Alpha Professional Holdings Limited
阿爾法企業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 948)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2019

The board (the "**Board**") of directors (the "**Directors**") of Alpha Professional Holdings Limited (the "**Company**") announces the results (the "**Results Announcement**") of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2019 (the "**Reporting Period**") with comparative figures for the year ended 31 March 2018.

The Group's financial information for the Reporting Period in this Results Announcement was prepared on the basis of the consolidated financial statements which have been reviewed by the Company's independent auditor and the Company's audit committee (the "**Audit Committee**"). The Group has agreed with the auditor as to the contents of this Results Announcement.

FINANCIAL HIGHLIGHTS	**Year ended 31 March**		
	2019	2018	Change
	HKD'000	*HKD'000*	*%*
Revenue	**365,352**	293,292	24.6
Gross profit	**58,535**	43,106	35.8
Profit from operations	**33,525**	28,753	16.6
Loss on assets transferred and debts discharged under the Scheme of Arrangement and relevant expenses	**–**	198,661	(100%)
Profit/(loss) for the year attributable to owners of the Company	**28,783**	(175,632)	N/A
Earnings/(loss) per shares			
– Basic (HK cents per share)	**10.9**	(147.0)	N/A
– Diluted (HK cents per share)	**10.9**	(147.0)	N/A
	As at 31 March		
	2019	2018	
	HKD'000	*HKD'000*	
Total assets	**360,798**	175,770	105.3
Net assets	**256,576**	110,940	131.3

* *For identification purpose only*

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

	Notes	**2019** **HK$'000**	2018 HK$'000
REVENUE	*6*	**365,352**	293,292
Cost of goods sold		**(306,817)**	(250,186)
Gross profit		**58,535**	43,106
Other income	*7*	**5,157**	3,745
Selling and distribution expenses		**(949)**	(1,238)
Administrative expenses		**(29,218)**	(16,284)
Finance costs	*8(a)*	**–**	(576)
PROFIT FROM OPERATIONS		**33,525**	28,753
Loss on assets transferred and debts discharged under the Scheme of Arrangement and relevant expenses		**–**	(198,661)
PROFIT/(LOSS) BEFORE TAXATION	*8*	**33,525**	(169,908)
Income tax expense	*9*	**(4,937)**	(5,820)
PROFIT/(LOSS) FOR THE YEAR		**28,588**	(175,728)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**111**	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		**111**	–
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX		**28,699**	(175,728)

	Notes	2019 HK$'000	2018 HK$'000
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**28,783**	(175,632)
Non–controlling interests		**(195)**	(96)
		28,588	(175,728)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**28,894**	(175,632)
Non–controlling interests		**(195)**	(96)
		28,699	(175,728)
		HK cents	HK cents
EARNINGS/(LOSS) PER SHARE	*11*		
Basic		**10.9**	(147.0)
Diluted		**10.9**	(147.0)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Notes	**2019** **HK$'000**	2018 HK$'000
Non-current assets			
Property, plant and equipment		**11,065**	1,207
Intangible asset		**110,943**	–
Goodwill		**48,430**	–
		170,438	1,207
Current assets			
Inventories		**6,568**	8,870
Trade and other receivables	*12*	**149,371**	130,145
Cash and bank balance		**34,421**	35,548
		190,360	174,563
Current liabilities			
Trade and other payables	*13*	**53,152**	53,849
Financial guarantee liabilities		**22,214**	–
Tax payables		**1,120**	10,981
		76,486	64,830
Net current assets		**113,874**	109,733
Total assets less current liabilities		**284,312**	110,940
Non-current liability			
Deferred tax liability		**27,736**	–
NET ASSETS		**256,576**	110,940
EQUITY			
Share capital	14	**380,298**	316,471
Reserves		**(124,031)**	(206,035)
Equity attributable to owners of the Company		**256,267**	110,436
Non-controlling interests		**309**	504
TOTAL EQUITY		**256,576**	110,940

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

1. CORPORATE INFORMATION

The Company (Registration No. 39519) was incorporated in Bermuda on 30 January 2007 under the Companies Act 1981 of Bermuda as an exempted company with limited liability. The registered office of the Company is located at Continental Building, 25 Church Street, Hamilton, HM 12, Bermuda. Its principal place of business is located at Room 2107, 21/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are (i) trading of mobile handsets and their components and (ii) provision of biotechnology and biological gene technology technical services.

The Company's shares have been listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Main Board of The Stock Exchange of Hong Kong Limited (the "HKSE" or the "Stock Exchange") since 21 November 2007 and 1 March 2010, respectively. With effect from 14 June 2013, the Company converted its listing status on the SGX-ST to secondary listing whilst the primary listing status on the Main Board of the Stock Exchange remains unchanged. The Company has sought the voluntary delisting of the shares of the Company (the "Shares") from the SGX-ST (the "Delisting"), which took place on 28 November 2017.

2 STATEMENT OF COMPLIANCE

Except for the matters referred to in note 3, and disclosures as required under International Financial Reporting Standards (the "IFRSs"), the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Hong Kong Companies Ordinance") and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), these consolidated financial statements have been prepared in accordance with IFRSs, which collective term includes all applicable individual IFRSs, International Accounting Standards (the "IASs") and Interpretations issued by the International Accounting Standards Board ("IASB"), and the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules.

The IASB has issued certain new and revised IFRSs which are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

3 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Winding up petition, appointment of the Provisional Liquidators and restructuring of the Group

On 4 April 2014, Australia and New Zealand Banking Group Limited ("ANZ") presented winding-up petitions to the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "High Court") for the winding-up of the Company and Max Sunny Limited ("Max Sunny"). On the same day, summonses were filed with the High Court seeking the appointment of provisional liquidators to the Company and Max Sunny. The petitions and summonses were also supported by The Hongkong and Shanghai Banking Corporation Limited ("HSBC"). Following the presentation of the petitions, the Company and Max Sunny engaged in negotiations with ANZ, with the view to reaching a settlement in respect of the petitions and summonses.

On 2 May 2014, the Company, Max Sunny and ANZ agreed on the principal terms of settlement. On 7 May 2014, the deed of settlement (the "Deed") was entered into among ANZ, HSBC, the Company and Max Sunny in full and final settlement of the loans due to ANZ and HSBC. The Deed provided for an agreed amount to be paid to each of ANZ and HSBC in five instalments. Upon full compliance of the Deed by the Company and Max Sunny, ANZ would apply to the High Court for the withdrawal or dismissal of the winding-up petitions.

Accordingly, the winding-up petitions were further adjourned to 2 July 2014 and the applications for the appointment of provisional liquidators were adjourned on terms that allowed ANZ to restore the applications on an urgent basis and without objection from the Company and Max Sunny in the event that the Company and Max Sunny failed to meet their obligations under the Deed.

On 6 June 2014, the Company and Max Sunny failed to pay the third instalment due in accordance with the Deed. On 16 June 2014, the applications for appointment of provisional liquidators were restored on an urgent basis and the High Court provided notices to the Company and Max Sunny that the applications would be heard on 27 June 2014. At the hearing of 27 June 2014, the High Court handed down orders appointing Yat Kit Jong and Donald Edward Osborn as the joint and several provisional liquidators of the Company and Max Sunny (the "Provisional Liquidators" or the "Joint and Several Provisional Liquidators"). Accordingly, trading in the Shares on the Stock Exchange was suspended at 2:37 p.m. on 27 June 2014 at the request of the Company.

