

**FUGUINIAO COMPANY LTD:
WHAT IS, REALLY, HAPPENING, HERE ?**

Publicly listed Fuguiniao Company Ltd () (Code: 1819, Main Board, The Stock Exchange of Hongkong Ltd) has just been sued by Toppan Vite Ltd () in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

Fuguiniao Company Ltd is engaged in the manufacture and sales of footwear and casual menswear in the PRC, proper, being separate and distinct from the HKSAR.

It was listed on the Main Board of The Stock Exchange of Hongkong Ltd on December 20, 2013.

Toppan Vite Ltd, according to its website, is engaged in numerous activities, including '*creating, managing and distributing financial materials to investors*', managing '*shareholder communications, financial reporting and stock exchange filings cost-efficiently with our efficient responsive flexible services*' and having '*Local market experience and global capabilities for faster turnaround on deal execution, including our Hive next-generation virtual data room*'.

It has filed Writ of Summons, Number 829 of 2014, in the HKSAR High Court, seeking the sum of \$US1,042,097.12 (about \$HK8.13 million) plus interest at the rate of 2.50 percent per month '*from January 24, 2014 to the date of judgment and thereafter at judgment rate until full payment*'.

As at last Saturday, Fuguiniao Company Ltd had not made mention of this legal matter to its shareholders.

To Senior Management of Fuguiniao Company Ltd, this matter of High Court Action, Number 829, no doubt, must be considered of little material significance, considering the very strong financial position of the Company.

On April 7, 2014, Fuguiniao Company Ltd published its 2013 Annual Report for the Financial Year, ended December 31, 2013.

The Company reported that, on a Turnover of 2,294,287,000 renminbi (about \$HK2.89 billion), the Net Profit Attributable to Shareholders came in at 443,729,000 renminbi (about \$HK558.21 million).

Comparing the above statistics with those of the 2012-Year, the Turnover had risen by about 18.74 percent and the Net Profit Attributable to Shareholders had risen by about 37.13 percent.

As at the 2013-Year's Balance Sheet Date, under Current Assets, Fuguiniao Company Ltd was cash rich to the extent of at least 1.45 billion renminbi (about \$HK1.82 billion).

At Page 34 of the 2013 Annual Report, it is stated:

'Significant Legal Proceedings

'For the year ended 31 December 2013, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.'

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