



*(Continued into Bermuda with limited liability)*

**(Stock Code: 8166)**

## **FURTHER ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **CHARACTERISTICS OF THE GEM (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors of China Eco-Farming Limited (the “Company”) (the “Director(s)”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 this announcement misleading.*

*This announcement will remain on the Company’s website at <http://www.aplushk.com/clients/8166chinaeco-farming/index.html> and the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting.*

References are made to the announcements of China Eco-Farming Limited (the “Company”) dated 30 March 2020, 31 March 2020 and 1 April 2020, in relation to, among others, the unaudited annual results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2019 (the “Unaudited Preliminary Announcement”). Terms used herein shall have the same meanings as those defined in the Unaudited Preliminary Announcement unless the context requires otherwise.

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in this audited preliminary announcement have been agreed by the Group’s auditors, Asian Alliance (HK) CPA Limited (“Asian Alliance”), to the amounts set out in the Group’s audited financial statements for the year. The work performed by Asian Alliance in this respect did not constitute an assurance engagement in accordance with HKSA, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Asian Alliance on the audited preliminary announcement.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	<i>NOTES</i>	<b>2019</b> <b>HK\$'000</b>	2018 HK\$'000
Revenue			
Goods and services	4	<b>27,334</b>	44,696
Leases		<b>3,222</b>	5,153
Interest under effective interest method		<b>1,280</b>	1,568
		<hr/>	<hr/>
Total revenue		<b>31,836</b>	51,417
Cost of sales		<b>(20,658)</b>	(37,798)
		<hr/>	<hr/>
Gross profit		<b>11,178</b>	13,619
Other gains or losses	5	<b>3,159</b>	7,587
Impairment losses under expected credit loss model, net of reversal		<b>3,536</b>	(1,315)
(Loss) gain from changes in fair value of investment properties, net		<b>(29,207)</b>	16,249
Loss from changes in fair value of financial assets at fair value through profit or loss		<b>(10,077)</b>	(20,486)
Impairment loss on goodwill		<b>(3,547)</b>	–
Impairment loss on interest in associates		<b>(2,619)</b>	–
Selling and distribution expenses		<b>(1,394)</b>	(1,232)
Administrative expenses		<b>(47,968)</b>	(62,311)
Share of results of associates		<b>(17,263)</b>	(2,382)
Finance costs	6	<b>(11,945)</b>	(9,251)
		<hr/>	<hr/>
Loss before tax		<b>(106,147)</b>	(59,522)
Income tax credit (expense)	7	<b>6,669</b>	(984)
		<hr/>	<hr/>
Loss for the year	8	<b>(99,478)</b>	(60,506)

	<i>NOTES</i>	<b>2019</b> <b><i>HK\$'000</i></b>	2018 <i>HK\$'000</i>
Other comprehensive expense:			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income		<u>(15,410)</u>	<u>(12,288)</u>
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(7,957)</u>	<u>(11,973)</u>
Other comprehensive expense for the year, net of income tax		<u>(23,367)</u>	<u>(24,261)</u>
Total comprehensive expense for the year		<u><b>(122,845)</b></u>	<u><b>(84,767)</b></u>
Loss (profit) for the year attributable to:			
Owners of the Company		(99,411)	(68,428)
Non-controlling interests		<u>(67)</u>	<u>7,922</u>
		<u><b>(99,478)</b></u>	<u><b>(60,506)</b></u>
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		(122,721)	(86,113)
Non-controlling interests		<u>(124)</u>	<u>1,346</u>
		<u><b>(122,845)</b></u>	<u><b>(84,767)</b></u>
LOSS PER SHARE			
Basic and diluted ( <i>HK cents</i> )	10	<u><b>(12.37)</b></u>	<u><b>(9.63)</b></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	NOTES	2019 HK\$'000	2018 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		2,948	6,158
Right-of-use assets		3,550	–
Investment properties		59,183	169,800
Goodwill		725	4,272
Interests in associates		53,549	73,431
Equity instruments at fair value through other comprehensive income		9,571	31,984
Deposits paid		59,768	35,250
		<u>189,294</u>	<u>320,895</u>
<b>CURRENT ASSETS</b>			
Inventories, finished goods		908	921
Trade and other receivables	11	24,244	27,292
Loan and interest receivables		21,148	34,215
Loans to associates		31,559	27,864
Financial assets at fair value through profit or loss		7,685	20,362
Bank balances and cash		2,416	17,870
		<u>87,960</u>	<u>128,524</u>
Assets classified as held for sale		<u>77,610</u>	<u>–</u>
		<u>165,570</u>	<u>128,524</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	40,362	31,051
Contract liabilities		–	1,940
Amounts due to non-controlling interests		2,995	2,995
Borrowings		43,366	35,616
Margin loans payables		6,012	18,199
Lease liabilities		1,107	–
Financial guarantee contract		727	–
Income tax payable		244	623
		<u>94,813</u>	<u>90,424</u>
<b>NET CURRENT ASSETS</b>		<u>70,757</u>	<u>38,100</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>260,051</u>	<u>358,995</u>

