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CHINA FIRST CAPITAL GROUP LIMITED

中國首控集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1269)

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

Reference is made to the announcement dated 30 March 2020 (the “**Unaudited Results Announcement**”) made by China First Capital Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in relation to, among others, the unaudited annual results of the Group for the year ended 31 December 2019. Capitalised terms used herein in this announcement, unless the context otherwise specified, shall have the same meanings as defined in the Unaudited Results Announcement.

ANNUAL RESULTS

The Auditor, Messrs. Deloitte Touche Tohmatsu, has completed the audit process on the Group’s consolidated financial statements for the year ended 31 December 2019. The Board hereby announces the audited consolidated results of the Group for the year ended 31 December 2019 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2019

	<i>NOTES</i>	2019 RMB'000 (audited)	2018 RMB'000 (audited and restated)
Continuing operations			
Revenue, comprising	3	1,436,037	1,810,797
– Sales of goods		917,806	1,353,866
– Provision of services		484,433	375,847
– Interest income		33,798	81,084
Cost of sales/services		<u>(1,075,822)</u>	<u>(1,305,351)</u>
Gross profit		360,215	505,446
Other income and expenses		99,412	93,718
Other gains and losses		14,525	(92,962)
Expected credit losses, net of reversal		(196,937)	(61,303)
Impairment losses on goodwill, tangible and intangible assets		(271,395)	–
Fair value changes of financial assets measured at FVTPL	4	(976,796)	(906,072)
Fair value changes of contingent consideration payables		(98,188)	(251)
Fair value changes of embedded derivative components of convertible bonds		13,373	(5,865)
Selling and distribution expenses		(125,759)	(108,856)
R&D expenditure		(51,327)	(48,935)
Administrative expenses		(343,317)	(383,004)
Finance costs		(285,991)	(244,416)
Share of results of associates		1,231	222
Share of results of joint ventures		<u>(397,737)</u>	<u>(92,405)</u>
Loss before tax		(2,258,691)	(1,344,683)
Taxation	5	<u>1,491</u>	<u>(6,890)</u>
Loss for the year from continuing operations		<u>(2,257,200)</u>	<u>(1,351,573)</u>
Discontinued operation			
Loss for the year from discontinued operation		<u>–</u>	<u>(4,798)</u>
Loss for the year		<u>(2,257,200)</u>	<u>(1,356,371)</u>

	<i>NOTES</i>	2019 RMB'000 (audited)	2018 <i>RMB'000</i> (audited and restated)
Other comprehensive (expense) income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		<u>(10,361)</u>	<u>66,871</u>
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		<u>79,889</u>	<u>81,205</u>
Other comprehensive income for the year, net of income tax		<u>69,528</u>	<u>148,076</u>
Total comprehensive expense for the year		<u>(2,187,672)</u>	<u>(1,208,295)</u>
Loss for the year attributable to:			
Owners of the Company		(2,187,830)	(1,386,813)
– from continuing operations		(2,187,830)	(1,382,015)
– from discontinued operation		–	(4,798)
Non-controlling interests			
– from continuing operations		<u>(69,370)</u>	<u>30,442</u>
		<u>(2,257,200)</u>	<u>(1,356,371)</u>
Total comprehensive (expense) income attributable to:			
Owners of the Company		(2,128,163)	(1,230,657)
Non-controlling interests		<u>(59,509)</u>	<u>22,362</u>
		<u>(2,187,672)</u>	<u>(1,208,295)</u>
LOSS PER SHARE			
From continuing and discontinued operations			
Basic (RMB)	7	(0.44)	(0.28)
Diluted (RMB)		<u>(0.44)</u>	<u>(0.28)</u>
From continuing operations			
Basic (RMB)	7	(0.44)	(0.28)
Diluted (RMB)		<u>(0.44)</u>	<u>(0.28)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2019

