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Zhuoxin International Holdings Limited

卓信國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8266)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2018

Reference is made to the announcement of Zhuoxin International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 12 February 2019 in relation to the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2018 (the “**Results Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Results Announcement.

CLARIFICATION

The Board noted that there were inadvertent clerical errors in the Results Announcement. The Board wishes to clarify as follows:

- 1) *Unaudited Condensed Consolidated Statement of Profit or Loss on pages 3 of the Results announcement*

The clerical errors relate to the amount of loss attributable to the owners of the Company and non-controlling interests as well as the amount for the loss per share. Set out in the table below is an extract of the revised unaudited condensed consolidated statement of profit or loss:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (EXTRACT)

For the three months and nine months ended 31 December 2018

	Three months ended 31 December			Nine months ended 31 December		
	2018 Per original stated HK\$'000	2018 Adjustment HK\$'000	2018 Restated HK\$'000	2018 Per original stated HK\$'000	2018 Adjustment HK\$'000	2018 Restated HK\$'000
Attributable to:						
Owners of the Company	(8,018)	250	(7,768)	(13,947)	250	(13,697)
Non-controlling interests	3	(250)	(247)	181	(250)	(69)
	<u>(8,015)</u>	<u>-</u>	<u>(8,015)</u>	<u>(13,766)</u>	<u>-</u>	<u>(13,766)</u>
Loss per share (HK cents)						
Basic	<u>(1.95)</u>	<u>0.05</u>	<u>(1.90)</u>	<u>(3.38)</u>	<u>0.06</u>	<u>(3.32)</u>
Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Save as disclosed above, the other financial information, including the loss for the period of the Group, as set out in the unaudited condensed consolidated statement of profit or loss in the Results Announcement is correct.

2) *Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 4 of the Results Announcement*

The clerical errors relate to the amount of loss attributable to the owners of the Company and non-controlling interests. Set out in the table below is an extract of the revised unaudited condensed consolidated statement of profit or loss and other comprehensive income:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (EXTRACT)

For the three months and nine months ended 31 December 2018

	Three months ended 31 December			Nine months ended 31 December		
	2018 Per original stated HK\$'000	2018 Adjustment HK\$'000	2018 Restated HK\$'000	2018 Per original stated HK\$'000	2018 Adjustment HK\$'000	2018 Restated HK\$'000
Attributable to:						
Owners of the Company	(8,594)	250	(8,344)	(25,537)	250	(25,287)
Non-controlling interests	3	(250)	(247)	2,558	(250)	2,308
	<u>(8,591)</u>	<u>-</u>	<u>(8,591)</u>	<u>(22,979)</u>	<u>-</u>	<u>(22,979)</u>

Save as disclosed above, the other financial information, including the total comprehensive income for the period of the Group, as set out in the unaudited condensed consolidated statement of profit or loss and other comprehensive income in the Results Announcement is correct.

3) *Unaudited Condensed Consolidated Statement of Changes in Equity on page 5 of the Results Announcement*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (RESTATED)