Pursuant to the court orders made by the High Court dated 2 June 2015, So Man Chun was appointed as an additional Joint and Several Provisional Liquidator.

Since their appointment, the Provisional Liquidators have been investigating into the affairs of the Group and have taken all necessary actions to preserve the assets. The Provisional Liquidators have also gathered information relating to the status of the Group through meetings with various parties, including but not limited to Ms. Yang Jian Hui (the former executive Director and the former chief financial officer of the Group) and various former employees of the Group.

Furthermore, the Company and the Provisional Liquidators have entered into agreement with a view to restructure the business of the Group, details of which are set out below:

Restructuring of the Group

Given the situation of the Group, the Provisional Liquidators, with the assistance of Asian Capital (Corporate Finance) Limited which acted as the financial adviser to the Company, sought to identify potential investors with a view to restructuring the Company and submitting a viable resumption proposal to the Stock Exchange.

As announced by the Company on 24 July 2014, the Company received a letter from the Stock Exchange, which stated that in view of the court order made by the High Court dated 27 June 2014 and the appointment of the Provisional Liquidators, the Stock Exchange considered that the Company might have serious financial difficulties. As the Company had not published the annual results for the year ended 31 March 2014, the Stock Exchange was unable to assess the performance and financial position of the Company. Further, it was unclear as to the operating status of the Company and whether the Company still had a sufficient level of assets and operations to fulfil the requirement under Rule 13.24 of the Listing Rules. The Stock Exchange therefore decided to place the Company in the first delisting stage under Practice Note 17 of the Listing Rules due to the Company's failure to comply with Rule 13.24 of the Listing Rules. The Company was required to submit a viable resumption proposal, which could, among others, demonstrate its compliance with Rule 13.24 of the Listing Rules, at least 10 business days before the expiry of the first delisting stage, i.e. 15 January 2015.

As no resumption proposal was submitted before the expiry date of the first delisting stage, the Company received a letter dated 20 January 2015 from the Stock Exchange and was informed that the Company had been placed in the second stage of delisting procedures commencing on 20 January 2015 pursuant to Practice Note 17 to the Listing Rules. The Company was required to submit a viable resumption proposal at least 10 business days before the second delisting stage expired i.e. on or before 3 July 2015, which should meet the following conditions:

1. demonstrate sufficient operations or assets to comply with Rule 13.24 of the Listing Rules;

2. address auditors' qualifications and demonstrate adequate internal control system; and

3. withdraw and/or dismiss the winding-up petitions against the Company and discharge the Provisional Liquidators.

On 5 June 2015, the Company, the Provisional Liquidators and Alpha Professional Development Limited ("Alpha" or the "Investor") entered into a framework agreement, which was subsequently amended and restated by an agreement dated 5 October 2015, pursuant to which the parties agreed on the principal terms of a proposed restructuring of the Group with a view to resume trading in the Shares on the Stock Exchange. The framework agreement and the amended and restated framework agreement was approved by the Honorable Mr. Justice Harris of the High Court on 26 June 2015 and 6 November 2015 respectively.

With the sanction from the High Court, Perfect Major Investment Limited ("Perfect Major") and HK Rich Technology International Company Limited (collectively, the "SPVs"), wholly-owned subsidiaries of the Company, were set up after the appointment of the Provisional Liquidators for the purpose of restructuring and continuation of the business of the Group. It is anticipated that the management team of the SPVs will run the business of the Group so as to fulfil the resumption requirements of the Stock Exchange.

A proposal setting out the details of the proposed restructuring together with the basis for the resumption of trading in the Shares (the "Resumption Proposal") was prepared and submitted to the Stock Exchange on 19 July 2015. However, without raising any question or query on the Resumption Proposal, the Listing Division of the Stock Exchange notified the Company on 31 July 2015 that it considered that the Resumption Proposal had not satisfactorily demonstrated sufficiency of operations or assets as required under Rule 13.24 of the Listing Rules and it would recommend the Listing Committee of the Stock Exchange (the "Listing Committee") to place the Company in the third delisting stage.

Pursuant to a letter dated 14 August 2015 from the Stock Exchange, the Listing Committee considered that the Resumption Proposal was not viable and decided to place the Company in the third delisting stage under Practice Note 17 to the Listing Rules. In arriving at the above decision, the Listing Committee had considered that, among others, the business of the Company in the Resumption Proposal was insufficient to justify the Company's continued listing.

The Company disagrees with the abovementioned ruling of the Listing Committee (the "Ruling") and on 18 August 2015 formally requested the Listing Committee to provide detailed written reasons for the Ruling. On 24 August 2015, the Company also submitted a formal request to the Stock Exchange for a review of the Ruling by the Listing (Review) Committee of the Stock Exchange (the "Listing (Review) Committee"). A review hearing of the Ruling was held on 17 December 2015.

On 29 December 2015, the Listing (Review) Committee decided to uphold the Listing Committee's decision and to place the Company into the third delisting stage with effect from 6 January 2016 and allowed a period of nine months from that same day for the Company to submit a viable resumption proposal (i.e. 5 October 2016).

Accordingly, the revised proposal (the "Revised Proposal") was subsequently submitted to the Stock Exchange on 7 September 2016. The Revised Proposal was highlighted by the introduction of a potential strategic investor, Tsinghua Tongfang Co., Ltd.* (同方股份有限公司) ("Tongfang"), one of the top 100 information technology enterprises in the People's Republic of China ("the PRC"). On 28 June 2016, the Company obtained the letter of intent from Tongfang, pursuant to which, Tongfang would (i) invest an amount of HKD3.0 million into Perfect Major, a subsidiary of the Company, in consideration and exchange for a 20% equity interest in Perfect Major; and (ii) subscribe for no less than 5% of the Company's newly issued Shares after the resumption of trading of the Shares on the Stock Exchange. On 6 January 2017, a formal agreement was entered into between the Group and a subsidiary of Tongfang.

* *For identification purpose only*

Nonetheless, similar to the case with the Resumption Proposal, the Listing Division of the Stock Exchange notified the Company on 26 September 2016 that it considered the Revised Proposal not viable and recommended that the Listing Committee approves the cancellation of listing of the Shares on the Stock Exchange under Practice Note 17 to the Listing Rules.

Pursuant to a letter from the Stock Exchange dated 14 October 2016, the Listing Committee considered that although the Company had made certain progress in its mobile handset design and distribution business, the Revised Proposal still did not satisfactorily demonstrate that the Company would carry out a sufficient level of operations or have assets of sufficient value as required under Rule 13.24 of the Listing Rules to warrant a continued listing. The Listing Committee considered the Revised Proposal not viable and therefore decided to cancel the listing of the Shares on the Stock Exchange with effect from 9:00 a.m. on 31 October 2016 (the "Second Stage Ruling").

The Company submitted a formal request to the Stock Exchange on 25 October 2016 for a review of the Second Stage Ruling by the Listing (Review) Committee.

Following the review hearing of the Listing (Review) Committee held on 14 February 2017, the Listing (Review) Committee informed the Company by a letter dated 22 February 2017 that it decided to conditionally stay the cancellation of listing of the Shares on the Stock Exchange (the "Decision"). The stay of the cancellation was for the specific purpose of allowing the Company an opportunity to provide all relevant information stated in the Revised Proposal within three months from the date of the Decision to prove its resumption case to the Stock Exchange's satisfaction.