	<i>NOTES</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings		19,612	–
Lease liabilities		2,636	–
Deferred tax liabilities		15,212	22,022
		<u>37,460</u>	<u>22,022</u>
<b>NET ASSETS</b>		<u><b>222,591</b></u>	<u><b>336,973</b></u>
<b>CAPITAL AND RESERVES</b>			
Share capital		9,325	7,771
Reserves		176,792	292,586
		<u>186,117</u>	<u>300,357</u>
Equity attributable to owners of the Company		186,117	300,357
Non-controlling interests		36,474	36,616
		<u>36,474</u>	<u>36,616</u>
<b>TOTAL EQUITY</b>		<u><b>222,591</b></u>	<u><b>336,973</b></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2019*

## 1. GENERAL

China Eco-Farming Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Company Law of the Cayman Islands on 30 November 2000.

The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 5 February 2002.

During the year ended 31 December 2007, the Company re-domiciled from the Cayman Islands into Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda. The change of domicile was approved by the shareholders of the Company on 15 October 2007 and the Company was continued into Bermuda with limited liability with effect from 29 October 2007.

The addresses of the registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business of the Company is Room 2002, 20/F., Overseas Trust Bank Building, 160 Gloucester Road, Hong Kong. The directors of the Company (the “Directors”) do not consider any company to be the ultimate holding company and parent company of the Company.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the business of one-stop value chain services, property investment, trading of consumables and agricultural products, trading of grocery food products, provision of money lending services and provision of financial services.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. Other than those subsidiaries established in the People’s Republic of China (the “PRC”) and incorporated in Taiwan whose functional currencies are Renminbi (“RMB”) and New Taiwan dollars (“NTD”) respectively, the functional currency of the Company and its subsidiaries is HK\$.

## 2. BASIS OF PREPARATION

During the year ended 31 December 2019, the Group reported loss attributable to owner of the Company of approximately HK\$99,411,000 and net operating cash outflows of approximately HK\$26,112,000 during the year ended 31 December 2019. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Although the Group has been continuously incurring losses in these years, the Directors are of the opinion that the Group will have sufficient working capital to meet its operating cash flows as and when they fall due for the next twelve months from the end of the reporting period given that:

- (i) the Directors will continuously review the cost structure of the Group and formulate appropriate cost saving measures to improve the performance and the cash flows of the Group's operations;
- (ii) the Directors are also considering streamlined the Group's asset base by realise some of its investment properties, selling the Group's equity interests in PRC and interest in associates in PRC to strengthen the Group's cash flows and utilise the existing standby facility granted to the Company whenever appropriate.

Accordingly, the Directors are of the opinion that it is appropriate to prepare these consolidated financial statements for the year ended 31 December 2019 on a going concern basis. The consolidated financial statements do not provide for further liabilities which might arise, and do not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

## 3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

### **New and Amendments to HKFRSs that are mandatorily effective for the current year**

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC)-Interpretation ("Int") 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS Hong Kong Accounting Standard ("HKAS") 19	Plan Amendment, Curtailment or Settlement
Amendments to Hong Kong Accounting Standard ("HKAS") 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.



### 3.1 HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 *Leases* (“HKAS 17”), and the related interpretations.

#### *Definition of a lease*

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

#### *As a lessee*

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- (i) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

- (ii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
- (iii) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The incremental borrowing rate applied is 15%.

