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China Fortune Holdings Limited
中國長遠控股有限公司*

(Incorporated in Bermuda with limited liability, carrying on business in H.K. as CFH Limited)

(Stock Code: 110)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Financial adviser to the Company

RAINBOW CAPITAL (HK) LIMITED
浤 博 資 本 有 限 公 司

On 31 March 2026, the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Company has conditionally agreed to allot and issue to the Subscribers, and the Subscribers have conditionally agreed to subscribe for an aggregate of 25,000,000 Subscription Shares at the Subscription Price of HK$0.26 per Subscription Share under the General Mandate.

The Subscription Shares in aggregate represent (i) approximately 9.86% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 8.97% of the issued share capital of the Company as enlarged by the allotment and issue of all the Subscription Shares, assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date save for the allotment and issue of the Subscription Shares.

* *For identification purposes only*

Completion of the Subscriptions is subject to fulfilment of the Conditions Precedent under the Subscription Agreements as stated in this announcement. As such, the Subscriptions may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

On 31 March 2026, the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Company has conditionally agreed to allot and issue to the Subscribers, and the Subscribers have conditionally agreed to subscribe for an aggregate of 25,000,000 Subscription Shares at the Subscription Price of HK$0.26 per Subscription Share under the General Mandate.

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENTS

Date: 31 March 2026

Parties: (i) The Company, as issuer; and

(ii) the Subscribers, as subscriber under each of the Subscription Agreements

Subscription Shares: An aggregate of 25,000,000 Subscription Shares, which includes:

Subscriber A: 10,000,000 Subscription Shares

Subscriber B: 5,000,000 Subscription Shares

Subscriber C: 5,000,000 Subscription Shares

Subscriber D: 3,000,000 Subscription Shares

Subscriber E: 2,000,000 Subscription Shares

Subscription Price: HK$0.26 per Subscription Share

Subscription Shares

An aggregate of 25,000,000 Subscription Shares will be allotted and issued under the Subscriptions.

As at the date of this announcement, the Company has a total of 253,555,888 Shares in issue. Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the Closing Date, save for the allotment and issue of the Subscription Shares, the Subscription Shares in aggregate represent:

(i) approximately 9.86% of the existing issued share capital of the Company as at the date of this announcement; and

(ii) approximately 8.97% of the issued share capital of the Company as enlarged by the allotment and issue of all the Subscription Shares.

The Subscription Shares have an aggregate nominal value of HK$250,000.

Subscription Price

The Subscription Price of HK$0.26 per Subscription Share represents:

(i) a premium of approximately 33.33% over the closing price of HK$0.195 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements;

(ii) a premium of approximately 27.20% over the average closing price of HK$0.2044 per Share as quoted on the Stock Exchange for the last five (5) trading days immediately before the date of the Subscription Agreements.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscribers after taking into account the prevailing market price and trading volume of the Shares, the current market conditions and the prospects and outlook of the Group. The Directors consider that the terms of the Subscription Agreements are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Subscription Shares have an aggregate nominal value of HK$250,000. The gross proceeds from the Subscriptions is HK$6,500,000. The net proceeds from the Subscriptions, after deduction of relevant costs and expenses, is estimated to be approximately HK$6,460,000. The net Subscription Price per Subscription Share, after deduction of relevant costs and expenses, is estimated to be HK$0.2584 per Subscription Share.

The Subscription Price shall be payable by the Subscribers in cash upon Closing.

Ranking

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue at the time of allotment and issue of the Subscription Shares.

Conditions Precedent

Closing of the Subscription Agreements is conditional upon the satisfaction of the following Conditions Precedent:

(i) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Subscription Shares and such approval not having been withdrawn or revoked;

(ii) if required, the Bermuda Monetary Authority granting permission to issue and allot the Subscription Shares; and

(iii) the entire existing issued share capital of the Company being listed and will continue to be listed on the Stock Exchange at Closing. None of the Conditions Precedent could be waived. As at the date of this announcement, none of the Conditions Precedent have been fulfilled. If the above Conditions Precedent are not satisfied by 11:59 p.m. on the Long Stop Date, the Subscription Agreements shall be automatically terminated with immediate effect.

