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**LONG WELL INTERNATIONAL HOLDINGS LIMITED**  
**久康國際控股有限公司**

*(formerly known as “Tou Rong Chang Fu Group Limited 投融長富集團有限公司”)*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 850)**

**FURTHER ANNOUNCEMENT OF FINAL ANNUAL RESULTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

References are made to the announcement (the “Unaudited Results Announcement”) of Long Well International Holdings Limited (the “Company”) (formerly known as “Tou Rong Chang Fu Group Limited”) dated 30 June 2020 (the “2020 Unaudited Results”) in relation to the unaudited annual results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2020 and the announcement dated 27 July 2020 in relation to the delay in publication of audited annual results and despatch of annual report for the year ended 31 March 2020 (collectively referred to as the “Announcements”). Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the Announcements.

**FINAL ANNUAL RESULTS**

The board (the “Board”) of directors (the “Directors”) of the Company is pleased to announce that the Group’s auditor, ZHONGHUI ANDA CPA Limited, has completed its audit of the annual results of the Group for the year ended 31 March 2020 in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants, including the financial figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto as set out thereto. The final annual results for the year ended 31 March 2020 (the “2020 Audited Results”) were reviewed by the Audit Committee and were approved by the Board both on 25 September 2020, details of which are set out below.

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2020

	Notes	2020 HK\$'000	2019 HK\$'000
Revenue	3	25,403	105,502
Cost of sales and services		<u>(1,865)</u>	<u>(35,436)</u>
Gross profit		23,538	70,066
Other income		18	569
Other gains or losses, net	5	(45,554)	(5,971)
Impairment losses on trade receivables		(41)	(171,626)
Impairment losses on loan receivables, net		(55,364)	(26,631)
Selling and distribution expenses		(1,320)	(8,449)
Administrative and other operating expenses		(90,626)	(106,050)
Loss of assets	6	<u>–</u>	<u>(91,238)</u>
Operating loss		(169,349)	(339,330)
Finance costs	7	<u>(69,883)</u>	<u>(65,708)</u>
Loss before income tax		(239,232)	(405,038)
Income tax credit	8	<u>68</u>	<u>71</u>
Loss for the year		<u><b>(239,164)</b></u>	<u><b>(404,967)</b></u>
Loss for the year attributable to:			
Owners of the Company		(237,139)	(402,320)
Non-controlling interests		<u>(2,025)</u>	<u>(2,647)</u>
		<u><b>(239,164)</b></u>	<u><b>(404,967)</b></u>
Loss per share ( <i>HK cents</i> )			
Basic and diluted	9	<u><b>(2.64)</b></u>	<u><b>(4.49)</b></u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2020

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Loss for the year	<u>(239,164)</u>	<u>(404,967)</u>
Other comprehensive loss:		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation reserve reclassified to profit or loss upon disposal of subsidiaries	180	–
Exchange differences arising on translation of foreign operations	(4,181)	(15,569)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Changes in fair value of equity investments at fair value through other comprehensive income	<u>69</u>	<u>(2,127)</u>
Total other comprehensive loss for the year	<u>(3,932)</u>	<u>(17,696)</u>
Total comprehensive loss for the year	<u>(243,096)</u>	<u>(422,663)</u>
Total comprehensive loss for the year attributable to:		
Owners of the Company	(241,068)	(419,660)
Non-controlling interests	<u>(2,028)</u>	<u>(3,003)</u>
	<u>(243,096)</u>	<u>(422,663)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 March 2020*

	<i>Notes</i>	<b>2020</b> <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		23,506	30,512
Investment properties		21,298	101,656
Right-of-use assets		10,082	–
Intangible assets		64,237	77,628
Trade receivables	11	148,709	–
Prepayments, deposits and other receivables		13,736	49,500
Equity investments at fair value through other comprehensive income		2,021	1,952
Investments at fair value through profit or loss		1,162	2,401
		<b>284,751</b>	263,649
<b>Current assets</b>			
Inventories		205	223
Trade receivables	11	226,241	516,200
Loan receivables	12	11,582	62,351
Prepayments, deposits and other receivables		166,222	50,718
Investments at fair value through profit or loss		750	4,653
Income tax recoverable		5,100	2,967
Client trust bank balance		8,199	4,839
Bank and cash balances		46,187	82,768
		<b>464,486</b>	724,719
<b>Current liabilities</b>			
Trade payables	13	23,444	49,613
Other payables and accruals		47,844	52,629
Bank borrowings		–	32,182
Other borrowing		25,675	–
Income tax payable		–	867
Lease liabilities		5,280	–
Bonds		71,347	33,731
		<b>173,590</b>	169,022
<b>Net current assets</b>		<b>290,896</b>	555,697
<b>Total assets less current liabilities</b>		<b>575,647</b>	819,346

	<i>Notes</i>	<b>2020</b> <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Lease liabilities		<b>5,144</b>	–
Deferred tax liabilities		<b>387</b>	421
Bonds		<b>645,108</b>	650,821
		<u><b>650,639</b></u>	<u>651,242</u>
<b>NET (LIABILITIES)/ASSETS</b>		<u><b>(74,992)</b></u>	<u>168,104</u>
<b>Capital and reserves</b>			
Share capital		<b>89,679</b>	89,679
Reserves		<b>(155,929)</b>	85,139
		<u><b>(66,250)</b></u>	<u>174,818</u>
Equity attributable to owners of the Company		<b>(66,250)</b>	174,818
Non-controlling interests		<b>(8,742)</b>	(6,714)
		<u><b>(74,992)</b></u>	<u>168,104</u>
<b>TOTAL (DEFICIT)/EQUITY</b>		<u><b>(74,992)</b></u>	<u>168,104</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION AND BASIS OF PREPARATION

### General information

Long Well International Holdings Limited (the “Company”) (formerly known as Tou Rong Chang Fu Group Limited) is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and 21st Floor, 80 Gloucester Road, Wan Chai, Hong Kong, respectively.