A written update in relation to the Revised Proposal was subsequently submitted to the Stock Exchange on 24 April 2017. In May and June 2017, the Company and the professional advisers addressed various queries raised by the Stock Exchange and finally on 30 June 2017, the Company received a letter from the Stock Exchange that the Listing Committee had decided to allow the Company to proceed with the Revised Proposal subject to the following conditions, which should be completed to the satisfaction to the Listing Department by 29 November 2017:

(1) completion of all transactions contemplated (including the share consolidation, the share subscriptions, the open offer and the group reorganisation) under the Resumption Proposal and the Revised Proposal; and

(2) the winding-up petitions against the Company and its subsidiaries being withdrawn or dismissed and the Provisional Liquidators being discharged.

The Company entered into a supplemental agreement and a share subscription agreement with the Investor on 25 July 2017 in order to effect the resumption plans as stated in the Resumption Proposal and the Revised Proposal. On 25 September 2017, the Company published a circular in relation to (1) the proposed restructuring of the Company which included (a) the proposed capital reorganisation, (b) the proposed open offer, (c) the proposed schemes of arrangement of Hong Kong and Bermuda (the "Scheme"), (d) the proposed share subscriptions, (e) the working capital loan and loan facility, (f) the proposed placing of the Shares to management of the Group, (2) the proposed application for whitewash waiver, (3) the proposed appointment of the Directors, (4) the Delisting and (5) notice of special general meeting of the Company (the "SGM").

Following the SGM held on 16 October 2017, all the ordinary resolutions were passed by way of poll. Further, as part of the proposed restructuring, the meetings for the Schemes were also held on 16 October 2017. During the meetings, the resolutions to approve both the Bermuda scheme and the Hong Kong scheme were duly passed with the approval of the requisite majorities of the scheme creditors. The Schemes were also sanctioned by the High Court and the Supreme Court of Bermuda on 31 October 2017.

The completion of the open offer and the share subscription also took place on 27 November 2017 and all the resumption conditions imposed by the Stock Exchange were fulfilled on 28 November 2017 (Bermuda time). Trading in the Shares on the Stock Exchange resumed on 30 November 2017.

Delisting from SGX-ST

The Company had sought the Delisting of the Shares from the SGX- ST for the following reasons:

(a) by virtue of having its secondary listing on the SGX-ST, the Company is required to comply with the requirements set out in Rules 217 and 751 of the Listing Manual (including such other listing requirements that the SGX-ST may impose from time to time) in addition to the Listing Rules. The Company believed that the proposed Delisting would eliminate the additional administrative overhead and costs of compliance associated with such SGX-ST requirements (which, in its bona fide opinion, outweigh the benefits of the Company's secondary listing on the SGX-ST), and would allow the Company to streamline its compliance obligations, reduce its legal and compliance costs and focus its resources on its business operations.

(b) based on the restructuring plan as set out in the Resumption Proposal and the Revised Proposal, the Company did not intend to raise capital through issuance of new Shares on the SGX-ST upon successful capital reorganisation and resumption of its trading on the Main Board of the Stock Exchange. The Company intended to carry out its future fundraising activities, if any, through the Stock Exchange; and

(c) with the low trading volume of its Shares on the SGX-ST in the past and the ability of shareholders to trade the Shares in Hong Kong through stockbrokers in Singapore or in Hong Kong, the Company considered it no longer necessary to maintain its secondary listing on the SGX-ST.

For the reasons above, the Company believed that the Delisting was in the interest of the Company as a whole. The Delisting took place on 28 November 2017.

Capital Reorganisation and Equity Fund Raising Exercise

The Company, the Provisional Liquidators and Alpha had entered into a framework agreement on 5 June 2015 as part of the proposed restructuring of the Company comprising, among others, capital reorganisation and an open offer. On 25 July 2017, the said framework agreement was amended and restated as the new framework agreement.

Capital Reorganisation

Under the new framework agreement, capital reorganisation entailed share consolidation on the basis of every twenty (20) Shares of US$0.008 each consolidated into one (1) consolidated Share of US$0.16 each in the share capital of the Company (the "Consolidated Shares"). The share consolidation became effective on 17 October 2017 and on the same date, the Company's authorised share capital was increased from US$10,000,000 to US$100,000,000, divided into 625,000,000 Consolidated Shares of US$0.16 each by the creation of 562,500,000 new Consolidated Shares.

Share Subscriptions

On 25 July 2017, the Company and Alpha entered into an investment share subscription agreement (the "Subscription Agreement 1") whereby Alpha had conditionally agreed to subscribe of 188,134,528 Consolidated Shares at a price of US$0.16 per offer Share.

On 7 September 2017, the Company and Tongfang also entered into an investment share subscription agreement (the "Subscription Agreement 2") whereby Tongfang had conditionally agreed to subscribe of 12,711,719 Consolidated Shares at a price of US$0.16 per offer Share.

Both the Subscription Agreement 1 and the Subscription Agreement 2 have been completed on 27 November 2017 and gross proceeds were of approximately US$30.1 million and approximately US$2.03 million, respectively.

Open Offer

On 20 September 2017, the Company and China Galaxy International Securities (Hong Kong) Co., Limited (the "Underwriter") entered into an underwriting agreement (the "Underwriting Agreement") whereby the Underwriter agreed to underwrite an open offer (the "Open Offer") proposed by the Company on the basis of two (2) offer Shares for every five (5) Consolidated Shares on the Open Offer record date, Hong Kong Open Offer date for shareholders in Hong Kong; or Singapore Open Offer record date for shareholders in Singapore with standing to the credit securities accounts held with The Central Depository (Pte) Limited in Singapore. The Open Offer involved the allotment and issuance of 15,253,753 Consolidated Shares at a price of US$0.16 per offer Share. The Open Offer and the Underwriting Agreement became unconditional on 21 November 2017, and the allotment and issuance of 15,253,753 Consolidated Shares at a price of US$0.16 per Offer Share subsequently took place on 24 November 2017.

Use of Proceeds

The total gross proceed of the abovementioned Share subscriptions and Open Offer was approximately HK$269.0 million (comprising approximately HK$250.0 million and approximately HK$19.0 million to be raised from the Share subscriptions pursuant to the Share Subscription Agreement 1 and the Share Subscription Agreement 2, and the Open Offer respectively,), and, after excluding the expenses of approximately HK$35.7 million and other incidental costs to be incurred, the net proceeds was approximately HK$233.3 million.

The net proceeds were intended to be applied as follows:

(i) HK$147.0 million to settle, among other things, (a) the costs in connection with the issuing of the winding up petitions against the Company, the costs in connection with petitions for the appointment of the Provisional Liquidators and their appointments in Hong Kong and Bermuda, the Provisional Liquidators' costs and the costs of the Schemes; (b) the claims of preferential creditors of the Company; and (c) the claims of the creditors admitted under the Schemes (collectively, the "Scheme Cash Consideration");

(ii) HK$20.0 million to repay the outstanding amount due by the Company to Alpha pursuant to a working capital loan agreement; and

(iii) the remaining balance of HK$66.3 million to be used (a) to settle the cost associated with the capital reorganisation of the Company prior to the said Share subscriptions (if any); (b) to settle the cost associated with the Delisting; and (c) as general working capital of the Group.

As at 31 March 2018,

(i) approximately HK$147.0 million was used to settle the Scheme Cash Consideration;

(ii) HK$20.0 million was used to repay the outstanding amount due by the Company to Alpha pursuant to a working capital loan agreement; and

(iii) (a) HK$42.0 million was used to settle the cost associated with the capital reorganisation of the Company prior to the said Share subscriptions; (b) HK$0.6 million was used to settle the cost associated with the Delisting; and (c) HK$23.7 million was used as general working capital of the Group.

