合寶豐年
ALPHA ERA

Alpha Era International Holdings Limited
合寶豐年控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8406)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "**Directors**") of Alpha Era International Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") 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 (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, 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.

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the year ended 31 December 2018 (the "**Reporting Period**") amounted to approximately RMB192,977,000 (2017: approximately RMB176,810,000).

- Profit attributable to the owners of the Company for the year ended 31 December 2018 amounted to approximately RMB21,262,000 (2017: approximately RMB9,549,000).

- Basic and diluted earnings per share for the year ended 31 December 2018 amounted to approximately RMB2.7 cents and RMB2.7 cents, respectively (for the year ended 31 December 2017: approximately RMB1.4 cents and RMB1.4 cents).

- The board of directors (the "**Board**") has recommended the payment of a final dividend of HK0.75 cents per ordinary share for the year ended 31 December 2018 subject to approval from the Shareholders of the Company (2017: nil).

ANNUAL RESULTS

The Board presents the audited consolidated results of the Group for the year ended 31 December 2018, together with the comparative figures for the year ended 31 December 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	2018 RMB'000	2017 RMB'000
Revenue	4	**192,977**	176,810
Cost of sales		**(144,139)**	(135,790)
Gross profit		**48,838**	41,020
Other income and gains	5	**1,433**	490
Distribution and selling expenses		**(8,347)**	(10,596)
Administrative expenses		**(14,936)**	(15,102)
Net impairment losses on financial assets		**(2,149)**	–
Listing expenses		**–**	(1,840)
Profit before tax		**24,839**	13,972
Income tax expense	6	**(3,577)**	(4,423)
Profit for the year	7	**21,262**	9,549
Other comprehensive expense, net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**1,353**	(165)
Other comprehensive income/(expense) for the year		**1,353**	(165)
Total comprehensive income for the year		**22,615**	9,384
		RMB cents	*RMB cents*
Earnings per share			
– Basic and diluted	9	**2.7**	1.4

Details of the dividends are disclosed in note 8 to this annual results announcement.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2018

	Notes	2018 RMB'000	2017 RMB'000
Non-current assets			
Property, plant and equipment	10	**6,394**	7,232
Intangible assets	11	**591**	660
Deposit	13	**–**	360
Deferred tax assets		**1,604**	956
		8,589	9,208
Current assets			
Inventories	12	**31,555**	26,600
Trade and other receivables	13	**64,168**	42,921
Cash and bank balances		**18,630**	37,272
		114,353	106,793
Total assets		**122,942**	116,001
Current liabilities			
Trade and other payables	14	**28,619**	45,790
Current tax liabilities		**2,271**	875
		30,890	46,665
Net current assets		**83,463**	60,128
Total assets less current liabilities		**92,052**	69,336
Non-current liabilities			
Deferred tax liabilities		**1,770**	1,069
Net assets		**90,282**	68,267
Capital and reserves			
Equity attributable to owners of the Company			
Share capital	15	**6,969**	6,969
Reserves		**83,313**	61,298
Total equity		**90,282**	68,267

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company with limited liability on 3 November 2015. The shares of the Company have been listed on GEM (formerly known as the Growth Enterprise Market) of the Stock Exchange with effect from 7 December 2017. Its parent and ultimate holding company is Nonton Limited ("**Nonton**"), a company incorporated in the British Virgin Islands ("**BVI**") with limited liability and wholly-owned by Mr. Lee King Sun ("**Mr. Lee**").

The addresses of the registered office and the principal place of business of the Company are Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and Units 1903-04, Tamson Plaza, 161 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong respectively.

The Company is an investment holding company. The Group is principally engaged in the manufacturing and sales of inflatable products and related accessories.

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the respective entity operates (the functional currency). The functional currency of the Company is Hong Kong dollars ("**HK$**"). The consolidated financial statements are presented in Renminbi ("**RMB**"), rounded to the nearest thousand, which is different from the functional currency of the Company as the Group's dominated operations are substantially based in the People's Republic of China (the "**PRC**").

2. BASIS OF PRESENTATION

Prior to the corporate reorganisation undertaken in preparation for the listing of the Company's shares on GEM of the Stock Exchange ("**Corporate Reorganisation**"), the group entities were under the control of Mr. Lee. Through the Corporate Reorganisation, the Company became the holding company of the companies now comprising the Group on 20 June 2017. Accordingly, for the purpose of the preparation of the consolidated financial statements of the Group, the Company has been considered as the holding company of the companies now comprising the Group throughout the year ended 31 December 2017. The Group comprising the Company and its subsidiaries resulting from the Corporate Reorganisation is regarded as a continuing entity.