Referred to announcement dated on 3 July 2018, the trading of ordinary shares of the Company on the Stock Exchange has been suspended since 3 July 2018 due to, in the opinion of the directors of the Company, the Company fails to publish the annual results of the Group for the years ended 31 March 2018 and 2019 and interim results of the Group for the six months ended 30 September 2018 and the despatch of annual reports of the Group for the years ended 31 March 2018 and 2019 and interim report of the Group for the six months ended 30 September 2018 within the time limit pursuant to the Listing Rule.

Referred to announcement dated on 13 September 2018, the Company has been notified by the Stock Exchange of the resumption guidance for the Company, including conducting an appropriate investigation (the “Investigation”), publishing all outstanding financial results and informing the market all material information for shareholders and investors to appraise the Company’s position.

On 8 April 2019, the Investigation was completed and investigation report was issued, and on 19 November 2019, the Group had despatched annual report for the years ended 31 March 2018 and 2019 and interim report of the Group for the six months ended 30 September 2018.

The trading of ordinary shares of the Company on the Stock Exchange has remained suspended since 3 July 2018 due to, in the opinion of the Stock Exchange, the Company fails to demonstrate it has sufficient level of operation and assets to support its operations to warrant its continued listing pursuant to the Listing Rule.

The Company is an investment holding company. The principal activities of its subsidiaries are trading of commodities and chemical products, property investment, money lending business, securities brokerage, asset management, insurance brokerage and the exploitation and sale of crude oil. The Company and its subsidiaries are collectively referred to as the “Group”.

The Company’s functional currency is the United States dollars (“US\$”). However, the presentation currency of the consolidated financial statements is Hong Kong dollars (the “HK\$”) as the directors of the Company consider that HK\$ is the most appropriate currency in view of its place of listing.

The consolidated financial statements are presented in HK\$ and all values are rounded to the nearest thousand (“HK\$’000”) unless otherwise stated.

## **Basis of preparation**

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, excepts for investments at fair value through profit or loss (the “FVTPL”) and equity investments at fair value through other comprehensive income (the “FVTOCI”), which are carried at their fair values. The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies.

The Group incurred loss attributable to owners of the Company of approximately HK\$237,139,000 for the year ended 31 March 2020 and as at 31 March 2020, the Group had net liabilities of approximately HK\$74,992,000. Also the Group recorded net cash outflows in operating activities of approximately HK\$85,742,000 for the year ended 31 March 2020 and as at 31 March 2020, the Group had bank and cash balances of approximately HK\$46,187,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company have prepared the consolidated financial statements based on going concern on the assumptions and measures that:

- (a) The Group has been actively negotiating with the debtors to settle their outstanding past due trade receivables and loan receivables.
- (b) Subsequent to 31 March 2020 and up to the date when the consolidated financial statements are authorised for issue, the Group renewed certain bonds upon maturity with principal amounting to HK\$119,900,000 of which the Group will settle the bond with after 2021.
- (c) Subsequent to 31 March 2020, the Group entered into a sale and purchase agreement to dispose of an investment property owned by an indirectly wholly owned subsidiary of the Company to an independent third party for a cash consideration of approximately HK\$34,500,000. The disposal transaction was completed on 12 June 2020.
- (d) Subsequent to 31 March 2020, the Group entered into a shareholder’s loan agreement with a substantial shareholder with principal amounts of HK\$300,000,000. The shareholder’s loan is interest-free and unsecured. The Group is entitled to borrow from the substantial shareholder of HK\$100,000,000 by 31 December 2020, additional HK\$100,000,000 by 31 March 2021 and additional HK\$100,000,000 by 31 December 2022.
- (e) The Group applies cost control measures in cost of sales, administrative expenses and capital expenditures.
- (f) The Group is also maximising its sales effort, including seeking new customers and sales orders and implementing comprehensive policies to improve operating cash flows.

## 2 ADOPTION OF NEW AND REVISED HKFRSs

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2019. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years except as stated below.

### HKFRS 16 “Leases”

The Group was initially applied HKFRS 16 “Leases” with effect from 1 April 2019 and has taken transitional provisions and methods not to restate comparative information for prior period.

On adoption of HKFRS 16, the Group recognised right-of-use assets and lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under HKAS 17 “Leases”, resulted in changes in the consolidated amounts reported in the consolidated financial statements as follows:

	1 April 2019 <i>HK\$’000</i>
Increase in right-of-use assets	3,955
Increase in lease liabilities	<u>(3,955)</u>

The reconciliation of operating lease commitment to lease liabilities as at 1 April 2019 is set out below:

	1 April 2019 <i>HK\$’000</i>
Operating lease commitment at 31 March 2019	5,160
<b>Less:</b>	
Discounting at 5%	(569)
Short-term lease	<u>(636)</u>
Lease liability as at 1 April 2019	<u>3,955</u>

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.



### 3 REVENUE

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trading of commodities, chemical products and petroleum products	6,124	72,796
Income from money lending, securities brokerage and assets management	1,513	4,939
Others	2,048	3,260
	<hr/>	<hr/>
Revenue from contracts with customers	9,685	80,995
	<hr/>	<hr/>
Loan interest income	14,731	21,405
Rental income	987	3,102
	<hr/>	<hr/>
Total revenue	<u>25,403</u>	<u>105,502</u>

For the years ended 31 March 2020 and 2019, all revenue is recognised at a point in time.

#### **Trading of commodities, chemical products and petroleum products**

The Group sells commodities and chemical products to customers recognised on a net basis with the amount of HK\$6,124,000 for the year ended 31 March 2020 (2019: HK\$37,450,000). The performance obligation is to arrange for the provision of commodities as the Group did not obtain the control over the goods before passing on to customers taking into consideration indicator such as the Group is not exposed to inventory risk, although the Group still exposes to credit risk in these sales transactions. No revenue generated from sales of commodities, chemical products and petroleum products has been recognised on a gross basis during the year ended 31 March 2020 (2019: HK\$35,346,000) as the Group has the control over the petroleum products before passing on to customers and is therefore exposed to inventory risk. Revenue is recognised when goods are transferred to customers which are taken to be the point in time when control of the goods has transferred, being when the goods have been shipped to the customer's specific location on which the customers obtain control of the goods.