	<i>NOTES</i>	2019 RMB'000 (audited)	2018 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		1,001,848	925,880
Right-of-use assets		300,322	–
Prepaid lease payments		–	265,188
Interests in associates		7,134	4,658
Interests in joint ventures		571,887	1,017,421
Intangible assets		341,359	389,004
Deposits for investments		–	380,000
Goodwill		323,571	568,620
Deferred tax assets		–	11,924
Financial assets measured at FVTPL	8	90,046	386,413
Other receivables		114,216	76,032
Amounts due from joint ventures		36,376	–
		2,786,759	4,025,140
CURRENT ASSETS			
Prepaid lease payments		–	7,092
Inventories		205,115	137,638
Property under development for sale		–	276,903
Amounts due from joint ventures		220,151	40,259
Trade and other receivables		902,665	977,422
Loan and interest receivables		95,055	1,144,886
Financial assets measured at FVTPL	8	870,656	2,244,917
Security account balances		19,557	17,326
Restricted bank balances		481,029	625,263
Bank balances and cash		231,606	302,966
		3,025,834	5,774,672
TOTAL ASSETS		5,812,593	9,799,812
CURRENT LIABILITIES			
Trade and other payables		1,430,475	1,806,309
Amounts due to joint ventures		–	77,049
Amount due to an associate		–	2,499
Borrowings – due within one year		1,236,845	1,984,965
Convertible bonds		721,925	687,418
Lease liabilities		13,686	–
Embedded derivative components of convertible bonds		–	13,373
Income tax payable		89,603	97,867
Deferred income		5,745	2,673
Contract liabilities		221,039	215,816
Provisions		24,149	4,014
Contingent consideration payables		–	66,261
		3,743,467	4,958,244
NET CURRENT (LIABILITIES) ASSETS		(717,633)	816,428
TOTAL ASSETS LESS CURRENT LIABILITIES		2,069,126	4,841,568

	<i>NOTES</i>	2019 RMB'000 (audited)	2018 <i>RMB'000</i> (audited)
NON-CURRENT LIABILITIES			
Other payables		142	213
Borrowings – due after one year		572,960	1,066,423
Lease liabilities		22,419	–
Deferred income		53,290	42,706
Contract liabilities		164,858	177,866
Contingent consideration payables		61,647	50,627
Long term payables		31,728	23,086
Deferred tax liabilities		102,034	140,475
		<u>1,009,078</u>	<u>1,501,396</u>
NET ASSETS		<u>1,060,048</u>	<u>3,340,172</u>
OWNERS' EQUITY			
Share capital	9	84,283	84,283
Reserves		578,424	2,678,766
Equity attributable to:			
Owners of the Company		662,707	2,763,049
Non-controlling interests		397,341	577,123
		<u>1,060,048</u>	<u>3,340,172</u>

1. GENERAL AND BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the applicable accounting policies issued by the HKICPA as well as with the applicable disclosure requirements of Appendix 16 to the Listing Rules.

The consolidated financial statements are presented in RMB. Certain assets and liabilities of the Group are denominated in currencies other than RMB, such as HK\$ and US\$.

The directors of the Company have performed an assessment of the Group's future liquidity and cash flows, taking into account the following relevant matters:

- (i) On 5 February 2020, the Group entered into an agreement with an independent third party to dispose of the entire interest in an investment measured at FVTPL at a consideration of approximately US\$18.3 million (equivalent to RMB129.7 million). The full amount of consideration (net of transaction costs and related tax expenses) has been received as of the date of approval of the consolidated financial statements.
- (ii) The Group is discussing with the counterparty to restructure the existing convertible bonds through provision of additional collaterals and guarantees to the bondholder, and partial repayment of principal amount by instalments within the twelve months from the year end. Therefore, the directors of the Company do not expect to receive any request from the counterparty for demand for immediate repayment for the entire convertible bonds. Up to the date of approval of these consolidated financial statements, the Group has received an offer letter from the counterparty and the Group is in the process of finalising the terms with the bondholder.
- (iii) The Group is actively identifying alternative sources of funding, including a financial support from Dr. Wilson Sea, the Chairman of the Company for approximately RMB100 million.