In summary, the net proceeds were fully applied as intended. Please refer to the circular of the Company dated 25 September 2017 (the "Circular") for further information in relation to the Share subscriptions and the Open Offer.

Incomplete record before restructuring

Due to the limited information available and most of the former key accounting personnel of the Group have left without notice before the restructuring of the Group, the Directors were unable to obtain sufficient documentary information to satisfy themselves regarding the completeness of books and records and the treatment of various balances as included in the consolidated financial statements for the prior years and current year and have formed the conclusion as follows:

As the consolidated financial statements have been prepared based on information that included the incomplete books and records available to the Company before the restructuring of the Group, the Directors of the Company are unable to represent that all transactions entered into by the Group for the prior years and current year have been properly reflected in the consolidated financial statements. In this connection, the Directors of the Company are also unable to represent as to the completeness, existence and accuracy of identification of the consolidated financial statements and the disclosures of the consolidated financial statements in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules.

Any adjustments arising from the matters described above would have a consequential significant effect on the net loss of the Group for the year ended 31 March 2018 and the net assets of the Group as at 31 March 2017 and 1 April 2017.

The consolidated financial statements for the year ended 31 March 2019 comprise the Company and its subsidiaries (together referred to as the "Group").

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Hong Kong dollar ("HKD"), which is the Company's functional and presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

The IASB has issued a number of new IFRSs and amendments to IFRSs that are first effective for the current accounting period of the Group.

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and the related Amendments
IFRIC 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014–2016 Cycle
Amendments to IAS 40	Transfers of Investment Property

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

IFRS 9 Financial instruments

IFRS 9 replaces IAS 39, Financial instruments: recognition and measurement. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied IFRS 9 retrospectively to items that existed at 1 April 2018 in accordance with the transition requirements. There is no significant impact on the Group's financial position upon initial application at 1 April 2018. Comparative information continues to be reported under IAS 39.

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

a) Classification of financial assets and financial liabilities

IFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL). These supersede IAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under IFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

The measurement categories for all financial liabilities remain the same, except for financial guarantee contracts. The carrying amounts for all financial liabilities at 1 April 2018 have not been impacted by the initial application of IFRS 9.

The Group did not designate or de-designate any financial asset or financial liability at FVPL at 1 April 2018.

b) Credit losses

IFRS 9 replaces the "incurred loss" model in IAS 39 with the "expected credit loss" (ECL) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in IAS 39.

The Group applies the new ECL model to the following items:

- financial assets measured at amortised cost (including cash and cash equivalents and trade and other receivables);
- contract assets as defined in IFRS 15; and
- financial guarantee contracts issued.

The application of IFRS 9 has not resulted in material additional loss allowance against the Group's accumulated losses at 1 April 2018.

c) **Transition**

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below:

– Information relating to comparative periods has not been restated. Accordingly, the information presented for 2018 continues to be reported under IAS 39 and thus may not be comparable with the current period.

– The determination of the business model within which a financial asset is held has been made on the basis of the facts and circumstances that existed at 1 April 2018 (the date of initial application of IFRS 9 by the Group); and

– If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. IFRS 15 replaces IAS 18, Revenue, which covered revenue arising from sale of goods and rendering of services, and IAS 11, Construction contracts, which specified the accounting for construction contracts.

IFRS 15 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

There is no significant impact on the Group's financial position upon initial application at 1 April 2018. Comparative information continues to be reported under IAS 18. As allowed by IFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 April 2018.

Further details of the nature and effect of the changes on previous accounting policies are set out below:

(a) **Timing of revenue recognition**

Previously, revenue arising from provision of services was recognised over time, whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers.

Under IFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. IFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

(i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

(ii) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

(iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under IFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

(b) Significant financing component

IFRS 15 requires an entity to adjust the transaction price for the time value of money when a contract contains a significant financing component, regardless of whether the payments from customers are received significantly in advance of revenue recognition or significantly deferred.

Previously, the Group only applied such a policy when payments were significantly deferred, which was not common in the Group's arrangements with its customers. The Group did not apply such a policy when payments were received in advance.

It is not common for the Group to receive payments significantly in advance of revenue recognition in the Group's arrangements with its customers.

Where payment schemes include a significant financing component, the transaction price is adjusted to separately account for this component. In the case of payments in advance, such adjustment results in interest expense being accrued by the Company to reflect the effect of the financing benefit obtained by the Group from the customers during the period between the payment date and the date of revenue recognition. The interest is expensed as accrued unless it is eligible to be capitalised under IAS 23, Borrowing costs.

This change in policy has had no effect on accumulated losses as at 1 April 2018.

(c) Presentation of contract assets and liabilities

Under IFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

The adoption of IFRS 15 does not have a significant impact on when the Group recognises revenue from sale of goods/provision of services and the amounts reports.

IFRIC 22 Foreign currency transactions and advance consideration

This interpretation provides guidance on determining "the date of the transaction" for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that "the date of the transaction" is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way.

The adoption of IFRIC 22 does not have any material impact on the financial position and the financial result of the Group.

5. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's executive directors (the chief operating decision maker) for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

1. Trading of mobile handsets and their components ("Mobile Business")

2. Provision of biotechnology and biological gene technology technical services ("Biological Business")

In view of the intense competition in the communication technology industry, the Group has been exploring different business opportunities in other sectors in order to broaden the sources of income and to boost the business performance of the Group. The Group commenced and developed the Biological Business during the year ended 31 March 2019 and thus one new segment is resulted and included in the segment reporting and no comparative information for this new segment for the year ended 31 March 2018 is presented.

The Mobile Business derives revenue primarily from the sale and distribution of mobile handsets and their components.

The Biological Business derives revenue primarily from rendering the required biotechnology and biological gene technology technical services to the hospitals.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's executive directors monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of corporate assets. Segment liabilities include provisions and trade and other payables attributable to the activities of the individual segments and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, the executive directors are provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to price charged to external parties for similar orders.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's executive directors for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2019 and 2018 is set out below.

		2019	
	Mobile Business	**Biological Business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Reportable segment revenue			
Disaggregated by timing of revenue recognition			
Point in time	**351,448**	**13,904**	**365,352**
Revenue from external customers and reportable segment revenue	**351,448**	**13,904**	**365,352**
Reportable segment profit (adjusted EBITDA)	**37,595**	**4,971**	**42,566**
Interest income from bank deposits	**4**	**10**	**14**
Depreciation and amortisation for the year	**(142)**	**(2,891)**	**(3,033)**
Reportable segment assets	**139,736**	**214,668**	**354,404**
Additions to non-current segment assets during the year	**–**	**172,720**	**172,720**
Reportable segment liabilities	**9,136**	**84,645**	**91,781**

	2018
	Mobile Business
	HK$'000
Reportable segment revenue	
Disaggregated by timing of revenue recognition	
Point in time	293,292
Revenue from external customers and reportable segment revenue	293,292
Reportable segment profit (adjusted EBITDA)	32,560
Interest income from bank deposits	7
Depreciation and amortisation for the year	(234)
Reportable segment assets	148,241
Additions to non-current segment assets during the year	868
Reportable segment liabilities	64,078

There are no inter-segement revenue during the years ended 31 March 2019 and 2018.