#### **Commission income for security brokerage**

Brokerage and commission income are recognised on a gross basis at the rate agreed in the contract with customers at the point when the transaction of securities trading is completed.

#### **Commission income for insurance brokerage**

Brokerage and commission income are recognised on a gross basis at the rate agreed in the contract with customers at the point when the terms of the insurance policy have been agreed contractually by the insurer and policyholder, and the insurer has a present right to payment from the policyholder.

#### 4 SEGMENT INFORMATION

The Executive Directors of the Company have been regarded as the chief operating decision maker (“CODM”). The Group’s operating segments, based on information reported to the CODM for the purpose of resource allocation and performance assessment, are as follows:

- Trading of commodities, chemical products and petroleum products (“Commodity trading”);
- Exploitation and sale of crude oil (“Crude oil”);
- Leasing of investment properties (“Property investment”);
- Money lending, securities brokerage and asset management business (“Financial services”); and
- Others.

The Group also carries out business as insurance brokerage and service contract. The CODM, after reviewing for qualitative factors such as the business activities, economic and legal characteristics of the business and quantitative factors such as the financial performance of the business, has accordingly determined that the insurance brokerage and service contract businesses did not qualify as reportable operating segments, and their financial information is included in “Others”.

The accounting policies of the operating segments are the same as the Group’s accounting policies. Segment results represent the loss made or profit earned by each segment without allocation of incomes or expenses which are not recurring in nature and unrelated to the Group’s operating performance, including interest income on bank deposits, central management fee income, central administration costs, directors’ emoluments, changes in fair value of investments at FVTPL, losses due to loss of assets and interest expenses.

The CODM also reviews the earnings/loss before net finance income and costs, income tax expense, depreciation and amortisation, impairment losses on property, plant and equipment, investment properties and intangible assets, unallocated other income less expenses and non-controlling interests (“EBITDA” or “LBITDA”) of the Group. Accordingly, EBITDA or LBITDA is also presented.

For the purposes of monitoring segment performance and allocating resources among segments, all assets are allocated to operating segments other than interests in an associate, investments at FVTPL, equity investments at FVTOCI, current income tax recoverable, bank and cash balances and other corporate assets.

The CODM reviews the segment assets for the purposes of resource allocation and performance assessment, an analysis of the Group’s liabilities is not regularly reviewed by the CODM and hence, the relevant information is not presented accordingly.

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment.

*For the year ended 31 March 2020*

	Commodity trading <i>HK\$'000</i>	Crude oil <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Revenue from contracts with customers within scope of HKFRS 15</b>						
External and total revenue recognised at point in time						
– on a gross basis	–	–	–	1,513	2,048	3,561
– on a net basis	<u>6,124</u>	–	–	–	–	<u>6,124</u>
	6,124	–	–	1,513	2,048	9,685
<b>Revenue not within scope of HKFRS 15</b>						
Loan interest income	–	–	–	14,731	–	14,731
Rental income	–	–	<u>987</u>	–	–	<u>987</u>
	<u>6,124</u>	–	<u>987</u>	<u>16,244</u>	<u>2,048</u>	<u>25,403</u>
Segment (LBITDA)/EBITDA	(31,088)	(1,508)	341	(52,108)	(1,930)	(86,293)
Segment depreciation and amortisation	<u>(728)</u>	<u>(11,596)</u>	<u>(956)</u>	<u>(240)</u>	<u>(4,155)</u>	<u>(17,675)</u>
Segment results	<u>(31,816)</u>	<u>(13,104)</u>	<u>(615)</u>	<u>(52,348)</u>	<u>(6,085)</u>	<u>(103,968)</u>
Unallocated expenses						(89,063)
Gain on disposal of subsidiaries						23,664
Interest income on bank deposits						18
Interest expenses						<u>(69,883)</u>
Loss before income tax						<u>(239,232)</u>

**For the year ended 31 March 2019**

	Commodity trading HK\$'000	Crude oil HK\$'000	Property investment HK\$'000	Financial services HK\$'000	Others HK\$'000	Total HK\$'000
<b>Revenue from contracts with customers within scope of HKFRS 15</b>						
External and total revenue recognised at point in time						
- on a gross basis	35,346	-	-	4,939	3,260	43,545
- on a net basis	37,450	-	-	-	-	37,450
	<u>72,796</u>	<u>-</u>	<u>-</u>	<u>4,939</u>	<u>3,260</u>	<u>80,995</u>
<b>Revenue not within scope HKFRS 15</b>						
Loan interest income	-	-	-	21,405	-	21,405
Rental income	-	-	3,102	-	-	3,102
	<u>72,796</u>	<u>-</u>	<u>3,102</u>	<u>26,344</u>	<u>3,260</u>	<u>105,502</u>
Segment (LBITDA)/EBITDA	(245,280)	67,684	(506)	(16,160)	(1,062)	(195,324)
Segment depreciation and amortisation	(616)	(1,154)	(2,268)	(225)	(4,165)	(8,428)
Segment results	<u>(245,896)</u>	<u>66,530</u>	<u>(2,774)</u>	<u>(16,385)</u>	<u>(5,227)</u>	<u>(203,752)</u>
Unallocated expenses						(136,147)
Interest income on bank deposits						569
Interest expenses						(65,708)
Loss before income tax						<u>(405,038)</u>

**(b) Segment assets**

The following is an analysis of the Group's assets by operating and reportable segment:

	<b>2020</b>	2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Segment assets		
Commodity trading	<b>528,705</b>	546,928
Crude oil	<b>78,582</b>	85,484
Property investment	<b>21,302</b>	101,855
Financial services	<b>92,299</b>	75,935
Others	<b>5,706</b>	10,992
	<hr/>	<hr/>
Total segment assets	<b>726,594</b>	821,194
Unallocated	<b>22,643</b>	167,174
	<hr/>	<hr/>
Total assets	<b>749,237</b>	988,368
	<hr/> <hr/>	<hr/> <hr/>