The directors of the Company consider that after taking into account the aforementioned measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis. However, should the above refinancing measures not be able to implement successfully, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities, respectively and to provide for any further liabilities which might arise.

2. COMPARATIVE FIGURES

The comparative figures in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018 have been restated to re-present the discontinued operation, including other gains and losses, selling and distribution expenses, administrative expenses and finance costs amounting to RMB21,000, RMB6,000, RMB3,372,000 and RMB1,399,000, respectively, have been reclassified to "loss for the year from discontinued operation".

3. REVENUE AND SEGMENT INFORMATION

Continuing operations

(a) *Products and services within each operating segment*

The segment information reported was determined by the types of products and services and the types of customers to which products are sold and services are provided, which is consistent with the internal information that are regularly reviewed by the executive Directors, who are the CODM, for the purposes of resource allocation and assessment of performance.

No operating segment has been aggregated to form the following reportable segment:

- Automotive parts business – manufacturing and selling of automobile shock absorber and suspension system products to the automobile market of original automobile manufacturers and the secondary market of the automobile industry.
- Education operation business – engage in the business of provision of schooling services, including kindergarten education, academic education and vocational education and business of provision of management and consultancy services to educational institutions.
- Financial services business – engage in the business of dealing in securities, underwriting and placing securities, financing consultancy, merger and acquisition agency, financial advisory, asset management, private equity fund management, credit financing, franchising and overseas education/migration financial services.

(b) *Segment revenue and segments results*

	Segment revenue		Segment results	
	2019	2018	2019	2018
	RMB'000	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(audited)	(audited and restated)
Automotive parts business	917,806	1,353,866	128,470	254,553
Education operation business	421,505	306,636	141,839	153,060
Financial services business	96,726	150,295	89,906	97,833
Total segment	1,436,037	1,810,797	360,215	505,446
Other income and expenses			99,412	93,718
Other gains and losses			14,525	(92,962) [#]
Expected credit losses, net of reversal			(196,937)	(61,303)
Impairment losses on goodwill, tangible and intangible assets			(271,395)	–
Fair value changes of financial assets measured at FVTPL			(976,796)	(906,072)
Fair value changes of contingent consideration payables			(98,188)	(251)
Fair value change of embedded derivative components of convertible bonds			13,373	(5,865)
Selling and distribution expenses			(125,759)	(108,856) [#]
R&D expenditure			(51,327)	(48,935)
Administrative expenses			(343,317)	(383,004) [#]
Finance costs			(285,991)	(244,416) [#]
Share of results of associates			1,231	222
Share of results of joint ventures			(397,737)	(92,405)
Loss before tax			(2,258,691)	(1,344,683)

[#] To conform with the presentation of current year's consolidated financial statements, some reclassifications were made.

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

Segments	For the year ended 31 December 2019			
	Automotive parts business RMB'000	Education operation business RMB'000	Financial services business RMB'000	Total RMB'000
Revenue from contracts with customers				
External customers	917,806	421,505	62,928	1,402,239
Inter-segment sales/services	–	–	20,098	20,098
Sub-total	917,806	421,505	83,026	1,422,337
Elimination	–	–	(20,098)	(20,098)
Revenue from contracts with customers				
	917,806	421,505	62,928	1,402,239
Interest income	–	–	33,798	33,798
Segment revenue	917,806	421,505	96,726	1,436,037
For the year ended 31 December 2018				
Segments	Automotive parts business RMB'000	Education operation business RMB'000	Financial service business RMB'000	Total RMB'000
Revenue from contracts with customers				
External customers	1,353,866	306,636	69,211	1,729,713
Interest income	–	–	81,084	81,084
Segment revenue	1,353,866	306,636	150,295	1,810,797

There was no inter-segment sales/services for the year ended 31 December 2018.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the gross profit of each operating segment, conforming to the same measurement reported to the CODM for the purposes of resources allocation and performance assessment.

