the Company by the Stock Exchange; and (iv) announcement of the Company dated 4 July 2018 in relation to the amendments to the delisting framework under the Listing Rules which will come into effect on 1 August 2018 (the “**Announcements**”). Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcements.

The Company received on 13 June 2018 the “Regulatory Letter to Fuguiniao Co., Ltd.” from the Shenzhen Stock Exchange (the “**SZSE**”). As stated in the letter, the SZSE issued a written warning to the Company, among others, to request the Company to publish its 2017 annual report as soon as practicable, and to remind the Company to strictly comply with relevant laws and regulations in fulfillment of its obligations to disclose information in a timely manner.

The Company received on 21 June 2018 the “Regulatory Warning Letter” from the Shanghai Stock Exchange (the “**SSE**”). As stated in the letter, the SSE issued a written warning to the Company, among others, to request the Company to publish its 2017 annual report as soon as practicable, and to remind the Company to strictly comply with relevant laws and regulations in fulfillment of its obligations to disclose information in a timely manner.

As disclosed in the overseas regulatory announcement of the Company dated 9 July 2018, the undisclosed new cases and unsettled cases of the Company and its subsidiaries in the past 12 months involved a total amount of approximately RMB434,000,000 (excluding partial interest and liquidated damages). The impact of the litigation and possible new litigation on the profit of the Company for 2018 is still uncertain and the actual impact will be subject to the courts' decision. As at 28 June 2018, an aggregate amount of RMB1,604,925.28 in the bank accounts of the Company and its subsidiaries were frozen due to litigation. The above matter has an adverse impact on the daily operation and business of the Company.

As disclosed in the announcement of the Company dated 13 July 2018, 國泰君安證券股份有限公司 Guotai Junan Securities Co., Ltd. (“**Guotai Junan**”), the trustee of the domestic corporate bonds in the total principal amount of not more than RMB800 million issued by the Company in the People's Republic of China, applied to Quanzhou Intermediate People's Court for the reorganization of the Company on the grounds that the Company is not able to pay its matured debts and clearly lacked of debt-paying ability. The Company plans to raise an objection to the above-mentioned Guotai Junan's application and the impact of the above matters on the Company is still unpredictable.

The Company received on 30 May 2018 the “Letter of Non-acceptance of Engagement” from Zhonghui Certified Public Accountants (“**Zhonghui**”), the PRC auditors of the Company. Zhonghui ceased to be the Company's PRC auditors with effect from 30 May 2018. In order to fill the casual vacancy arising from the resignation of Zhonghui, the board of directors of the Company resolved on 24 July 2018 to appoint Da Hua Certified Public Accountants LLP (“**Da Hua Certified Public Accountants**”) as PRC auditors of the Company for the year 2017 to hold office until the conclusion of the 2019 annual general meeting of the Company. Da Hua Certified Public Accountants has commenced the PRC audit work for the year 2017.

RESUMPTION PLAN AND UPDATE ON PROGRESS OF FULFILLMENT OF RESUMPTION CONDITIONS

The Company is currently devising its resumption plan. The Group will give priority to the unpublished results and the above matters and will implement its resumption plan as soon as practicable.

The Company will discuss with ZHONGHUI ANDA CPA Limited on the audit work for the year 2017 and will commence the audit work as soon as practicable.

CONTINUED 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 1 September 2016 and will remain suspended until further notice.

Please refer to the announcements of the Company dated 28 July 2017, 22 August 2017, 29 September 2017 and 24 November 2017 for the update on progress of fulfillment of resumption conditions.

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
Fuguiniao Co., Ltd.
Lam Wo Ping
Chairman

Hong Kong, 31 July 2018

As at the date of this announcement, the executive Directors are Mr. Lam Wo Ping, Mr. Lam Wing Ho and Mr. Xu Yukun; and the independent non-executive Directors are Mr. Wang Zhiqiang and Mr. Cheung Ming Hung.