**(c) Other segment information**

*As at 31 March 2020*

	Commodity trading	Crude oil	Property investment	Financial services	Others	Unallocated	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Amount included in the measure of segment results or segment assets:							
Additions to non-current assets	-	395	-	89	-	5,218	5,702
Written-off of property, plant and equipment	-	-	-	(56)	-	(2,493)	(2,549)
Impairment losses on loan receivables	-	-	-	(55,364)	-	-	(55,364)
Impairment losses on trade receivables	-	-	-	-	(41)	-	(41)
Impairment losses on prepayments, deposits and other receivables	(35,818)	-	-	-	-	(25,200)	(61,018)
Loss on disposal of property, plant and equipment	-	-	-	-	-	(110)	(110)
Gain on disposal of subsidiaries	-	-	-	-	-	23,664	23,664
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

As at 31 March 2019

	Commodity trading <i>HK\$'000</i>	Crude oil <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Others <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amount included in the measure of segment results or segment assets:							
Additions to non-current assets	–	1,224	–	101	–	630	1,955
Reversal of impairment losses on property, plant and equipment	–	13,947	–	–	–	–	13,947
Reversal of impairment losses on intangible assets	–	64,598	–	–	–	–	64,598
Impairment losses on goodwill	(15,617)	–	–	–	–	–	(15,617)
Impairment losses on loan receivables	–	–	–	(26,631)	–	–	(26,631)
Impairment losses on trade receivables	(171,583)	–	–	–	(43)	–	(171,626)
Impairment losses on prepayments, deposits and other receivables	(4,093)	(8,187)	–	–	–	–	(12,280)
Loss on disposal of property, plant and equipment	–	(30)	–	–	–	–	(30)
Loss of assets	–	–	–	–	–	(91,238)	(91,238)

**(d) Geographical information**

The Group's operations are located in the People's Republic of China (the "PRC") and Hong Kong. The Group's revenue from external customers is based on the location of their key operations and information about its non-current assets is based on geographical location of the assets that are shown below:

	Revenue		Non-current assets	
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
The PRC	6,124	72,288	220,581	81,345
Hong Kong	19,279	33,214	42,654	121,503
Others	–	–	4,827	7,179
	<u>25,403</u>	<u>105,502</u>	<u>268,062</u>	<u>210,027</u>

**(e) Revenue from major customers**

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Commodity trading		
Customer A	<u>3,018</u>	<u>36,944</u>

The above information represents revenue generated more than 10% from individual customer.

## 5 OTHER GAINS OR LOSSES, NET

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Loss on deregistration of a subsidiary	–	703
Gain on disposal of subsidiaries	<b>(23,664)</b>	–
Loss on disposal of property, plant and equipment	<b>110</b>	30
Exchange losses, net	<b>889</b>	23,957
Written-off of property, plant and equipment	<b>2,549</b>	–
Reversal of impairment losses on property, plant and equipment	–	(13,947)
Reversal of impairment losses on intangible assets	–	(64,598)
Impairment losses on goodwill	–	15,617
Impairment losses on prepayments, deposits and other receivables	<b>61,018</b>	12,280
Fair value change of investments at FVTPL	<b>4,723</b>	31,971
Others	<b>(71)</b>	(42)
	<u><b>45,554</b></u>	<u>5,971</u>

## 6 LOSS OF ASSETS

	2019 <i>HK\$'000</i>
Loss of prepayments, deposits and other receivables ( <i>Note a</i> )	68,107
Loss of bank balances ( <i>Note b</i> )	<u>23,131</u>
	<u><u>91,238</u></u>

### Notes:

- (a) The amount represents impairment losses on prepayments paid to suppliers by 浙江投融長富控股有限公司 (“Zhejiang Tou Rong”), an indirectly wholly-owned subsidiary of the Company, which Mr. Li Zhenjun (“Mr. Li”, the former chairman of the board of directors (the “Board”) and an executive director of the Company) was the legal representative and one of the directors of Zhejiang Tou Rong since its establishment. In December 2018, the legal representative of Zhejiang Tou Rong was changed from Mr. Li to a representative appointed by the board of directors of the immediate holding company of Zhejiang Tou Rong. However, the change of legal representative is invalidated by 杭州市市場監督管理局 in February 2019 in view of the ongoing investigation against Mr. Li. Zhejiang Tou Rong has issued a letter to object to the decision by 杭州市市場監督管理局 in late February 2019 for the invalidation. Up to the date when the consolidated financial statements are authorised for issue, no reply was received by Zhejiang Tou Rong regarding the objection.

During the period from April 2018 to September 2018, Zhejiang Tou Rong entered into several supply agreements (the “Supply Agreements”) with certain suppliers in the PRC in relation to renovation services of office and office supplies for preparing business commencement with aggregate contract amounts of RMB64,950,000 (equivalent to approximately HK\$75,959,000). Deposits of RMB48,000,000 (equivalent to approximately HK\$56,364,000) in aggregate were

made by Zhejiang Tou Rong in relation to these Supply Agreements with the authorisation of Mr. Li during the period from April 2018 to September 2018. Besides, Zhejiang Tou Rong made a prepayment amounting to approximately RMB10,000,000 (equivalent to approximately HK\$11,743,000) to a service provider in July 2018, for the provision of technical consultancy service via bank. There is no valid contractual agreement entered into between Zhejiang Tou Rong and the service provider and the payment was authorised by Mr. Li at his discretion as the legal representative of Zhejiang Tou Rong. The Group lost contact with the finance personnel and Mr. Li since early July 2018.

Zhejiang Tou Rong has engaged an independent PRC lawyer since July 2019 to take actions against the abovementioned offence including, but not limited to, collecting relevant evidence to the offence and reporting the offence to the PRC police. The PRC lawyer has commenced their investigation and is expected to report to the PRC police for further investigation in September 2019.

Besides, the Group has engaged an independent PRC legal advisor to review the Supply Agreements and service agreement and assist the Group to recover the prepayments. Based on the opinion of the independent legal advisor, in view that the suppliers have not duly completed the Supply Agreements, the absence of certain contractual service agreement and the Group was not able to contact the relevant suppliers and service provider for details, the independent PRC legal advisor is in the opinion that the prepayments to suppliers and service provider amounting to approximately HK\$68,107,000 in aggregate are unlikely to be recoverable and accordingly, full impairment loss on such prepayments to suppliers and service provider were provided during the year ended 31 March 2019.