Completion of the Subscription

Completion of the Subscription will take place on the second Business Day following the day on which all of the Conditions Precedent had been satisfied (or such other date as may be agreed between the Company and the Subscribers in writing).

Listing Application

An application shall be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

General Mandate

Pursuant to the General Mandate granted by the Shareholders at the annual general meeting of the Company held on 30 May 2025, the Directors may exercise all powers of the Company to allot, issue and otherwise deal with Shares not exceeding 50,711,177 Shares, representing 20% of the number of the issued Shares of the Company as at the date of the annual general meeting.

Up to the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the General Mandate is sufficient for the issue of the Subscription Shares. As a result, the issue of the Subscription Shares is not subject to separate Shareholders' approval.

INFORMATION ON THE SUBSCRIBERS

Subscriber A is a company incorporated in Hong Kong with limited liability and is principally engaged in acquisitions, investment management, brand management and international trade. Subscriber A is owned as to 50% by Ms. Yan Zongqi (閆宗琪) and 50% by Mr. Liu Tianyu (劉天宇).

Subscriber B is an individual who is a PRC residents and he is a businessman and is a 25% shareholder and the general manager of Zhangchun Yiwei Green Energy Technology Company Limited* (長春億緯綠能科技有限公司), a company which is mainly engaged in the leasing of new energy battery in the PRC.

Subscriber C is an individual who is a Hong Kong resident and he is a businessman and is the sole ultimate beneficial owner of Combright Company Limited, a company which is mainly engaged in the provision of consultancy services.

Subscriber D is an individual who is a PRC residents and he is a businessman and the sole shareholder of Hunan Jiahuayi Asset Management Co., Ltd.* (湖南佳華意資產管理有限公司), a company which is mainly engaged in asset management in the PRC.

Subscriber E is an individual who is a PRC residents and he is a lawyer under Beijing Dacheng (Nanjing) Law Offices, LLP (北京大成(南京)律師事務所).

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Subscribers and their ultimate beneficial owners is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The principal activities of the Group are distribution and trading of mobile phones and electronic products.

During the six months ended 30 June 2025, the Group recorded increase in revenue from approximately HK$34.5 million for the six months ended 30 June 2024 to approximately HK$40.5 million, which was due to the increase in revenue from mobile phones and electronic products trading business in PRC and Hong Kong. Despite the increase in revenue, the Group continued to record loss for the period, which amounted to approximately HK$7.5 million. As the Group's financial performance remained unsatisfactory, the financial position of the Group further deteriorated. As at 30 June 2025, the Group only had cash and bank balances of approximately HK$7.9 million while the Group has net deficit and net current liabilities of approximately HK$16.5 million and HK$18.9 million, respectively. As such, in order to maintain the liquidity and allow sufficient capital to capture any business opportunities that may arise from time to time, the Directors believe that the Subscription represents an attractive opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Subscription Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming all the Subscription Shares are fully subscribed, the gross proceeds from the Subscription will be HK$6,500,000. After deducting related professional fees and all related expenses of approximately HK$40,000 to be borne by the Company under the Subscription, the net proceeds of the Subscription will amount to approximately HK$6,460,000, representing a net subscription price of HK$0.2584 per Subscription Share. The Company intends to apply the net proceeds as general working capital of the Group.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY FOLLOWING COMPLETION OF THE SUBSCRIPTIONS

The table below sets out a summary of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of all the Subscription Shares (assuming there are no other changes to the issued share capital of the Company between the date of this announcement and the Closing Date save for the allotment and issue of the Subscription Shares and the Subscribers will not hold any other Shares save for the Subscription Shares on the Closing Date):