Other than the segment revenue and segment results analysis presented above, information about assets and liabilities was not regularly provided to the CODM. Hence, no segment asset or segment liability information is presented.

(c) **Geographical information**

The Group principally operates in the PRC.

For the year ended 31 December 2019, 95% (2018: 93%) of the Group's revenue from external customers, based on the operation location of respective customers, is derived from the PRC.

As at 31 December 2019, 97% (31 December 2018: 96%) of the Group's property, plant and equipment and right-of-use assets are located in the PRC.

4. FAIR VALUE CHANGES OF FINANCIAL ASSETS MEASURED AT FVTPL

Continuing operations

	2019 <i>RMB'000</i> (audited)	2018 <i>RMB'000</i> (audited)
Equity securities:		
– Listed in Hong Kong	(939,521)	(407,396)
– Listed in the PRC	94,759	(367,578)
– Listed in overseas	(14,320)	(76,547)
Unlisted investments:		
– Hong Kong	(62,017)	(46,401)
– The PRC	366	35
– Overseas	(56,063)	(8,185)
	<u>(976,796)</u>	<u>(906,072)</u>

5. TAXATION

Continuing operations

	2019 <i>RMB'000</i> (audited)	2018 <i>RMB'000</i> (audited)
Current tax:		
– Hong Kong	945	340
– PRC enterprise income tax (“EIT”)	7,780	34,758
– Overseas	–	867
	<u>8,725</u>	<u>35,965</u>
Under-provision in prior year:		
– PRC EIT	1,709	–
Deferred tax credit	<u>(11,925)</u>	<u>(29,075)</u>
	<u>(1,491)</u>	<u>6,890</u>

6. DIVIDENDS

No dividend was paid or proposed by the Company for the years ended 31 December 2019 and 2018. The Board does not recommend the payment of dividend for the year ended 31 December 2019 (2018: Nil).

7. LOSS PER SHARE

For continuing operations

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

	2019 (audited)	2018 (audited)
Loss (RMB'000)		
Loss for the year attributable to owners of the Company from continuing and discontinued operations for the purpose of basic and diluted loss per Share	(2,187,830)	(1,386,813)
Adjust for:		
Loss for the year attributable to owners of the Company from discontinued operation	—	4,798
Loss for the year attributable to owners of the Company from continuing operations for the purpose of basic and diluted loss per Share	<u>(2,187,830)</u>	<u>(1,382,015)</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per Share	<u>5,026,892,000</u>	<u>4,919,774,915</u>

For the year ended 31 December 2019, the calculation of diluted loss per Share did not assume the conversion of the Company's outstanding convertible bonds during the year as it would result in a decrease in loss per Share from continuing operations and there was no potential ordinary share outstanding as at the end of the year.

For the year ended 31 December 2018, the calculation of diluted loss per Share did not assume the conversion of the Company's outstanding convertible bonds as it would result in a decrease in loss per Share from continuing operations.

From continuing and discontinued operations

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

	2019 (audited)	2018 (audited)
Loss (RMB'000)		
Loss for the year attributable to owners of the Company from continuing and discontinued operations for the purpose of basic and diluted loss per Share	<u>(2,187,830)</u>	<u>(1,386,813)</u>

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

From discontinued operation

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

	2019 (audited)	2018 (audited)
Loss (RMB'000)		
Loss for the year attributable to owners of the Company from discontinued operation for the purpose of basic and diluted loss per Share	–	(4,798)
Loss per Share from discontinued operation (RMB)		
Basic	N/A	–#
Diluted	N/A	–#

The amount is less than RMB0.01.