- (b) As stated in the announcement of the Company dated 9 August 2018, the Company announced that the People's Government of Gongshu District, Hangzhou, the PRC has published a bulletin on 24 July 2018 regarding 杭州投融譜華互聯網金融服務有限公司 (the "Concerned Company"), a fellow subsidiary of the Company established in the PRC which Mr. Li is the legal representative, director and general manager of the Concerned Company, that criminal compulsory measures have been taken against 13 suspects and the criminal detention and pursuit for arrest of Mr. Li have been approved. In this regard, certain bank balance of approximately RMB19,794,000 (equivalent to approximately HK\$23,131,000) in a bank account of Zhejiang Tou Rong in a reputable PRC bank has been frozen by the governmental authorities since January 2019 as the bank balance is suspected to be related to the case which Mr. Li is one of the suspects.

The Group has engaged an independent PRC legal advisor to assist the Group to liaise with the bank and to take appropriate steps to unfreeze the frozen bank account. Nevertheless, based on the opinion from the independent PRC legal advisor, in view that the complexity of the case regarding the Concerned Company and the governmental authorities have the right to apply for extension of the frozen period of the relevant bank account, the probability to unfreeze the bank account before the conclusion of the case regarding the Concerned Company is remote. Besides, in view that the court has the overriding right to settle the amounts due to the creditors in the case using the frozen assets, the independent PRC legal advisor is in the opinion that the frozen bank balance of Zhejiang Tou Rong amounting to approximately HK\$23,131,000 is unlikely to be recoverable and accordingly, full impairment loss on such bank balance was provided during the year ended 31 March 2019.



## 7 FINANCE COSTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest on bonds	68,182	64,756
Interest on bank borrowings	241	952
Interest on other borrowing	928	–
Interest on lease liabilities	532	–
	<u>69,883</u>	<u>65,708</u>

## 8 INCOME TAX CREDIT

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current tax		
PRC enterprise income tax	–	13
(Over)/under-provision of prior years	(46)	5
	<u>(46)</u>	18
Deferred income tax	(22)	(89)
	<u>(68)</u>	<u>(71)</u>

No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profit subject to Hong Kong Profits Tax during the current year (2019: Nil).

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation in the relevant jurisdiction of which the most significant jurisdictions are the PRC which has an enterprise income tax rate of 25% (2019: 25%). Under the applicable corporate tax law in Macau, profits tax is charged at 12% (2019: 12%) of the estimated assessable profits.

No current Macau complementary corporate tax and PRC enterprise income tax have been provided for as the Group did not have any assessable profits in Macau nor in the PRC for the year (2019: Nil).

The reconciliation between the income tax credit and loss before tax is as follows:

	<b>2020</b> <b>HK\$'000</b>	2019 <i>HK\$'000</i>
Loss before tax	<u><b>(239,232)</b></u>	<u>(405,038)</u>
Tax at the domestic income tax rate of 16.5%	<b>(39,473)</b>	(66,831)
Tax effect of different tax rates of subsidiaries operating in other jurisdiction	<b>142</b>	(4,975)
Tax effect of deductible temporary differences not recognised	<b>(76)</b>	(12,590)
Tax effect of tax losses not recognised	<b>33,208</b>	14,116
Tax effect of income not taxable for tax purpose	<b>(3,907)</b>	(1,751)
Tax effect of expenses not deductible for tax purpose	<b>10,084</b>	71,955
(Over)/under-provision in prior year	<u><b>(46)</b></u>	<u>5</u>
Income tax credit	<u><b>(68)</b></u>	<u>(71)</u>

## 9 LOSS PER SHARE

### Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$237,139,000 (2019: approximately HK\$402,320,000) and the weighted average number of ordinary shares of 8,967,876,000 (2019: 8,967,876,000) in issue during the year.

### Diluted loss per share

The effects of all potential ordinary shares are anti-dilutive for the year ended 31 March 2020 and 2019.

## 10 DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2020 (2019: Nil).

## 11 TRADE RECEIVABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade receivables	619,361	760,570
Less: allowance for doubtful debts	<u>(244,411)</u>	<u>(244,370)</u>
Trade receivables, net	<u><u>374,950</u></u>	<u><u>516,200</u></u>

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current portion	226,241	516,200
Non-current portion	<u>148,709</u>	<u>–</u>
	<u><u>374,950</u></u>	<u><u>516,200</u></u>

As at 31 March 2020, included in the trade receivables were amounts due from clearing houses of approximately HK\$10,146,000 (2019: HK\$6,104,000) and amounts due from securities brokerage clients of approximately HK\$1,470,000 (2019: HK\$225,000).

The settlement terms of trade receivables attributable to the securities brokerage business are two days after the trade date. For the remaining business of the Group, trade receivables are on general terms of 30 to 120 days.

Subsequent to 31 March 2020 and before the date of approval of these consolidated financial statements, repayment agreement between the Group and the debtor had been signed, in which amount of approximately HK\$148,709,000 would be recovered on or before 30 June 2021. Hence it is classified as a non-current assets.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
1–30 days	76,780	28,621
31–90 days	75	20,021
91–365 days	292,969	467,558
Over 365 days	<u>5,126</u>	<u>–</u>
	<u><u>374,950</u></u>	<u><u>516,200</u></u>

Reconciliation of loss allowance for trade receivables:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
At beginning of year	244,370	72,744
Increase in loss allowance for the year	<u>41</u>	<u>171,626</u>
At end of year	<u><u>244,411</u></u>	<u><u>244,370</u></u>

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Within 30 days	Over 30 days past due	Over 90 days past due	Over 365 days past due	Total
<b>At 31 March 2020</b>					
Weighted average expected loss rate	–	–	16%	97%	
Receivable amount ( <i>HK\$'000</i> )	76,780	75	349,985	192,521	619,361
Loss allowance ( <i>HK\$'000</i> )	–	–	57,016	187,395	244,411
	Within 30 days	Over 30 days past due	Over 90 days past due	Over 365 days past due	Total
<b>At 31 March 2019</b>					
Weighted average expected loss rate	24%	30%	30%	100%	
Receivable amount ( <i>HK\$'000</i> )	28,622	20,058	689,070	22,820	760,570
Loss allowance ( <i>HK\$'000</i> )	6,810	6,080	208,660	22,820	244,370