For the nine months ended 31 December 2018

	Attributable to owners of the Company										
	Share capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve HK\$'000	Foreign currency translation reserve HK\$'000	Share-based payment reserve HK\$'000	FVTOCI reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2017	32,194	442,050	16,375	2,943	(2,004)	3,764	-	(379,263)	116,059	27,324	143,383
Total comprehensive income for the period	-	-	-	-	41	-	-	(22,759)	(22,718)	(812)	(23,530)
Lapse of share options	-	-	-	-	-	(3,764)	-	3,764	-	-	-
At 31 December 2017	<u>32,194</u>	<u>442,050</u>	<u>16,375</u>	<u>2,943</u>	<u>(1,963)</u>	<u>-</u>	<u>-</u>	<u>(398,258)</u>	<u>93,341</u>	<u>26,512</u>	<u>119,853</u>
At 1 April 2018	32,194	442,050	16,375	2,943	6,948	-	-	(403,155)	97,355	26,572	123,927
Adjustment on initial application of HKFRS 9	-	-	-	-	-	-	(18,668)	21,339	2,671	(38)	2,633
Restated balance at 1 April 2018	<u>32,194</u>	<u>442,050</u>	<u>16,375</u>	<u>2,943</u>	<u>6,948</u>	<u>-</u>	<u>(18,668)</u>	<u>(381,816)</u>	<u>100,026</u>	<u>26,534</u>	<u>126,560</u>
Comprehensive income											
(Loss)/profit for the period	-	-	-	-	-	-	-	(13,697)	(13,697)	(69)	(13,766)
Other comprehensive income											
Change in the fair value of equity instrument at FVTOCI	-	-	-	-	-	-	(3,998)	-	(3,998)	-	(3,998)
Currency translation differences											
- Group	-	-	-	-	(5,818)	-	-	-	(5,818)	2,377	(3,441)
- Release upon disposal of subsidiaries	-	-	-	-	(1,774)	-	-	-	(1,774)	-	(1,774)
	-	-	-	-	(7,592)	-	(3,998)	(13,697)	(25,287)	2,308	(22,979)
Total transaction with owners, recognised directly in equity											
Decognition of non-controlling interests upon disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(14,239)	(14,239)
At 31 December 2018	<u>32,194</u>	<u>442,050</u>	<u>16,375</u>	<u>2,943</u>	<u>(644)</u>	<u>-</u>	<u>(22,666)</u>	<u>(395,513)</u>	<u>74,739</u>	<u>14,603</u>	<u>89,342</u>

Notes:

- The amount of accumulated loss for the period under comprehensive income decreased from HK\$13,947,000 to HK\$13,697,000 as a result of the adjustments.
- The amount of non-controlling interest for the period under comprehensive income changed from a profit of HK\$181,000 to a loss of HK\$69,000 as a result of the adjustments.

4) *Note 5 to the Unaudited Condensed Consolidated Financial Statement on page 10 of the Results Announcement*

Loss per share

(a) **Basic loss per share**

The calculation of basic loss per share is as follows:

	Unaudited					
	Three months ended			Nine months ended		
	31 December			31 December		
	2018	2018	2018	2018	2018	2018
	Per original			Per original		
	stated	Adjustment	Restated	stated	Adjustment	Restated
Loss for the period attributable to owners of the Company (HK\$'000)	(8,018)	250	(7,768)	(13,947)	250	(13,697)
Weighted average number of ordinary shares in issue during the period (in '000)	412,090	-	412,090	412,090	-	412,090
Basic loss per share (HK cents)	(1.95)	0.05	(1.90)	(3.38)	0.06	(3.32)

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately **HK\$13,697,000** (2017: loss of approximately HK\$22,759,000) and the weighted average number of ordinary shares of 412,089,994 (2017: 412,089,994 as adjusted to reflect the share consolidation of the Company with effect on 27 March 2018) in issue during the period.

5) *The paragraph headed “Financial Review” under the section headed “Management Discussion and Analysis” on page 12 of the Results Announcement*

Revenue and Results

For the nine months ended 31 December 2018, the Group recorded an unaudited revenue of approximately HK\$393,847,000 (2017: approximately HK\$496,813,000), representing a decrease of 21% as compared to the corresponding period of last year. All the revenue was contributed by the trading of electronic parts and components business.

The Group recorded a loss for the nine months ended 31 December 2018 of approximately HK\$13,766,000 (2017: approximately HK\$23,130,000), representing a decrease of 40% as compared with the corresponding period of last year.

Loss attributable to owners of the Company for the nine months ended 31 December 2018 was approximately **HK\$13,697,000**, representing a decrease of **40%** as compared with approximately HK\$22,759,000 for the corresponding period in 2017.

Save as the further information stated above, all the information in the Results Announcement remains unchanged.

By Order of the Board
Zhuoxin International Holdings Limited
Ma Chao
Chairman

Hong Kong, 13 February 2019

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Ma Chao (Chairman), Mr. Zhang Shourong and Mr. Fu Yong; and three independent non-executive Directors, namely, Mr. Chiu Wai Piu, Mr. Cheung Kwan Hung and Mr. Li Shiu Ki, Ernest.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the Company’s website at www.zhuoxinintl.com.

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.