	As at the date of this announcement		**Immediately after the allotment and issue of Subscription Shares**	
	Number of Shares	*Approximate shareholding percentage (%)*	*Number of Shares*	*Approximate shareholding percentage (%)*
Mr. Lau *(Notes 1 and 2)*	116,345,481	45.89	116,345,481	41.77
Subscriber A	—	—	10,000,000	3.59
Subscriber B	—	—	5,000,000	1.79
Subscriber C	—	—	5,000,000	1.79
Subscriber D	9,000,000	3.55	12,000,000	4.31
Subscriber E	—	—	2,000,000	0.72
Other Shareholders	128,210,407	50.56	128,210,407	46.03
Total	253,555,888	100.00	278,555,888	100.00

Notes:

1. These Shares are held by Future 2000 Limited, a company incorporated in the British Virgin Islands which in turn is held by a discretionary trust. The beneficiaries of the discretionary trust include Mr. Lau, his spouse and his children.

2. Under the SFO, Mr. Lee Wai, Timothy is deemed to have interests in the Shares as he is entitled to exercise more than one-third of the voting power at general meetings of Future 2000 Limited.

EQUITY FUND RAISING OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company did not conduct any fund-raising activities by issue of equity securities in the twelve months immediately before the date of this announcement.

GENERAL

Completion of the Subscriptions is subject to fulfilment of the Conditions Precedent under the Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings.

"Board"	the board of directors of the Company
"Business Day"	any day (excluding Saturday, Sunday, public holiday and days on which a tropical cyclone warning No.8 or above or a "black rainstorm warning signal" is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are generally open for business in Hong Kong
"Closing"	completion of the Subscription Agreements
"Closing Date"	the date of Closing
"Company"	China Fortune Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock code: 110)

"Conditions Precedent"	the conditions precedent set out in the section headed "Principal terms of the Subscription Agreements — Conditions Precedent" in this announcement
"connected persons"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	member(s) of the Board of the Company
"General Mandate"	the general mandate granted by the Shareholders at the annual general meeting of the Company held on 30 May 2025 to the Directors to allot, issue and otherwise deal with Shares not exceeding 50,711,177 Shares, representing 20% of the number of the issued Shares of the Company as at the date of the annual general meeting
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"Long Stop Date"	30 June 2026 (or such later date as the Company and the Subscribers may agree in writing)
"Mr. Lau"	Mr. Lau Siu Ying
"PRC"	the People's Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber A"	China Dingli Capital Holding Group Limited, a company incorporated in Hong Kong with limited liability
"Subscriber B"	Mr. Chen Wei (陳維), an individual who is a PRC resident
"Subscriber C"	Mr. Tsang Chiu Ming (曾昭明), an individual who is a Hong Kong resident
"Subscriber D"	Mr. Lei Yongjia (雷勇佳), an individual who is a PRC resident
"Subscriber E"	Mr. Liao Jianjun (廖建軍), an individual who is a PRC resident
"Subscribers"	Subscriber A, Subscriber B, Subscriber C, Subscriber D and Subscriber E
"Subscriptions"	the subscriptions by the Subscribers for, and the allotment and issue by the Company of, the Subscription Shares under the terms and subject to the conditions of the Subscription Agreements
"Subscription Agreements"	the agreements dated 31 March 2026 entered into between the Company and each of the Subscribers

"Subscription Price"	HK$0.26 per Subscription Share
"Subscription Share(s)"	an aggregate of 25,000,000 new Shares to be allotted and issued by the Company to the Subscribers pursuant to the terms and conditions of the Subscription Agreements
"%"	per cent.

* *For identification purposes only*

By order of the Board
China Fortune Holdings Limited
Lau Siu Ying
Chairman and Chief Executive Officer

Hong Kong, 31 March 2026

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Lau Siu Ying, Ms. Lau Zi Yin, Michelle and Mr. Li Jianwu; and three independent non-executive directors, namely Dr. Law Chun Kwan, Dr. Lo Wai Shun and Mr. Leung Wai Hung.