## 12 LOAN RECEIVABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Loan receivables from money lending business ( <i>Note a</i> )	69,185	56,856
Margin loan receivables ( <i>Note b</i> )	<u>9,307</u>	<u>17,041</u>
	<u>78,492</u>	<u>73,897</u>
Less: Allowance for credit losses		
– loan receivables ( <i>Note c</i> )	(63,512)	(3,118)
– margin loan receivables ( <i>Note b</i> )	<u>(3,398)</u>	<u>(8,428)</u>
	<u>(66,910)</u>	<u>(11,546)</u>
	<u><u>11,582</u></u>	<u><u>62,351</u></u>

### Notes:

- (a) Loan receivables to the extent of approximately HK\$69,185,000 (2019: HK\$56,856,000), which arise from the money lending business of providing short-term loans to independent third parties in Hong Kong, are denominated in HK\$.

The carrying amounts are determined using effective interest rates ranging from 20% to 54% (2019: 20% to 54%) per annum and are repayable with fixed terms ranging from 1 to 31 months (2019: 3 to 24 months).

As at 31 March 2020, loan receivables of approximately HK\$60,244,000 (2019: HK\$48,180,000) bearing interests ranging from 20% to 36% (2019: 20% to 36%) per annum, are secured and expected to be settled by the borrowers within 1 year. These loan receivables are secured by unlisted equity securities.

The maturity profile of the loan receivables based on maturity date which are neither past due nor impaired is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Receivable in:		
Less than 1 month	–	593
1 month to 3 months	<u>–</u>	<u>45,289</u>
	<u>–</u>	<u>45,882</u>

- (b) As at 31 March 2020, included in loan receivables was advances to margin clients in margin financing amounting to approximately HK\$9,307,000 (2019: HK\$17,041,000), which are bearing interest at commercial rates, secured by the underlying pledged listed securities and are repayable on demand.

In respect of the margin loan receivables advances to margin clients in margin financing with net carrying amount of approximately HK\$5,909,000 (2019: HK\$8,613,000), the fair values of the collaterals of such margins loans can be objectively ascertained to cover the outstanding amount of the loan balances.

- (c) Reconciliation of loss allowance for loan receivables:

	<b>2020</b> <i>HK\$'000</i>	2019 <i>HK\$'000</i>
At beginning of year	<b>3,118</b>	7,367
Increase in loss allowance for the year	<b>60,394</b>	26,501
Amounts written off	–	(30,750)
	<hr/>	<hr/>
At end of year	<b><u>63,512</u></b>	<u>3,118</u>

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all loan receivables. To measure the expected credit losses, loan receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	<b>Either not yet overdue or overdue for less than 30 days and not credit-impaired</b>	<b>Overdue within 31 days and 60 days but not impaired</b>	<b>Overdue over 60 days and credit impaired</b>	<b>Total</b>
<b>At 31 March 2020</b>				
Weighted average expected loss rate			<b>92%</b>	
Receivable amount ( <i>HK\$'000</i> )	–	–	<b>69,185</b>	<b>69,185</b>
Loss allowance ( <i>HK\$'000</i> )	–	–	<b>63,512</b>	<b>63,512</b>
	<b>Either not yet overdue or overdue for less than 30 days and not credit-impaired</b>	<b>Overdue within 31 days and 60 days but not impaired</b>	<b>Overdue over 60 days and credit impaired</b>	<b>Total</b>
<b>At 31 March 2019</b>				
Weighted average expected loss rate	4%	–	15%	
Receivable amount ( <i>HK\$'000</i> )	51,350	–	5,506	56,856
Loss allowance ( <i>HK\$'000</i> )	2,284	–	834	3,118

### 13 TRADE PAYABLES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade payables to clearing houses and securities brokerage clients	8,049	12,296
Trade payables to suppliers ( <i>Note e</i> )	<u>15,395</u>	<u>37,317</u>
	<u><u>23,444</u></u>	<u><u>49,613</u></u>

*Notes:*

- (a) As at 31 March 2020, included in trade payables were amounts due to clearing houses of approximately HK\$Nil (2019: HK\$6,416,000) and amounts due to securities brokerage clients of approximately HK\$8,049,000 (2019: HK\$5,880,000).
- (b) The majority of trade payables are repayable on demand except where certain trade payables to securities brokerage clients represents margin deposits received from clients for their trading activities under normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand.
- (c) Trade payables to securities brokerage clients also include those payables placed in trust and segregated accounts with authorised institutions of approximately HK\$8,199,000 (2019: HK\$4,839,000).
- (d) No aging analysis is disclosed for amounts due to clearing houses and securities brokerage clients as in the opinion of the directors, it does not give additional value in the view of these businesses.
- (e) The following is an aging analysis of trade payables excluding clearing houses and securities brokerage clients presented at the end of the year.

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Within 30 days	162	100
31 to 90 days	58	137
91 days to 365 days	83	37,055
Over 365 days	<u>15,092</u>	<u>25</u>
	<u><u>15,395</u></u>	<u><u>37,317</u></u>

## 14 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to confirm to the current year's presentation. The Directors consider that the new reclassification of the accounting item is more appropriate presentation to reflect the financial results and position of the Company.

## 15 EVENTS AFTER REPORTING PERIOD

- (i) On 25 March 2020, the Group entered into a provisional sale and purchase agreement to dispose of an investment property owned by an indirectly wholly owned subsidiary of the Company to an independent third party for a cash consideration of approximately HK\$34,500,000. The investment property is located at Flat B, 52nd Floor, Tower 2 together with car parking space No. 1053, 1st Floor, Manhattan Hill, No. 1 Po Lun Street, Kowloon, Hong Kong. The disposal transaction was completed on 12 June 2020.
  