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2019	2018
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**365,352**	293,292
Elimination of inter-segment revenue	**–**	–
Consolidated revenue	**365,352**	293,292
Profit		
Total reportable segment profit derived from the Group's external customers	**42,566**	32,560
Other income	**5,157**	–
Amortisation	**(1,880)**	–
Depreciation	**(229)**	(234)
Loan interest	**–**	(576)
Loss on assets transferred and debts discharged under the Scheme of Arrangements and relevant expenses	**–**	(198,661)
Unallocated head office and corporate expenses	**(12,089)**	(2,997)
Consolidated profit/(loss) before taxation	**33,525**	(169,908)

	2019	2018
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**354,406**	148,241
Unallocated head office and corporate assets	**6,392**	27,529
Consolidated total assets	**360,798**	175,770
Liabilities		
Reportable segment liabilities	**91,780**	64,078
Unallocated head office and corporate liabilities	**12,442**	752
Consolidated total liabilities	**104,222**	64,830

(c) Revenue from major product and services

The following is an analysis of the Group's revenue from its major products and services:

	Year ended 31 March	
	2019	2018
	HK$'000	*HK$'000*
Mobile handsets and components	**351,448**	293,292
Biotechnology and biological gene technology technical services	**13,904**	–
	365,352	293,292

(d) Geographic Information

The following is an analysis of geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets and goodwill. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of property, plant and equipment is based on the physical location of the asset under consideration. In the case of intangible assets and goodwill, it is based on the location of the operation to which they are allocated.

	Revenues from external customers		Non-current assets	
	Year ended 31 March		At 31 March	At 31 March
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**126,020**	56,497	**310**	430
PRC	**13,904**	1,373	**170,128**	777
Bangladesh	**7,110**	584	**–**	–
Dubai	**100,138**	92,223	**–**	–
Cyprus	**1,424**	–	**–**	–
Ethiopia	**1,764**	–	**–**	–
Mexico	**2,621**	–	**–**	–
Poland	**2,030**	–	**–**	–
Romania	**2**	–	**–**	–
India	**52,460**	109,841	**–**	–
Nepal	**–**	1,065	**–**	–
Pakistan	**5,733**	30,561	**–**	–
South Africa	**38,298**	410	**–**	–
Russia	**6,699**	–	**–**	–
Vietnam	**5,350**	–	**–**	–
Other	**1,790**	–	**–**	–
Greece	**9**	738	**–**	–
	365,352	293,292	**170,438**	1,207

(e) Information about major customers

Revenue from customers contributing 10% or more of the total revenue of the Group is as follows:

	2019	2018
	HK$'000	HK$'000
Revenue from trading of mobile handsets and their components		
– Customer A	**100,138**	92,223
– Customer B	**89,402**	56,394
– Customer C	**38,298**	N/A*
– Customer D	**36,617**	–
– Customer E	**N/A***	75,224
– Customer F	**N/A***	30,561

Note:

For the year ended 31 March 2018, as disclosed in note 3, on the basis that relevant books and records are either lost or are incomplete before the restructuring of the Group, no representation is made by the Board as to the completeness and accuracy of the disclosures in segment reporting as of the date of approval of these consolidated financial statements.

* The corresponding revenue did not contribute 10% or more of the Group's total revenue during the corresponding year.

6. REVENUE

The principal activities of the Group are the Trading of mobile handsets and their components and provision of biotechnology and biological gene technology technical services.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2019	2018
	HK$'000	HK$'000
Revenue from contract with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
– Sale of mobile handsets and components	**351,448**	293,292
– Sale of biotechnology and biological gene technology technical services	**13,904**	–
	365,352	293,292

Note: The Group has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with IAS 18.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in note 5a and 5d respectively.

7. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
Interest income on financial assets measured at amortised cost		
– bank interest income	**30**	7
Service income	**5,008**	3,000
Sundry income	**11**	254
Foreign exchange gain, net	**108**	484
	5,157	3,745

8. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

	2019	2018
	HK$'000	*HK$'000*
(a) Finance costs:		
Interest on other borrowings	**–**	576
Total interest expense on financial liabilities not at fair value through profit or loss	**–**	576
(b) Staff costs: (including directors' emoluments)		
Contributions to defined contribution retirement plans	**807**	275
Salaries, wages and other benefits	**14,872**	9,077
	15,679	9,352
(c) Other items:		
Cost of inventories *(note i)*	**306,817**	250,186
Auditors' remuneration		
– audit services	**1,200**	750
– non-audit services	**870**	600
Depreciation for property, plant and equipment *(notes i and ii)*	**1,625**	234
Amortisation for intangible assets	**1,880**	–
Operating lease charges:		
minimum lease payments	**2,939**	1,576
Research and development costs *(note ii)*	**1,141**	66
Loss on assets transferred and debts discharged under the Scheme of Arrangement and relevant expenses	**–**	198,661

Notes:

i) Cost of inventories include depreciation of HK$609,000 (2018: Nil) and staff cost of HK$747,000 (2018: Nil), which are also included in the respective total amounts disclosed separately above.

ii) Included in research and development costs are depreciation of HK$315,000 (2018: Nil) and staff costs of HK$550,000 (2018: Nil), which are also included in the respective total amounts disclosed separately above.

9. INCOME TAX

Amounts recognised in profit or loss:

	2019	2018
	HK$'000	*HK$'000*
Current tax:		
– Hong Kong Profits Tax for the year	**5,274**	5,820
– PRC Enterprise Income Tax ("EIT") for the year	**133**	–
Deferred tax:		
Origination and reversal of temporary differences	**(470)**	–
Income tax expenses	**4,937**	5,820

Note:

(i) The provision for Hong Kong Profits Tax for 2019 is calculated at 16.5% (2018: 16.5%) of the estimated assessable profits for the year, taking into account a reduction granted by the Hong Kong SAR Government of 75% of the tax payable for the year of assessment 2018-19 subject to a maximum reduction of HK$20,000 for each business (2018: a maximum reduction of HK$30,000 was granted for the year of assessment 2017-18 and was taken into account in calculating the provision for 2018).

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 "**Two-tiered Profits Tax Rate Regime**"). The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the Two-tiered Profits Tax Rate Regime, the first HK$2 million of the assessable profits of the qualifying group entity will be taxed at 8.25% and the assessable profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the Two-tiered Profits Tax Rate Regime will continue to be taxed at a flat rate of 16.5%.

(ii) PRC subsidiaries are subject to PRC EIT at 25% (2018: 25%).

(iii) The Group is not subject to any taxation under the jurisdiction of Bermuda and the British Virgin Islands for the years ended 31 March 2019 and 2018.

10. DIVIDEND

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 March 2019 (2018: Nil).

11. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the profits for the year attributable to owners of the Company of approximately HK$28,783,000 (2018: loss of approximately HK$175,632,000) and the weighted average number of 262,870,558 (2018: 119,512,139) ordinary shares in issue during the year.

Weighted average number of ordinary shares:

	2019	2018
	'000	*'000*
Issued ordinary shares at beginning of the year *(note a)*	**254,234**	45,380
Effect of shares issued upon open offer	**–**	5,349
Effect of shares issued upon share subscription	**–**	68,783
Effect of shares issued upon business combination	**8,637**	–
Weighted average number of ordinary shares at end of year	**262,871**	119,512

(a) The beginning number of issued ordinary share for 2018 is presented after the effect of share consolidation.