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

8. FINANCIAL ASSETS MEASURED AT FVTPL

	31.12.2019 RMB'000 (audited)	31.12.2018 <i>RMB'000</i> (audited)
Analysed for reporting purposes as:		
– Current assets (<i>Note</i>)	870,656	2,244,917
– Non-current assets	90,046	386,413
	960,702	2,631,330

Note:

Details of the financial assets measured at FVTPL classified under current assets at the end of each reporting period are as follows:

	31.12.2019 RMB'000 (audited)	31.12.2018 <i>RMB'000</i> (audited)
Equity securities:		
– Listed in Hong Kong	199,896	1,481,918
– Listed in the PRC	293,303	504,160
– Listed in overseas	69,063	177,810
Unlisted investments:		
– Overseas	262,794	74,494
– The PRC	45,600	6,535
	870,656	2,244,917

9. SHARE CAPITAL

	Number of Shares	Share capital HK\$
Ordinary Shares of HK\$0.02 each		
Authorised:		
At 1 January 2018, 31 December 2018 and 2019	50,000,000,000	1,000,000,000
Issued and fully paid:		
At 1 January 2018	4,777,500,000	95,550,000
Issue of Shares (<i>Note a</i>)	76,300,000	1,526,000
Issue of Shares (<i>Note b</i>)	18,140,000	362,800
Issue of Shares (<i>Note c</i>)	74,500,000	1,490,000
Issue of Shares (<i>Note d</i>)	80,452,000	1,609,040
At 31 December 2018 and 2019	5,026,892,000	100,537,840
	31.12.2019	31.12.2018
	RMB'000	RMB'000
	(audited)	(audited)
Share capital presented in the consolidated statement of financial position	84,283	84,283

Notes:

- a. On 26 February 2018, 76,300,000 Shares were issued at HK\$3.08 per Share by way of consideration issue for the purpose of acquiring 100% of shares of Kaifeng Tiantai Culture Media Limited* (開封天泰文化傳媒有限公司).
- b. On 26 February 2018, 18,140,000 Shares were issued at HK\$3.08 per Share by way of consideration issue for the purpose of acquiring 50,000 shares, representing 10% of total shares, of SJW International Co., Ltd., which was recognised as financial assets measured at FVTPL upon completion of the acquisition.
- c. On 6 July 2018, 74,500,000 Shares were issued at HK\$4.38 per Share by way of consideration issue for the purpose of acquiring 29,400,000 of shares of KSI Education, which was recognised as a joint venture upon completion of the investment.
- d. On 6 September 2018, 80,452,000 Shares were issued at HK\$4.17 per Share by way of consideration issue for the purpose of acquiring 100% of shares of Xinjiang Edukeys International Education Services Co., Ltd.* (新疆中際育才教育諮詢有限公司).

* For identification purposes only.

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

Since the financial information contained in the Unaudited Results Announcement was neither audited nor agreed with the Auditor as at the date of their 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 13.49(3)(ii)(b) of the Listing Rules.