- (ii) As disclosed in the announcement of the Company on 7 September 2020, the Company had been discussing with a shareholder in relation to a potential shareholder's loan. On 25 September 2020, the Company and Mr. Wang Chao, a substantial shareholder of the Company, entered into a shareholder's loan agreement, pursuant to which Mr. Wang Chao agreed to grant an interest-free and unsecured non-revolving loan facility (the "Facility") of up to HK\$300,000,000 to the Company for a term from 25 September 2020 to 31 December 2022. An amount of up to HK\$100,000,000 and HK\$200,000,000 of the Facility can be drawn down on or before 31 December 2020 and 31 March 2021, respectively.



## **MATERIAL DIFFERENCES BETWEEN THE 2020 UNAUDITED RESULTS AND THE 2020 AUDITED RESULTS**

Since financial information contained in the Unaudited Annual Results Announcement was neither audited nor agreed with ZHONGHUI ANDA CPA Limited 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 2020 Unaudited Results contained in the Unaudited Results Announcement and the 2020 Audited Results in this announcement. 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.

## CONSOLIDATED INCOME STATEMENT

	Per 2020 Audited Results Announcement <i>HK\$'000</i>	Per 2020 Unaudited Results Announcement <i>HK\$'000</i>	Difference <i>HK\$'000</i>	<i>Note</i>
Revenue	25,403	25,403	–	
Cost of sales and services	<u>(1,865)</u>	<u>(1,865)</u>	<u>–</u>	
Gross profit	23,538	23,538	–	
Other income	18	18	–	
Other gains or losses, net	(45,554)	16,692	(62,246)	<i>a</i>
Impairment losses on trade receivables (Impairment losses)/reversal of impairment losses on loan receivables, net	(41)  (55,364)	(41)  2,380	  (57,744)	  <i>b</i>
Selling and distribution expenses	(1,320)	(1,320)	–	
Administrative and other operating expenses	(90,626)	(90,626)	–	
Loss of assets	–	–	–	
Operating loss	<u>(169,349)</u>	<u>(49,359)</u>	(119,990)	
Finance costs	<u>(69,883)</u>	<u>(69,883)</u>	–	
Loss before income tax	(239,232)	(119,242)	(119,990)	
Income tax credit	<u>68</u>	<u>46</u>	<u>22</u>	<i>c</i>
Loss for the year	<u><u>(239,164)</u></u>	<u><u>(119,196)</u></u>	<u><u>(119,968)</u></u>	
Loss for the year attributable to:				
Owners of the Company	(237,139)	(117,171)	(119,968)	
Non-controlling interests	<u>(2,025)</u>	<u>(2,025)</u>	–	
	<u><u>(239,164)</u></u>	<u><u>(119,196)</u></u>	<u><u>(119,968)</u></u>	
Loss per share ( <i>HK cents</i> )				
Basic and diluted	<u><u>(2.64)</u></u>	<u><u>(1.31)</u></u>	<u><u>(1.33)</u></u>	

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Per 2020 Audited Results Announcement <i>HK\$'000</i>	Per 2020 Unaudited Results Announcement <i>HK\$'000</i>	Difference <i>HK\$'000</i>	<i>Note</i>
Loss for the year	<u>(239,164)</u>	<u>(119,196)</u>	<u>(119,968)</u>	
Other comprehensive loss:				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation reserve reclassified to profit or loss upon disposal of subsidiaries	180	180	–	
Exchange differences arising on translation of foreign operations	(4,181)	(4,181)	–	
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Changes in fair value of equity investments at fair value through other comprehensive income	<u>69</u>	<u>–</u>	<u>69</u>	<i>d</i>
Total other comprehensive loss for the year	<u>(3,932)</u>	<u>(4,001)</u>	<u>69</u>	
Total comprehensive loss for the year	<u><u>(243,096)</u></u>	<u><u>(123,197)</u></u>	<u><u>(119,899)</u></u>	
Total comprehensive loss for the year attributable to:				
Owners of the Company	(241,068)	(121,169)	(119,899)	
Non-controlling interests	<u>(2,028)</u>	<u>(2,028)</u>	<u>–</u>	
	<u><u>(243,096)</u></u>	<u><u>(123,197)</u></u>	<u><u>(119,899)</u></u>	

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Per 2020 Audited Results Announcement <i>HK\$'000</i>	Per 2020 Unaudited Results Announcement <i>HK\$'000</i>	Difference <i>HK\$'000</i>	<i>Note</i>
<b>Non-current assets</b>				
Property, plant and equipment	23,506	23,506	–	
Investment properties	21,298	21,298	–	
Right-of-use assets	10,082	10,082	–	
Intangible assets	64,237	64,237	–	
Trade receivables	148,709	–	148,709	<i>e</i>
Prepayments, deposits and other receivables	13,736	38,936	(25,200)	<i>f</i>
Equity investments at fair value through other comprehensive income	2,021	1,952	69	<i>d</i>
Investments at fair value through profit or loss	1,162	2,401	(1,239)	<i>g</i>
	<b>284,751</b>	<b>162,412</b>	<b>122,339</b>	
<b>Current assets</b>				
Inventories	205	205	–	
Trade receivables	226,241	374,950	(148,709)	<i>e</i>
Loan receivables	11,582	69,326	(57,744)	<i>b</i>
Prepayments, deposits and other receivables	166,222	202,040	(35,818)	<i>h</i>
Investments at fair value through profit or loss	750	750	–	
Income tax recoverable	5,100	5,100	–	
Client trust bank balance	8,199	8,199	–	
Bank and cash balances	46,187	46,187	–	
	<b>464,486</b>	<b>706,757</b>	<b>(242,271)</b>	