The Group was under the control of Mr. Lee prior to and after the Corporate Reorganisation. The consolidated financial statements have been prepared as if the Company had been the holding company of the Group throughout the year ended 31 December 2017 in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2017, which include the results, changes in equity and cash flows of the companies now comprising the Group, have been prepared as if the current group structure had been in existence throughout the year ended 31 December 2017.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

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

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

HKFRS 9 *Financial Instruments*

In the current year, the Group has applied HKFRS 9 and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses ("**ECL**") for financial assets and lease receivables and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provision set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained earnings, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement* ("**HKAS 39**").

Accounting policies resulting from application of HKFRS 9 are disclosed in the consolidated financial statements.

Classification of financial assets and financial liabilities

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

Under HKFRS 9, the classification for all of the Group's financial assets and financial liabilities measured at amortised cost remain the same. The carrying amounts for all financial assets and financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. The ECL on these assets are assessed individually and/or collectively using a provision matrix with appropriate grouping. This resulted in an increase of the loss allowance on 1 January 2018 by approximately RMB727,000 and deferred tax effect of approximately RMB127,000.

ECL for other financial assets at amortised cost, are assessed on 12-month ECL ("**12m ECL**") basis as there have been no significant increase in credit risk since initial recognition.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

	HKAS 39 carrying amounts at 31 December 2017	**Adjustments**	**HKFRS 9 carrying amounts at 1 January 2018**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Deferred tax assets	956	127	1,083
Current assets			
Trade and other receivables	42,921	(727)	42,194
	43,877	(600)	43,277

All loss allowance as at 31 December 2017 reconciled to the opening loss allowances as at 1 January 2018 are as follows:

	Trade receivables
	RMB'000
At 31 December 2017 – HKAS 39	–
Effect on application of HKFRS 9	727
At 1 January 2018	727

HKFRS 15 *Revenue from Contracts with Customers*

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained earnings and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group recognises revenue from the following sources:

(a) Sales of inflatable products and related accessories

(b) Provision of sub-contracting services

Information about the Group's performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in the consolidated financial statements.

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2017	**Reclassification**	**Carrying amounts under HKFRS 15 at 1 January 2018**
	RMB'000	*RMB'000*	*RMB'000*
Current liabilities			
Trade and other payables	45,790	(2,824)	42,966
Trade and other payables – contract liabilities	–	2,824	2,824
	45,790	–	45,790

Note: As at 1 January 2018, receipt in advance from customers of approximately RMB2,824,000 previously included in trade and other payables were reclassified to contract liabilities. Both receipt in advance and contract liabilities are included in trade and other payables.

The following tables summarise the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position as at 31 December 2018 for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

	As reported	**Adjustments**	**Amounts without application of HKFRS 15**
	RMB'000	*RMB'000*	*RMB'000*
Current liabilities			
Trade and other payables	25,910	2,709	28,619
Trade and other payables – contract liabilities	2,709	(2,709)	–
	28,619	–	28,619

Except as described above, the application of HKFRS 15 has had no material impact on the amounts reported set out in these consolidated financial statements.

Impacts on opening consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the Group's accounting policies above, the opening consolidated statement of financial position had to be restated. The following table show the adjustments recognised for each of the individual line items affected. Line items that were not affected by the changes have not been included.

	31 December 2017 (Audited) *RMB'000*	**HKFRS 9** *RMB'000*	**HKFRS 15** *RMB'000*	**1 January 2018 (Restated)** *RMB'000*
Non-current assets				
Deferred tax assets	956	127	–	1,083
Current assets				
Trade and other receivables	42,921	(727)	–	42,194
Current liabilities				
Trade and other payables	45,790	–	(2,824)	42,966
Trade and other payables – contract liabilities	–	–	2,824	2,824
Reserves				
Retained earnings	14,338	(600)	–	13,738

There is no impact on the statement of profit or loss and other comprehensive income by adopting HKFRS 9 and HKFRS 15.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[3]
Amendments to HKAS 1 and HKAS 8	Definition of Material[5]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Venture[1]
Amendments to HKFRS 3	Definition of a Business[4]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle[1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]

[1] Effective for annual periods beginning on or after 1 January 2019.
[2] Effective for annual periods beginning on or after a date to be determined.
[3] Effective for annual periods beginning on or after 1 January 2021.
[4] Effective for business combinations and assets acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
[5] Effective for annual periods beginning on or after 1 January 2020.

Except as described below, the directors anticipate the application of all other new and amendments to HKFRSs will have no material impact on the that consolidated financial statements in the foreseeable future.

