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TC ORIENT LIGHTING HOLDINGS LIMITED

達進東方照明控股有限公司

(Incorporated in the Cayman Islands with limited liability)

website: www.tatchun.com

(Stock Code: 515)

UPDATE ANNOUNCEMENT ON THE COMPLETION OF AUDITING PROCESS OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the announcement of TC Orient Lighting Holdings Limited (the “**Company**”) dated 27 March 2020 (the “**2019 Unaudited Annual Results Announcement**”) in relation to the unaudited annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2019 (the “**2019 Annual Results**”) which have yet to be agreed by the Company’s auditors. Unless otherwise defined or the context otherwise requires, capitalized terms in this announcement shall have the same meanings as defined in the 2019 Unaudited Annual Results Announcement.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to announce that on 11 May 2020, the auditing process of the 2019 Annual Results has been completed. The Company has now obtained the agreement from the Company’s auditors, HLB Hodgson Impey Cheng Limited (“**HLB**”), on the 2019 Annual Results (including the figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto) as set out in the 2019 Unaudited Annual Results Announcement. The 2019 Annual Results as contained in the 2019 Unaudited Annual Results Announcement remain unchanged. Shareholders are referred to the 2019 Unaudited Annual Results Announcement, which already contains the 2019 Annual Results and the disclosure as required by the Listing Rules.

This announcement provides updated information on the 2019 Annual Results, which shall be read in conjunction with the 2019 Unaudited Annual Results Announcement.

EXTRACT OF THE AUDITORS' REPORT

The following is an extract of the independent auditor's report on the Group's annual financial statements for the year ended 31 December 2019:

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 3 in the consolidated financial statements, which indicates that the Group incurred a loss of approximately HK\$120,572,000 during the year ended 31 December 2019 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$94,641,000. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, 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.

GOING CONCERN BASIS

The Group incurred a loss approximately HK\$120,572,000 during the year ended 31 December 2019 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$94,641,000. In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. The Directors adopted the going concern basis for the preparation of the consolidated financial statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group:

(1) Financial support

Intelligent South Network Group Ltd, a shareholder of the Company, has agreed to continuously provide financial support for the continuing operations of the Company so as to enable it to meet its liabilities when they fall due and carry on its business without a significant curtailment of operations in the twelve months from 31 December 2019.

(2) *Alternative sources of external funding*

On 28 April 2020, the Company and the subscribers entered into the subscription agreements pursuant to which the Company has conditionally agreed to allot and issue, and the subscribers have agreed to subscribe for, an aggregate of 543,600,000 subscription shares at the subscription price of HK\$0.10 per subscription share. The net proceeds from the subscriptions amount to approximately HK\$54,100,000. For details of the subscriptions, please refer to the Company's announcement dated 28 April 2020.

(3) *Necessary facilities*

The Group is in the process of negotiating with its bankers to secure necessary facilities to meet the Group's working capital and financial requirements in the near future.

EVENTS AFTER THE REPORTING PERIOD

Since January 2020, the Epidemic has impacted the global business environment. Up to the date of these financial statements, the Epidemic has resulted in material adverse impact to the Group's turnover due to human resources bottlenecking arising from the Epidemic and public health measures, and the downtrend is expected to be carried forward to certain extent for the rest of the first quarter or even the first half of 2020 due to the pressure on worldwide supply chain. Pending the development and spread of the Epidemic subsequent to the date of the financial statements, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of these financial statements. The Group will continue to monitor the development of the Epidemic and react actively to its impact on the financial position and operating results of the Group.

On 28 April 2020, the Company and the subscribers entered into the subscription agreements pursuant to which the Company has conditionally agreed to allot and issue, and the subscribers have agreed to subscribe for, an aggregate of 543,600,000 subscription shares at the subscription price of HK\$0.10 per subscription share. The net proceeds from the subscriptions amount to approximately HK\$54,100,000. For details of the subscriptions, please refer to the Company's announcement dated 28 April 2020.

AUDIT COMMITTEE

As at 31 December 2019 and the date of this announcement, the Audit Committee of the Company (“AC”) comprised of four independent non-executive Directors, namely, Dr. Loke Yu (alias Loke Hoi Lam), Mr. Li Hongxiang, Mr. Wong Kwok On and Mr. Bonathan Wai Ka Cheung. Dr. Loke Yu (alias Loke Hoi Lam) is the chairman of the AC. One out of four AC members, namely, Dr. Loke Yu (alias Loke Hoi Lam), possesses recognised professional qualifications in accounting and has wide experience in audit and accounting.

No former partner of the Company’s existing auditing firm acted as a member of the AC within one year from ceasing to be a partner or having any financial interest in the auditing firm.

The AC was delegated with the authority of the Board of the Company to investigate any activity within its terms of reference. The primary function of the AC is to review and supervise the Group’s financial reporting process and internal controls. The AC has also reviewed arrangements to enable employees of the Group to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters, and to ensure proper arrangements that in place for fair and independent investigation and follow up actions. The full terms of reference of the AC are available on the Company’s website: www.tatchun.com and the website of the Stock Exchange: www.hkexnews.hk.

The Group’s audited 2019 Annual Results have been reviewed by the AC, which is of the opinion that such statements comply with applicable accounting standards, the Listing Rules and other legal requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF AUDITORS

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 the 2019 Unaudited Annual Results Announcement have been agreed by the Company's auditors, HLB, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2019. The work performed by HLB 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 HLB on the 2019 Unaudited Annual Results Announcement or this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") will be held on Monday, 22 June 2020. The notice convening the AGM will be published and dispatched to the shareholders of the Company in accordance with the requirements of the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 17 June 2020 to Monday, 22 June 2020 (both days inclusive) for the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the AGM. During the closure of the register of members of the Company, no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM (or at any adjournment thereof), all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrars of the Company in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Tuesday, 16 June 2020.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement has been published on the websites of the Stock Exchange (<http://www.hkex.com.hk>) and the Company. The 2019 annual report of the Company containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company on or before 15 May 2020.

Save as disclosed above, all other information in the 2019 Unaudited Results Announcement remains unchanged.

By order of the Board
TC Orient Lighting Holdings Limited
Zeng Yongguang
Executive Director

Hong Kong, 11 May 2020

As at the date hereof, the Board comprises Mr. Xu Ming (Chief Executive Officer), Mr. Zeng Yongguang, Mr. Guo Jun Hao and Mr. Mai Huazhi as executive Directors; and Mr. Li Hongxiang, Mr. Wong Kwok On, Mr. Bonathan Wai Ka Cheung and Dr. Loke Yu (alias Loke Hoi Lam) as independent non-executive Directors.