

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **Futong Technology Development Holdings Limited**

**富通科技發展控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 465)**

### **POSITIVE PROFIT ALERT**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that after a preliminary assessment by the Board of the unaudited consolidated management accounts of the Group, it is anticipated that the profit attributable to Shareholders for the six-month period ended 30 June 2018 may record a significant increase as compared to that of the corresponding period in 2017.

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

This announcement is made by Futong Technology Development Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”).

After a preliminary assessment on the unaudited consolidated management accounts of the Company and its subsidiaries (the “**Group**”), the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that it is expected that the profit attributable to Shareholders for the six-month period ended 30 June 2018 may record a significant increase as compared to that of the corresponding period in 2017. Based on the information currently available, it is considered that such increase was mainly attributed to, among others, the combined effect of the following factors:

- (a) as a result of the Group's effort to transform its business by decreasing the sale of products with low profit margin, while there was a decrease in revenue of approximately 38-43% and gross profit of approximately 5-10% as compared to that of the corresponding period in 2017, with the increase of sale of the Group's own branded products and services, the gross profit ratio increased by approximately 50-55%;
- (b) a decrease in selling and distribution expenses of approximately 10-15% as compared to that of the corresponding period in 2017;
- (c) a decrease in administrative and financial expenses of approximately 32-37% as compared to that of the corresponding period in 2017 due to the implementation of tight cost control measures; and
- (d) an increase in specific provision of doubtful debts following a more prudent approach adopted by management in tightening the recovery time before commencing legal proceedings on long outstanding debts of traditional business and an increase in general provision of doubtful debts following the adoption of International Financial Reporting Standard 9.

As the Company is still in the process of finalizing the unaudited consolidated results of the Group for the six-month period ended 30 June 2018, the information contained in this announcement (a) is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group which have not been reviewed by the Company's auditors and the audit committee; and (b) may be subject to adjustments upon further review.

Details of the financial information of the Group for the six-month period ended 30 June 2018 are expected to be published in the unaudited interim results announcement before the end of August 2018 pursuant to the requirements of the Listing Rules.

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

For and on behalf of the Board  
**Futong Technology Development Holdings Limited**  
**Chen Jian**  
*Executive Director*

Hong Kong, 24 July 2018

*As at the date of this announcement, the executive Directors are Mr. CHEN Jian and Ms. CHEN Jing; and the independent non-executive Directors are Mr. YUAN Bo, Mr. CHOW Siu Lui, Mr. LO Kwok Kwei David and Mr. YAO Yun.*