HKFRS 16 *Leases*

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it became effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications. Distinctions of operating and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, among others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Other than certain requirements which are also applicable to lessors, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of approximately RMB641,000 as disclosed in the consolidated financial statements. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases. The Group expects to adopt HKFRS 16 using a modified retrospective approach where the cumulative effect of initially applying the standard is recognised as an adjustment to the opening balance of retained earnings and comparatives are not restated. The directors of the Company do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the results and the net financial position of the Group.

4. REVENUE AND SEGMENT INFORMATION

HKFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the executive directors of the Company, being the chief operating decision maker, for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the manufacturing and sales of inflatable products and related accessories. Since this is the only operating segment of the Group, no further analysis for segment information is presented.

Revenue

	2018	2017
	RMB'000	*RMB'000*
Revenue from customer		
– Sales of inflatable products and related accessories	**191,530**	176,500
– Sub-contracting income	**1,447**	310
	192,977	176,810

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of revenue is based on the locations of the customers. All specified non-current assets are physically located in the PRC. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment.

	2018	2017
	RMB'000	*RMB'000*
Revenue from external customers:		
– China	**42,694**	43,148
– Europe	**39,776**	44,909
– Australia and Oceania	**11,937**	15,816
– North America	**19,053**	23,917
– Asia	**74,492**	46,108
– Central and South America	**4,693**	2,580
– Africa	**332**	332
	192,977	176,810

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the Group's total revenue are as follows:

	2018	2017
	RMB'000	*RMB'000*
Customer A	**N/A**[1]	23,283
Customer B	**52,829**	24,484

[1] The corresponding revenue did not contribute over 10% of the Group's total revenue.

5. OTHER INCOME AND GAINS

	2018	2017
	RMB'000	RMB'000
Interest income on bank deposits	**86**	24
Grants and subsidies *(Note)*	**1,149**	400
Others	**198**	66
	1,433	490

Note: Grants and subsidies mainly consist of gross grants and subsidies by local governments in relation to corporate development, new and high technology development, export encouragement scheme and compensation for expenses already incurred. The amounts of these grants and subsidies are subject to discretions of local governments and there are no unfulfilled conditions or contingencies.

6. INCOME TAX EXPENSE

	2018	2017
	RMB'000	*RMB'000*
Current tax		
Hong Kong Profits Tax		
– Current tax	**1,625**	1,312
– Over-provision in prior year	**(43)**	–
PRC Enterprise Income Tax		
– Current tax	**2,896**	2,257
– (Over)/under-provision in prior year	**(1,101)**	593
Deferred tax	**200**	261
Total income tax recognised in profit or loss	**3,577**	4,423

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Group is subjected to Hong Kong Profits Tax at a rate of 16.5% for both years.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both years unless preferential rate is applicable. A wholly-owned subsidiary of the Company located in the Zhongshan Zone is registered as a New and High Technology Enterprise and is entitled to the preferential corporate income tax rate of 15% for a period of 3 years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

7. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2018	2017
	RMB'000	*RMB'000*
Auditors' remuneration	**524**	478
Cost of inventories recognised as an expense	**144,139**	135,790
Depreciation of property, plant and equipment	**1,637**	1,691
Amortisation of intangible assets	**108**	111
Net foreign exchange losses	**135**	1,525
Listing expenses	**–**	1,840
Operating lease payments in respect of rented premises	**5,571**	5,374
Employee benefits expense (including directors' emoluments):		
Salaries, wages and other benefits	**32,729**	30,788
Contribution to retirement benefits schemes	**3,020**	1,385
Total employee benefits expense	**35,749**	32,173

8. DIVIDENDS

	2018	2017
	RMB'000	*RMB'000*
Dividends recognised as distribution	**–**	6,112

The dividends of HK$7,000,000 (equivalent to approximately RMB6,112,000) declared and paid for the year ended 31 December 2017 represented the dividends paid by the subsidiary of the Company to its then equity owners prior to the Corporate Reorganisation. The rate of dividend and the number of shares ranking for dividend are not presented as such information is not meaningful for the preparation of the consolidated financial statements.

Subsequent to the end of the Reporting Period, a final dividend in respect of the year ended 31 December 2018 of HK0.75 cents (2017: nil) per ordinary share, in an aggregate amount of HK$6,000,000 (2017: nil), has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming general meeting.

9. EARNINGS PER SHARE

	2018	2017
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	**21,262**	9,549

	2018	2017
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**800,000**	688,219

The weighted average number of ordinary shares for the purpose of basic earnings per share for the year ended 31 December 2017 was derived from 680,000,000 ordinary shares in issue as if these 680,000,000 ordinary shares were outstanding throughout the year ended 31 December 2017 and the effect of share offer by the Company as set out in note 15 of this annual results announcement.