Diluted earnings/(loss) per share

There were no dilutive potential ordinary shares in issue during the year. The diluted loss per share is the same as the basic loss per share for the year ended 31 March 2019.

As disclosed in note 3, as the earnings/(loss) per share attributable to owners of the Company may not be accurate, no representation is made by the Board as to the accuracy of the earnings/(loss) per share of the Company as of the date of approval of these consolidated financial statements.

12. TRADE AND OTHER RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables, net of loss allowance *(note a)*	**68,532**	126,149
Other receivables	**6,051**	2,674
Undertaking receivable from key management personnel (Mr. Wang)	**3,944**	–
Financial assets measured at amortised cost	**78,527**	128,823
Prepayments to suppliers *(note b)*	**69,003**	–
Other prepaid expenses	**495**	–
Rental deposit	**1,296**	879
Other deposit	**50**	443
	149,371	130,145

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables based on invoice date and net of loss allowance, is as follow:

	2019	2018
	HK$'000	*HK$'000*
0-30 days	**27,789**	–
31-60 days	**17,253**	10,874
61-90 days	**8,033**	15,118
Over 90 days	**15,457**	100,157
	68,532	126,149

Trade receivables are due within 60 to 90 days (2018: 60 to 90 days) from the date of billing.

(b) At 31 March 2019, prepayment to suppliers of HK$69,003,000 (2018: Nil) were paid by the Group to suppliers for purchase of mobile handsets which will be recognised as purchase after the year end date upon the delivery the mobile handsets to the Group.

13. TRADE AND OTHER PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Trade payables *(note a)*	**1,934**	44,955
Other payables	**10,987**	1,538
Accruals	**1,255**	2,243
Salary payable	**6,005**	1,155
Financial liabilities measured at amortised cost	**20,181**	49,891
Receipt in advance	**2,632**	3,852
Other tax payable	**30,339**	106
	53,152	53,849

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade payables based on invoice date were as follow:

	2019	2018
	HK$'000	HK$'000
0-30 days	**1,654**	20,709
31-60 days	**–**	17,751
61-90 days	**–**	–
Over 90 days	**280**	6,495
	1,934	44,955

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

14. SHARE CAPITAL

	Number of shares	Amount equivalent to *US$*	Amount equivalent to *HK$*
Authorised:			
Ordinary shares of US$0.008 each			
At 1 April 2017	1,250,000,000	10,000,000	77,800,000
Share consolidation *(note (i))*	(1,187,500,000)	–	–
Increase in authorised share capital *(note (ii))*	562,500,000	90,000,000	700,200,000
At 31 March 2018, 1 April 2018 and 31 March 2019	625,000,000	100,000,000	778,000,000
Issued and fully paid:			
Ordinary shares of US$0.16 each			
At 1 April 2017	762,687,662	6,101,500	47,469,672
Share consolidation *(note (i))*	(724,553,279)	–	–
Open offer *(note (iii))*	15,253,753	2,440,602	18,987,880
Share subscription *(note (iv))*	200,846,247	32,135,399	250,013,408
At 31 March 2018	254,234,383	40,677,501	316,470,960
Shares issued for acquisition of subsidiaries *(note (v))*	50,842,000	8,134,720	63,826,307
At 31 March 2019	305,076,383	48,812,221	380,297,267

Notes:

(i) Share consolidation

On 17 October 2017, the Company completed the share consolidation by every twenty existing shares of US$0.008 each consolidated into one consolidated shares of US$0.16 each.

(ii) Increase in authorised share capital

On 17 October 2017, the Company's authorised share capital increased from US$10,000,000 to US$100,000,000, divided into 625,000,000 consolidated shares of US$0.16 each by the creation of 562,500,000 new consolidated shares.

(iii) Open offer

On 24 November 2017, the Company conducted an open offer on the basis of two offer shares for every five consolidated shares by the qualifying shareholders. Approximately 15,254,000 offer shares were issued at the US$0.16 offer price, and net proceeds of approximately US$2,441,000 (equivalent to HK$18,988,000).

(iv) Share subscription

Pursuant to the Share Subscription Agreement 1 and Share Subscription Agreement 2, Alpha and Tongfang subscribed 188,134,528 consolidated shares and 12,711,719 consolidated shares on 27 November 2017 at the price of US$0.16 per offer share respectively.

(v) Share issued for acquisition of subsidiaries

On 29 January 2019, 50,842,000 ordinary shares of the Company were allotted to the vendor of the acquisition of subsidiaries at the fair value of HK$2.3 per share, of which HK$63,826,000 was credited to share capital and HK$53,110,000 was credited to share premium.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT

The Company's auditor has issued the disclaimer of opinion on the Group's consolidated financial statements for the year ended 31 March 2019, an extract of which is as follows:

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the "Basis for disclaimer of opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Comparative information

Our audit opinion dated 22 June 2018 on the Group's consolidated financial statements for the year ended 31 March 2018 was disclaimed, given the loss of some books and records and serious doubts over the reliability of the Group's accounting and other records before the restructuring of the Group, the directors of the Company believed that, it was almost impossible, and not practicable, to ascertain the correct revenue and profit or loss and the resultant assets and liabilities for the past years as included in the consolidated financial statements of the Group. Also, due to the loss of some books and records before the restructuring of the Group, the directors of the Company believed that it was almost impossible, and not practicable, to verify the financial information as reported in the consolidated financial statements of the Group for the past years.

Consequently, given these circumstances, we were unable to satisfy ourselves that the internal controls and documentations provided by the management for the purpose of our audit were effective and accurate in all material respects. We were therefore unable to carry out satisfactory audit procedures to obtain reasonable assurance regarding the completeness, accuracy, existence, valuation, classification, disclosure and presentation of the transactions and the assets and liabilities of the Group and the Company as at 1 April 2017 and for the year ended 31 March 2018.

Upon completion of the scheme of arrangement during the year ended 31 March 2018, the Company recognised a loss on assets transferred and debts discharged under the Scheme of Arrangement and relevant expenses of approximately HK$198,661,000 for the year ended 31 March 2018. As mentioned above, due to the loss of some books and records before the restructuring of the Group, we were unable to satisfy ourselves that the amount of assets transferred and debts discharged under the Scheme of Arrangement and relevant expenses were complete and accurate. As a result, we were unable to carry out satisfactory audit procedures to obtain reasonable assurance regarding the completeness, accuracy and valuation in respect of the loss on assets transferred and debts discharged under the Scheme of Arrangement and relevant expenses during the year ended 31 March 2018.

Any adjustments found to be necessary in respect thereof had we been able to obtain sufficient appropriate audit evidence would have had a consequential effect on the net assets of the Group and the Company as at 1 April 2017 and of the Group's loss and cash flows for the year ended 31 March 2018, and the related disclosures thereof in the consolidated financial statements."

Non-compliance with IFRSs and omission of disclosures

As explained in note 3, the consolidated financial statements of the Group have been prepared by the directors based on incomplete books and records and the directors believe that it is almost impossible and not practical to ascertain the correct amounts. Consequently, the director of the Company were unable to represent that the consolidated financial statements comply with International Financial Reporting Standards ("IFRSs"), or that the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited have been complied with. Given these circumstances, which are fully described in note 3, there were no practicable audit procedures that we could perform to quantify the extent of adjustments and disclosures that might be necessary in respect of the Group's consolidated financial statements for the years ended 31 March 2018.