	Disclosure in this announcement <i>RMB'000</i>	Disclosure in the Unaudited Results Announcement <i>RMB'000</i>	Difference <i>RMB'000</i>
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Other gains and losses	14,525	(161,308)	175,833
Expected credit losses, net of reversal	(196,937)	(30,382)	(166,555)
Impairment losses on goodwill, tangible and intangible assets	(271,395)	–	(271,395)
Fair value changes of contingent consideration paybles	(98,188)	(65,589)	(32,599)
Loss before tax	(2,258,691)	(1,952,157)	(306,534)
Loss for the year from continuing operations	(2,257,200)	(1,947,613)	(309,587)
Loss for the year	(2,257,200)	(1,947,613)	(309,587)
Total comprehensive expense for the year	(2,187,672)	(1,891,266)	(296,406)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
NON-CURRENT ASSETS			
Property, plant and equipment	1,001,848	957,846	44,002
Goodwill	323,571	467,328	(143,757)
Financial assets measured at FVTPL	90,046	337,360	(247,314)
Amounts due from joint ventures	36,376	–	36,376
CURRENT ASSETS			
Inventories	205,115	159,243	45,872
Amounts due from joint ventures	220,151	269,469	(49,318)
Trade and other receivables	902,665	1,068,461	(165,796)
Financial assets measured at FVTPL	870,656	577,862	292,794
Bank balances and cash	231,606	261,606	(30,000)
CURRENT LIABILITIES			
Trade and other payables	1,430,475	2,139,674	(709,199)
Amounts due to joint ventures	–	63,317	(63,317)
Borrowings - due within one year	1,236,845	953,528	283,317
Convertible bonds	721,925	–	721,925
Contingent consideration payables	–	29,049	(29,049)
NON-CURRENT LIABILITIES			
Borrowings – due after one year	572,960	792,256	(219,296)
Contingent consideration payables	61,647	–	61,647
OWNER'S EQUITY			
Reserves	578,424	890,251	(311,827)

These differences are mainly due to:

- the reclassification of some figures in other gains and losses, impairment losses on goodwill, tangible and intangible assets, financial assets measured at FVTPL, trade and other receivables, amounts due from joint ventures, bank balances and cash, trade and other payables, amounts due to joint ventures, borrowings, convertible bonds and contingent consideration payables;
- the adjustment to the fair values of goodwill, tangible and intangible assets and contingent consideration payables according to the valuation results;
- the adjustment to the expected credit losses based on more prudent judgments;
- the adjustment to the differences in property, plant and equipment.

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

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's consolidated financial statements and the annual results for the year ended 31 December 2019. They expressed no disagreement with the accounting policies and principles adopted by the Group.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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 further announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year as approved by the Board of Directors on 29 April 2020. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this further announcement.

AUDIT OPINION

The Group's auditor has issued an opinion with a material uncertainty related to going concern paragraph on the consolidated financial statements of the Group for the year. An extract of the auditor's report is set out in the section headed "EXTRACT OF THE AUDITOR'S REPORT" below.

EXTRACT OF THE AUDITOR'S REPORT

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 which indicates that the Group incurred a net loss of RMB2,257,200,000 for the year ended 31 December 2019 and, the Group's current liabilities exceeded its current assets by approximately RMB717,633,000 as at 31 December 2019. In order to improve the liquidity and financial position of the Group, the directors of the Company (i) are negotiating with the counterparty to restructure the existing convertible bonds; and (ii) are actively identifying alternative sources of funding. However, the ultimate success of the restructure of the existing convertible bonds or the likelihood of raising any new funds could not be determined as of the date of approval of these consolidated financial statements. These conditions indicate that a material uncertainty exists that 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.

ANNUAL GENERAL MEETING

The Company will hold an annual general meeting on Tuesday, 16 June 2020. Notice of the forthcoming annual general meeting will be published and despatched to the Shareholders in accordance with the articles of association of the Company and the Listing Rules as soon as practicable.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 11 June 2020 to Tuesday, 16 June 2020, both days inclusive, during this period no transfer of Shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all share transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 10 June 2020, for registration.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.cfcg.com.hk. The annual report of the Company for the year ended 31 December 2019, in both English and Chinese versions, will be despatched to the Shareholders to their choice of means of receipt and language of corporate communications of the Company, and will also be available on the same websites as mentioned above on or before 15 May 2020.

By Order of the Board
China First Capital Group Limited
Wilson Sea
Chairman and Executive Director

Hong Kong, 29 April 2020

As at the date of this announcement, the executive Directors are Dr. Wilson Sea, Mr. Zhao Zhijun and Dr. Zhu Huanqiang; and the independent non-executive Directors are Mr. Chu Kin Wang, Peleus, Dr. Du Xiaotang and Mr. Loo Cheng Guan.