	<b>At 1 January 2019 HK\$'000</b>
Operating lease commitments as at 31 December 2018	<u>3,006</u>
Lease liabilities discounted at relevant incremental borrowing rates	2,854
Add: Extension options reasonably certain to be exercised	65
Less: Practical expedient – leases with lease term ending within 12 months from the date of initial application	<u>(2,830)</u>
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 and lease liabilities as at 1 January 2019	<u><u>89</u></u>
Analysed as:	
Current	68
Non-current	<u>21</u>
	<u><u>89</u></u>

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	Right-of-use assets <i>HK\$'000</i>
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	<u>89</u>

The transition to HKFRS 16 has no impact on the accumulated losses at 1 January 2019.

The following adjustments were made to the amounts recognised in the statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2019 <i>HK\$'000</i>	Adjustments <i>HK\$'000</i>	Carrying amounts under HKFRS 16 at 1 January 2019 <i>HK\$'000</i>
<b>Non-current assets</b>			
Right-of-use assets	–	89	89
<b>Current liabilities</b>			
Lease liabilities – current portion	–	68	68
<b>Non-current liabilities</b>			
Lease liabilities – non-current portion	–	21	21

*Note:* For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening statement of financial position as at 1 January 2019 as disclosed above.

*As a lessor*

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied under trade and other payables. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets should be adjusted to reflect the discounting effect at transition. Based on the assessment by the management of the Company, the amount of the adjustment is insignificant and therefore no adjustment to refundable rental deposits received has been made.

#### **New and amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 3	Definition of Business <sup>2</sup>
Amendments to HKAS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>4</sup>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform <sup>4</sup>

<sup>1</sup> *Effective for annual periods beginning on or after 1 January 2021.*

<sup>2</sup> *Effective for business combinations and asset acquisitions for which the acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2020.*

<sup>3</sup> *Effective for annual periods beginning on or after a date to be determined.*

<sup>4</sup> *Effective for annual periods beginning on or after 1 January 2020.*

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, *the Amendments to References to the Conceptual Framework in HKFRS Standards*, will be effective for annual periods beginning on or after 1 January 2020.

Except for the new and amendments to HKFRSs mentioned in the consolidated financial statements, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

#### 4. REVENUE

##### (i) Disaggregation of revenue from contracts with customers

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	Segment revenue	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
One-stop value chain services	7,282	28,880
Trading of consumables and agricultural products		
– Reusable bags	5,030	6,045
– Resin plastics and polyethylene plastics	6,644	–
Trading of grocery food products		
– Ramen and udon	5,182	5,769
Provision of financial services	3,196	4,002
	<u>27,334</u>	<u>44,696</u>
<b>Revenue from contracts with customers</b>	<b>27,334</b>	<b>44,696</b>
Leases	3,222	5,153
Interest under effective interest method	1,280	1,568
	<u>1,280</u>	<u>1,568</u>
Total revenue	<b><u>31,836</u></b>	<b><u>51,417</u></b>

##### (ii) Leases

	2019
	<i>HK\$'000</i>
For operating leases:	
Lease payments that are fixed	<u>3,222</u>
	<u>3,222</u>
	2018
	<i>HK\$'000</i>
Operating lease income – properties	<u>5,153</u>

**5. OTHER GAINS OR LOSSES**

	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank interest income	2	3
Loan interest income on loans to associates	4,026	4,478
Dividend income from financial assets at FVTPL	284	1,369
Sundry income	48	520
Gain on disposal of a subsidiary	100	1,065
Gain on fair value change of contingent consideration payable	–	152
Loss on written-off of plant and equipment	(1,301)	–
	<u>3,159</u>	<u>7,587</u>

**6. FINANCE COSTS**

	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on borrowings	6,798	3,770
Reimbursement of finance costs borne by lenders	1,515	–
Interest on other payables	–	277
Interest on lease liabilities	88	–
Interest on margin loans payables	852	3,391
Interest on balance payment for DHL Acquisition	2,692	–
Effective interest expense on convertible bonds	–	1,813
	<u>11,945</u>	<u>9,251</u>

**7. INCOME TAX (CREDIT) EXPENSE**

	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong Profits Tax:		
Current tax	140	143
(Over) under-provision in prior years	(333)	178
	(193)	321
Deferred tax:		
Current year	(6,476)	663
	<u>(6,669)</u>	<u>984</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2018. No EIT is provided for the years ended 31 December 2019 and 2018 as the Group did not derive any assessable profit subject to EIT.