Acquisition of Great Empire International Group Limited and its subsidiaries

On 29 January 2019, the Group had acquired the entire equity interests in Great Empire International Group Limited and its subsidiaries (the "Great Empire Group"), whose principal activity is engaged in the provision of biotechnology and biological gene technology technical services ("Biological Business"). The details of the acquisition are set out in note to the consolidated financial statements. Revenue generated from the Biological Business during the year ended 31 March 2019 amounted to approximately HK$13,904,000 ("Revenue of Biological Business").

During the course of our audit, we noticed certain inconsistencies between third parties documents and information provided by the Group and that we have obtained directly for revenue transactions under the Biological Business. We were unable to perform practicable audit procedures to verify the inconsistencies in the documents and information available to us, and to carry out satisfactory audit procedures to obtain reasonable assurance regarding the occurrence, completeness and accuracy of the Revenue of Biological Business, and the corresponding trade receivables balances of HK$14,751,000 as at 31 March 2019. Furthermore, the intangible assets and goodwill arising from the acquisition of the Great Empire Group, amounted to HK$110,943,000 and HK$48,430,000 respectively, had been allocated to the Biological Business cash generating units. The fair values has been estimated using the cash flows projections from Biological Business. Due to the inconsistencies in documents and information available to us mentioned above and limitation in the scope of work, we were unable to assess whether the fair values as at the acquisition date and the recoverable amount of these assets as at 31 March 2019 are reliably measured. There are no alternative audit procedures that we could perform to satisfy ourselves as to whether the carrying amounts of the intangible assets and goodwill, the associated amortisation expenses attributed to the intangible assets and tax relating to the Biological Business were free from material misstatement.

In addition, because of the inconsistencies in the documents and information described above, there were no alternative audit procedures we could perform to satisfy ourselves as to the occurrence and existence, accuracy, valuations, rights and obligations, completeness, classification, disclosure and presentation of the transactions and the assets and liabilities related to the Biological Business. Accordingly, we were not able to obtain sufficient appropriate audit evidence to determine whether any adjustments to the consolidated financial statements as at and for the year ended 31 March 2019 were necessary.

In response to the inconsistency, the Board of Directors of the Group has agreed to assign the audit committee, to review the matters (the "Review"). The Review has not yet completed up to date. We were therefore not able to review the substantive evidences, if any, that might be contained in the report from the Review or other matters arising from the Review, and there was no other practical way for us to assess the Review, to perform our extended audit procedures.

Any adjustments that might have been found to be necessary in respect of the above would have a significant effect on the Group's consolidated statement of financial position as at 31 March 2019 and consequently, the Group's consolidated financial performance and consolidated cash flows for the year then ended, and the related disclosures thereat in the consilidated financial statements.

BUSINESS AND FINANCIAL REVIEW

Mobile Handset Segment

The Group is principally engaged as a mobile handset solution provider, involving design, procurement of hardware components and assembly services for mobile handsets, which are mainly carried out by the wholly-owned subsidiaries of the Company (the "**SPVs**"). Mobile handsets distributed and marketed by the Group mainly include 2G feature phones and 3G/4G smartphones.

Following the resumption of trading in the shares of the Company (the "**Shares**") on the Stock Exchange on 30 November 2017 (the "**Resumption**"), the Company has actively explored business opportunities in communications technology industry while strengthening its advantages in telecommunications products and solutions.

For the Reporting Period, the SPVs recorded revenue of approximately HK$351.4 million (for the year ended 31 March 2018: approximately HK$293.3 million), with a gross profit of approximately HK$49.0 million (for the year ended 31 March 2018: approximately HK$43.1 million).

The mobile handset industry of the People's Republic of China (the "**PRC**") is the most active but also impulsive industry with rapid update and replacement and the industrial landscape also changes rapidly. As the smartphone industry is shifting from a marketing-oriented era to a technology and product-oriented era, the market of the mobile handset industry is undergoing great changes. Various brands constantly launch new products with more advanced and revolutionary technologies. However, the prices of main raw materials for the manufacturing supply chain such as glass, motherboard, internal storage and battery have been fluctuating widely which causes immense pressure on the entire mobile handset industry.

As the domestic market has become increasingly saturated and major manufacturers cannot achieve further breakthroughs in the PRC, they are turning their eyes to foreign markets. Overseas markets are very attractive to Chinese manufacturers and a globalised strategy has become a must for the development of most mobile handset enterprises. India has been one of the major sales markets of the Group. The consumer spending level is generally low in the India mobile handset market and demand is mainly for low- and medium-priced products, and in addition, the Indian government has increased import tariffs on mobile handsets to protect its domestic industry. Therefore, the Group is required to control costs in the supply chain and make breakthroughs unceasingly to enable itself to secure market shares.

Dubai is another major target market of the Company. Our main mobile handset exports are low-end and mid-range smartphones with relatively high unit prices. By launching mobile handsets that are consistent with the local consumption characteristics according to the local demand and by maintaining a good partnership with the local brand operators, our performance in this market had thus continued to maintain growth.

The mobile handset business of the Group will continue to follow the market trend and adopt a product strategy which aims at promoting the development and the expansion in the market of smartphones while maintaining a steady growth of the sales of featured phones. This has resulted in excellent results with rapid growth and elevated our business performance to a new level.

Healthcare Segment

In January 2019, the Group acquired (the "**Acquisition**") 100% equity interest in Great Empire International Group Limited ("**GE**") and its subsidiaries (collectively, the "**GE Group**") at the consideration of approximately HK$94.4 million, which was satisfied by the allotment and issuance of 50,842,000 Shares (the "**Consideration Shares**") at the issue price of HK$1.857 per Consideration Share, representing approximately 16.7% of the total number of issued Shares as at the date of the allotment and issuance of the Consideration Shares. The GE Group is an advanced biotechnology enterprise, focusing on the application of biotechnology on the organism and anti-aging, prevention and treatment of cancer and chronic disease recovery management. The Acquisition creates a good opportunity for the Group to extend its business into the healthcare market in the PRC, broadens the source of revenue and lays a foundation for the Group's future growth.

Over the last year, the Chinese government continued to introduce a series of policies to further the healthcare reform. The State Council of the PRC issued a notice in August 2018, delivering major medical reform tasks for the rest of that year. It clearly points out that non-governmental medical investment institutions are encouraged to join in efforts to establish medical alliances, and social groups are supported to provide multi-level and diversified medical services, which further stimulates non-governmental investment in the medical sector. The supportive national policies have given the Group more confidence and courage to seize the opportunities for development of healthcare services in the PRC.

Turnover, Gross Profit and Profit for the Year

For the Reporting Period, turnover of the Group increased to approximately HK$365.4 million, representing a significant year-on-year increase of 24.6% (for the year ended 31 March 2018: approximately HK$293.3 million). The Group's gross profit increased by approximately 35.8% to approximately HK$58.5 million compared with the previous year (for the year ended 31 March 2018: approximately HK$43.1 million), while gross profit margin was similar to last year, ending up increasing by approximately 1.3 percentage points to approximately 16.0% (for the year ended 31 March 2018: approximately 14.7%).

Profit for the year attributable to owners of the Company was approximately HK$28.8 million (for the year ended 31 March 2018: loss of approximately HK$175.6 million).

Liquidity and Financial Resources

The Group generally finances its operations with internally generated resources and capital raising activities. The liquidity and financing requirements of the Group are reviewed regularly.