	Per 2020 Audited Results Announcement HK\$'000	Per 2020 Unaudited Results Announcement HK\$'000	Difference HK\$'000	Note
<b>Current liabilities</b>				
Trade payables	23,444	23,444	–	
Other payables and accruals	47,844	47,543	301	<i>i</i>
Bank borrowings	–	–	–	
Other borrowing	25,675	25,675	–	
Income tax payable	–	–	–	
Lease liabilities	5,280	5,280	–	
Bonds	71,347	178,902	(107,555)	<i>j</i>
	<u>173,590</u>	<u>280,844</u>	<u>(107,254)</u>	
<b>Net current assets</b>	<u>290,896</u>	<u>425,913</u>	<u>(135,017)</u>	
<b>Total assets less current liabilities</b>	<u>575,647</u>	<u>588,325</u>	<u>(12,678)</u>	
<b>Non-current liabilities</b>				
Lease liabilities	5,144	5,144	–	
Deferred tax liabilities	387	421	(34)	<i>k</i>
Bonds	645,108	537,853	107,255	<i>l</i>
	<u>650,639</u>	<u>543,418</u>	<u>107,221</u>	
<b>NET (LIABILITIES)/ASSETS</b>	<u>(74,992)</u>	<u>44,907</u>	<u>(119,899)</u>	
<b>Capital and reserves</b>				
Share capital	89,679	89,679	–	
Reserves	(155,929)	(36,030)	(119,899)	
Equity attributable to owners of the Company	(66,250)	53,649	(119,899)	
Non-controlling interests	(8,742)	(8,742)	–	
<b>TOTAL (DEFICIT)/EQUITY</b>	<u>(74,992)</u>	<u>44,907</u>	<u>(119,899)</u>	

*Notes:*

- (a) The difference in other gains or losses, net of HK\$62,246,000 was mainly due to final impairment assessment on prepayments, deposits and other receivables of HK\$61,018,000, final value assessment of investments at fair value through profit or loss of HK\$1,239,000, and the recognition of exchange gain of HK\$11,000 on deferred tax liabilities.
- (b) The difference in loan receivables of HK\$57,744,000 was mainly due to final value assessment on loan receivables.
- (c) The difference in income tax credit of HK\$22,000 was mainly due to the recognition of deferred tax liabilities.
- (d) The difference in equity investments at fair value through other comprehensive income of HK\$69,000 was mainly due to final value assessment of equity investments at fair value through other comprehensive income.
- (e) The reclassification of trade receivables of approximately HK\$148,709,000 from current portion to non-current portion, by reference to the repayment schedule as agreed with the debtor.
- (f) The difference in prepayments, deposits and other receivables of HK\$25,200,000 was mainly due to final impairment assessment on prepayments, deposits and other receivables.
- (g) The difference in investments at fair value through profit or loss of HK\$1,239,000 was mainly due to final value assessment of investments at fair value through profit or loss.
- (h) The difference in prepayments, deposits and other receivables of HK\$35,818,000 was mainly due to final impairment assessment on prepayments, deposits and other receivables.
- (i) The difference in other payables and accruals of HK\$301,000 was mainly due to the recognition of expenses of approximately HK\$1,000 and the reclassification of bond interests of approximately HK\$300,000 to bonds.
- (j) The difference in current bonds of HK\$107,555,000 to non-current portion was mainly due to certain bond extension agreements with total amount of approximately HK\$107,255,000 entered between bondholders and the Company in which extended with after 2021 and the reclassification of approximately HK\$300,000 from other payables and accruals.
- (k) The difference in deferred tax liabilities of HK\$34,000 was mainly due to the recognition of deferred tax expenses.
- (l) The difference in non-current bonds of HK\$107,255,000 reclassified from current portion was mainly due to certain bond extension agreements entered into between bondholders and the Company in which extended with after 2021.

Save as disclosed in this further announcement and the corresponding adjustments in totals, percentages, ratios and comparative figures related to the above material differences, all other information contained in the Unaudited Annual 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 March 2020. They expressed no disagreement with the accounting policies and principles adopted by the Group.

## **SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2020 as set out in this further announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year ended 31 March 2020 as approved by the Board of Directors on 25 September 2020. The work performed by ZHONGHUI ANDA CPA Limited 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 ZHONGHUI ANDA CPA Limited on this further announcement.

## **ANNUAL GENERAL MEETING**

The Company will hold an annual general meeting on Monday, 9 November 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 Wednesday, 4 November 2020 to Monday, 9 November 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, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 3 November 2020, for registration.

## **EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT**

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 March 2020:

### **“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 Hong Kong Companies Ordinance.

### **Basis for Disclaimer of Opinion**

We draw attention to note 2 to the consolidated financial statements which states that the Group incurred loss attributable to owners of the Company of approximately HK\$237,139,000 for the year ended 31 March 2020 and as at 31 March 2020, the Group had net liabilities of approximately HK\$74,992,000. Also the Group recorded net cash outflows in operating activities of approximately HK\$85,742,000 for the year ended 31 March 2020 and as at 31 March 2020, the Group had bank and cash balances of approximately HK\$46,187,000.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the assumptions and measures stated in note 2 to the consolidated financial statements, at a level sufficient to finance the working capital requirements of the Group. The consolidated financial statements do not include any adjustments that would result from the failure to fulfilling the assumptions and measures stated in the note 2 to the consolidated financial statements. We consider that the material uncertainty has been adequately disclosed in the consolidated financial statements.

However, in view of the extent of the uncertainty relating to the assumptions and measures stated in note 2 to the consolidated financial statements, we disclaim our opinion in respect of the material uncertainties relating to the going concern basis.”



**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](http://www.hkexnews.hk) and the website of the Company at [www.lwih.com.hk](http://www.lwih.com.hk). The annual report of the Company for the year ended 31 March 2020, in both English and Chinese versions, will be despatched to the Shareholders and will also be available on the same websites as mentioned above on or before 7 October 2020.

By order of the Board of  
**Long Well International Holdings Limited**  
**Huang Guobiao**  
*Chairman*

Hong Kong, 25 September 2020

*As at the date of this announcement, the Board comprises (i) four executive Directors, namely Mr. Huang Guobiao, Mr. Wong Kwok Leung, Professor Kwong Ser Yuen Albert and Mr. Lee Siu Fung; (ii) one non-executive Director, namely Mr. Wu Hao; and (iii) three independent non-executive Directors, namely Mr. Cheung Kwan Hung, Mr. Lam Tze Chung Felix and Mr. Choi Ho Yan.*