The Taiwan Profit-Seeking Enterprise Income Tax is calculated at 17% of the estimated assessable profits for both years. No Profit-Seeking Enterprise Income Tax is provided for the years ended 31 December 2019 and 2018 as the Group did not derive any assessable profit subject to Profit-Seeking Enterprise Income Tax.

## 8. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	<b>2019</b>	2018
	<b>HK\$'000</b>	HK\$'000
Directors' emoluments	<b>3,176</b>	4,444
Other staff costs (excluding directors' emoluments)	<b>13,634</b>	13,423
Share-based payments (excluding directors)	–	1,059
Retirement benefits scheme contributions (excluding directors)	<b>632</b>	696
	<b>17,442</b>	19,622
Auditors' remuneration:		
– Audit services	<b>1,034</b>	800
– Non-audit services	–	125
Amount of inventories recognised as an expense	<b>20,638</b>	35,245
Depreciation for plant and equipment	<b>2,017</b>	2,356
Depreciation of right-of-use assets	<b>360</b>	–
Loss on written-off of trade receivables	<b>821</b>	–
Loss on written-off of other receivables	–	13,290
Loss on settlement of loan and interest receivables	<b>191</b>	–
Write-down of inventories	–	83
Share-based payments to consultants	–	631
Foreign exchange losses, net	<b>703</b>	2,499
Minimum lease payments paid under operating leases in respect of office premises	<b>3,137</b>	4,215

## 9. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2019, nor has any dividend been proposed since the end of the reporting period (2018: Nil).

## 10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	<b>2019</b>	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Loss</b>		
Loss for the year attributable to owners of the Company	<u><u>(99,411)</u></u>	<u><u>(68,428)</u></u>
	<b>2019</b>	2018
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u><u>803,532,540</u></u>	<u><u>710,647,717</u></u>

The denominators used are the same as those detailed above for both basic and diluted loss per share.

For the years ended 31 December 2019 and 2018, the computation of diluted loss per share does not assume the exercise of the Company's options since their exercise would result in an antidilutive effect on the basic loss per share for the years ended 31 December 2019 and 2018.



## 11. TRADE AND OTHER RECEIVABLES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade receivables arise from contracts with customers	5,414	3,045
Less: Allowance for credit losses	<u>(142)</u>	<u>(355)</u>
	<u>5,272</u>	<u>2,690</u>
Prepayments to suppliers	<u>354</u>	<u>2,354</u>
Deposits	5,176	11,242
Other receivables	<u>13,564</u>	<u>11,067</u>
	18,740	22,309
Less: Allowance for credit losses	<u>(122)</u>	<u>(61)</u>
	<u>18,618</u>	<u>22,248</u>
	<u>24,244</u>	<u>27,292</u>

As at 1 January 2018, trade receivables from contracts with customers amounted to HK\$5,268,000.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice dates:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
0 to 30 days	3,536	1,514
31 to 90 days	1,730	70
Over 90 days	<u>6</u>	<u>1,106</u>
	<u>5,272</u>	<u>2,690</u>

## 12. TRADE AND OTHER PAYABLES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade payables	3,803	30
Other payables	<u>36,559</u>	<u>31,021</u>
	<u><u>40,362</u></u>	<u><u>31,051</u></u>

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
0 to 30 days	2,096	30
31 to 90 days	1,587	–
Over 90 days	<u>120</u>	<u>–</u>
	<u><u>3,803</u></u>	<u><u>30</u></u>

## 13. EVENTS AFTER THE REPORTING PERIOD

### Change of purchaser of properties disposal

On 29 October 2019, the Group and Mr. Cai Weiyuan\* (the “Buyer”) signed a sales and purchase agreement to dispose of eight of the investment properties held by the Group located in the PRC at a consideration of approximately RMB69,450,000 (equivalent to approximately HK\$77,610,000) (the “Properties Disposal”). On 13 February 2020, the Buyer of the Properties Disposal notified the Group that he has assigned all of his rights in relation to the Properties Disposal to Mr. Chen Chunhui\*, being the new purchaser.

The details of the change of purchaser was disclosed in the announcement of the Company dated 24 February 2020 and the circular of the Company dated 23 March 2020.