As at 31 March 2019, the Group had current assets of approximately HK$190.4 million (as at 31 March 2018: approximately HK$174.6 million) and current liabilities of approximately HK$76.5 million (as at 31 March 2018: approximately HK$64.8 million) and total bank and cash balances of approximately HK$34.4 million (as at 31 March 2018: approximately HK$35.5 million).

Capital Structure and Gearing Ratio

Reference is made to the announcements of the Company dated 24 December 2018 and 29 January 2019 in relation to the Acquisition (the "**Announcements**"). Upon completion of the Acquisition, 50,842,000 Consideration Shares had been allotted and issued by the Company at the issue price of HK$1.857 per Consideration Share.

As at 31 March 2019, the total number of issued Shares was 305,076,383 of US$0.16 each (31 March 2018: 254,234,383 Shares of US$0.16 each).

The Group reviewed the capital structure by using a gearing ratio, representing the total debt which includes trade and other payables and other current liabilities of the Group divided by total equity of the Group. The gearing ratio of the Group was approximately 29.8% as at 31 March 2019 (as at 31 March 2018: approximately 58.4%).

Significant Investments Held, Material Acquisitions or Disposal of Subsidiaries, Associates or Joint Ventures

Reference is made to the Announcements. Upon completion of the Acquisition, the GE Group had become direct wholly-owned subsidiaries of the Company and the financial statements of the GE Group would be consolidated into the accounts of the Group.

Save as disclosed above, the Company did not have any significant investments held or any material acquisitions or disposal of subsidiaries, associates or joint ventures for the Reporting Period.

Number and Remuneration of Employees

As at 31 March 2019, the Group had 178 employees, representing an increase of 134 employees compared to the number of employees as at 31 March 2018 (as at 31 March 2018: 44 employees) with a staff cost of approximately HK$15.7 million incurred during the Reporting Period (for the year ended 31 March 2018: approximately HK$9.4 million). The Group determines the staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages including performance bonuses and entitlements to share options are reviewed on a regular basis.

Charge on Group Assets

As at 31 March 2019, the Group did not have any charge on its assets (as at 31 March 2018: Nil).

Exposure to Fluctuations in Exchange Rates and Related Hedges

As the Group's bank balances and cash are mainly denominated in Hong Kong dollars, renminbi and United State dollars, the Directors considered the Group was exposed to limited exchange risk. During the Reporting Period, the Group did not use any financial instruments for hedging purpose and the Group did not have any hedging instruments outstanding as at 31 March 2019.

The Group will monitor closely the exchange rate risk arising from the Group's existing operations and potential new investments in future and will implement necessary hedging arrangement to mitigate any significant foreign exchange risk when and if appropriate.

Contingent Liabilities

As at 31 March 2019, the Group has contingent liabilities of approximately RMB41,070,000 in relation to an enforcement judgment, details referred to "Subsequent Events After the Reporting Period" below. (as at 31 March 2018: Nil).

Capital Expenditure Commitments

As at 31 March 2019, the Group's capital expenditure contracted for but not provided in the financial statements amounted to Nil (as at 31 March 2018: Nil).

Final Dividend

The Directors do not recommend the payment of a final dividend for the Reporting Period (for the year ended 31 March 2018: Nil).

OUTLOOK

2019 is a year of both challenges and opportunities.

Despite pressures from uncertainty and markets volatilities, global economic growth is likely to continue.

The current spectre of the US-China trade dispute may reduce the demand of consumer market. Nevertheless, the Chinese Government has introduced a number of effective policies to prevent the crisis from escalating and minimise the impact on the economic growth of the PRC.

While we are and intend to remain a conglomerate with diverse businesses capable of generating sustainable long-term growth, we will continue to divest from businesses which have reached their full potential and deploy the capital released to existing and new businesses.

For communication industry, following the introduction of the fifth generation mobile network technology, cost of research and development will be enormously increased as well as that of sales and marketing. Hence, there will be growing tensions to upkeep the gross profit ratio and earning ability. In addition, due to the improper operations of some of the enterprises in the communication industry, potential problems might emerge affecting the supply chain system as a whole. Therefore, the Group will act cautiously and largely focus on risk management and internal control in order to maintain the existing competitive edge.

For healthcare segment, by entering into technical services agreements with eight Level III Grade A hospitals across the PRC, as well as maintenance of a strong medical research and development team, steady income flow and efficient operation of the Group are secured. With a view to significant and rapid growth of the healthcare industry, the Group will capture the market opportunities by expanding the existing scale of business cooperation with hospitals and medical institutions.

Looking forward, though uncertainties in domestic and foreign economic conditions and market environment may have an impact on the performance of the Group, the Group has made adequate preparations to create better returns for our partners and shareholders of the Company.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with all applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") throughout the Reporting Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made to each of the Directors and all Directors confirmed that they had complied with the required standards as set out in the Model Code throughout the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") is scheduled to be held on Wednesday, 28 August 2019 and the notice of AGM will be published and issued to the shareholders of the Company as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 23 August 2019 to Wednesday, 28 August 2019, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of the Shares should ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Share Registrar for registration at:

(a) level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong from now to 10 July 2019; and

(b) level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong from 11 July 2019 to no later than 4:30 p.m. on Thursday, 22 August 2019.

PUBLICATIONS OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This Results Announcement is available for viewing on the Company's website at www.hk-alpha.com and the Stock Exchange's website at www.hkexnews.hk. The 2019 annual report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and available on the above websites in due course.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Receipt of Enforcement Notice

Reference is made to the announcement of the Company dated 10 May 2019 in relation to, among other things, the receipt of an enforcement notice ((2018)粵03執2033號) dated 29 April 2019 (the "**Enforcement Notice**") and an enforcement judgment ((2018)粵03執2033號之二) dated 28 April 2019 (the "**Enforcement Judgment**") issued by the Shenzhen Intermediate People's Court of Guangdong Province (the "**Court**") of the PRC.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries:

(a) the current Board did not have any knowledge on the 2014 Judgment nor the subject matters of the 2014 Judgment (the "**Dispute**") which happened prior to the Resumption, until the Company had received the Enforcement Notice and the Enforcement Judgment, nor was there any pending or threatened litigation or claim in relation to the Dispute against any other member of the Group prior to the Company's receipt of the Enforcement Notice and Enforcement Judgment;

(b) Zeus Telecommunication Technology Holdings Limited and 統慶通信設備(深圳)有限公司 ceased to be subsidiaries of the Company prior to the Resumption; and

(c) none of the assets of the Company has been seized or frozen as at the date of this announcement.

The Dispute is currently being handled by the Scheme Administrators of the Company.

The Company has also engaged a PRC legal adviser regarding the preparation of defence against the Dispute, the Enforcement Notice and the Enforcement Judgment (the "**Case**").

In this regard, the Company filed a lawsuit to the Court and on 10 June 2019, the Company was being notified of the acceptance of the case by the Court. The Company will make further disclosures on any material developments of the Case as and when appropriate.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my gratitude to the Company's management team and all staff for their continuous effort and contributions to the Group. Their excellence and commitment are of vital importance in enhancing the Company's sustainability. I also take this opportunity to extend my thanks to the shareholders of the Company for their support and confidence in us.

On behalf of the Board
Alpha Professional Holdings Limited
XIONG Jianrui
Chairman

Hong Kong, 28 June 2019

As at the date of this announcement, the executive Directors are Mr. Xiong Jianrui and Mr. Yi Peijian, and the independent non-executive Directors are Mr. Cui Songhe, Mr. Khoo Wun Fat William and Mr. Lin Tao.