The Properties Disposal has been approved by shareholders at the special general meeting of the Company held on 9 April 2020 as disclosed in the announcement of the Company dated 9 April 2020.

\* *For identification purpose only*

#### 14. COMPARATIVE FIGURES

During the year ended 31 December 2019, for enhancing the relevance of the presentation of the consolidated financial statements, reclassifications have been made to certain comparative figures presented in the consolidated financial statements in respect of the prior year to achieve comparability with the current year's presentation. As a result, the following line items regarding comparative figures have been amended and adjusted, together with the related notes to conform to the current year's presentations:

	<b>Previous reported</b> <i>HK\$'000</i>	<b>Reclassification</b> <i>HK\$'000</i>	<b>As restated</b> <i>HK\$'000</i>
Consolidated statement of profit or loss and other comprehensive income			
Impairment losses under expected credit loss model, net of reversal	–	(1,315)	(1,315)
Administrative expenses	(63,626)	1,315	(62,311)
Consolidated statement of Financial Position			
Deposit paid for acquisition of a subsidiary	35,250	(35,250)	–
Deposits paid	–	35,250	35,250

## **EXTRACT FROM INDEPENDENT AUDITOR’S REPORT PREPARED BY THE INDEPENDENT AUDITOR**

The Group would like to provide an extract from the independent auditor’s report prepared by Asian Alliance (HK) CPA Limited (the independent auditor) on the Group’s annual financial statements for the year ended 31 December 2019 as set out below:

### **OPINION**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to Note 2 to the consolidated financial statements, the Group reported loss attributable to the owners of the Company of approximately HK\$99,411,000 and had approximately HK\$26,112,000 net cash used in operating activities for the year ended 31 December 2019. These conditions, along with other matters as set forth in Note 2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The aforesaid “Note 2 to the consolidated financial statements” in the extract of the independent auditor’s report is disclosed in Note 2 to this announcement.

## MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

Since financial information contained in the Unaudited Preliminary Announcement was neither audited nor agreed with Asian Alliance as at the date of the publication and subsequent adjustments have been made to such information, shareholders and potential investors of the Company are advised to pay attention to certain differences between the financial information of the unaudited and audited annual results of the Group. Set forth below are principal details and reasons for the material differences in such financial information in accordance with Rule 18.49 of the GEM Listing Rules.

<b>Items</b>	<b>Unaudited Preliminary Annual results HK\$'000</b>	<b>Audited Annual results HK\$'000</b>
Impairment losses under expected credit loss model, net of reversal ( <i>note 1</i> )	(497)	3,536
Impairment loss on interests in associates ( <i>note 2</i> )	–	(2,619)
Interests in associates ( <i>note 2</i> )	73,712	53,549
Share of results of associates ( <i>note 2</i> )	281	(17,263)

*Note 1 The difference is mainly due to the reversal of impairment losses in loan and interest receivables in the credit risk and impairment assessment.*

*Note 2 The difference arises from the increase in share of post-acquisition loss and other comprehensive income in interests in associates and the impairment loss on interests in associates.*

Save as disclosed in this announcement, the corresponding adjustments in totals, percentages, ratios and comparative figures related to the above material differences, all other information contained in the Unaudited Preliminary Announcement remain unchanged.

## AUDIT COMMITTEE

The Company established an audit committee (the “Audit Committee”) on 31 July 2001 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Ms. Yuen Wai Man, Mr. Yick Ting Fai, Jeffrey and Mr. Zhang Min. Ms. Yuen Wai Man is the chairman of the Audit Committee.

The audited financial results of the Group for the year ended 31 December 2019 have been reviewed by the Audit Committee.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This preliminary results announcement will be posted on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.aplushk.com/clients/8166chinaeco-farming/index.html>). The annual report for the financial year will be despatched to the shareholders of the Company and available on the same websites in due course.

On behalf of the Board  
**China Eco-Farming Limited**  
**So David Tat Man**  
*Executive Director*

Hong Kong, 11 May 2020

*As at the date of this announcement, the executive Directors are Mr. So David Tat Man and Mr. Ng Cheuk Fan, Keith; and the independent non-executive Directors are Mr. Yick Ting Fai, Jeffrey, Mr. Zhang Min and Ms. Yuen Wai Man.*