The diluted earnings per share is equal to the basic earnings per share as there is no dilutive potential ordinary share in issue during years ended 31 December 2018 and 2017.

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements *RMB'000*	Plant and machinery *RMB'000*	Motor vehicles *RMB'000*	Furniture and equipment *RMB'000*	Computer equipment *RMB'000*	Total *RMB'000*
Cost						
Balance at 1 January 2017	6,953	11,927	1,174	264	1,915	22,233
Additions	–	15	–	2	–	17
Disposals	–	(6)	(6)	–	–	(12)
Effect of foreign exchange differences	(2)	–	–	(1)	(1)	(4)
Balance at 31 December 2017	6,951	11,936	1,168	265	1,914	22,234
Additions	–	1,203	–	–	10	1,213
Disposals	–	(405)	(400)	–	–	(805)
Effect of foreign exchange differences	2	–	–	1	1	4
Balance at 31 December 2018	6,953	12,734	768	266	1,925	22,646
Accumulated depreciation						
Balance at 1 January 2017	4,609	6,001	902	225	1,584	13,321
Depreciation expense	666	917	64	4	40	1,691
Eliminated on disposals	–	(4)	(4)	–	–	(8)
Effect of foreign exchange differences	(2)	–	–	–	–	(2)
Balance at 31 December 2017	5,273	6,914	962	229	1,624	15,002
Depreciation expense	649	910	39	3	36	1,637
Eliminated on disposals	–	(30)	(360)	–	–	(390)
Effect of foreign exchange differences	2	–	–	1	–	3
Balance at 31 December 2018	5,924	7,794	641	233	1,660	16,252
Carrying amounts						
Balance at 31 December 2018	**1,029**	**4,940**	**127**	**33**	**265**	**6,394**
Balance at 31 December 2017	1,678	5,022	206	36	290	7,232

The above items of property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

Leasehold improvements	Over the shorter of the term of the lease, and 2 to 9 years
Plant and machinery	6 to 10 years
Motor vehicles	4 to 5 years
Furniture and equipment	3 to 5 years
Computer equipment	3 to 10 years

11. INTANGIBLE ASSETS

	Patents	Trademarks	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost			
Balance at 1 January 2017	219	844	1,063
Additions	72	283	355
Balance at 31 December 2017	291	1,127	1,418
Additions	23	16	39
Balance at 31 December 2018	314	1,143	1,457
Accumulated amortisation			
Balance at 1 January 2017	169	478	647
Amortisation expense	24	87	111
Balance at 31 December 2017	193	565	758
Amortisation expense	22	86	108
Balance at 31 December 2018	215	651	866
Carrying amounts			
Balance at 31 December 2018	**99**	**492**	**591**
Balance at 31 December 2017	98	562	660

The following useful lives are used in the calculation of amortisation:

Patents	10 years
Trademarks	10 years

12. INVENTORIES

	2018	2017
	RMB'000	*RMB'000*
Raw materials	**12,383**	9,582
Work in progress	**10,258**	4,973
Finished goods	**8,914**	12,045
	31,555	26,600

13. TRADE AND OTHER RECEIVABLES

	2018	2017
	RMB'000	*RMB'000*
Trade receivables	**59,430**	36,863
Less: Allowance for credit losses	**(2,876)**	–
	56,554	36,863
Value-added tax refundable	**4,194**	3,649
Deposit paid	**1,116**	1,208
Other receivables and prepayment	**2,304**	1,561
	64,168	43,281
Analysed for reporting purposes:		
Current assets	**64,168**	42,921
Non-current assets	**–**	360
	64,168	43,281

The following is an analysis of trade receivables by age, net of allowance for credit losses, presented based on the invoice date:

	2018	2017
	RMB'000	*RMB'000*
0-30 days	**41,445**	19,483
31-60 days	**14,025**	10,420
61-90 days	**1,061**	6,467
91-120 days	**23**	336
121-365 days	**–**	157
	56,554	36,863

The credit terms granted to customers are varied and are generally the result of negotiations between individual customers and the Group. The Group generally allows credit period ranging from 0 to 120 days. No interest is charged on overdue receivables.

14. TRADE AND OTHER PAYABLES

	2018	2017
	RMB'000	*RMB'000*
Trade payables	**21,446**	35,960
Receipt in advance	**–**	2,824
Contract liability	**2,709**	–
Accrued salaries and other benefits	**2,746**	4,740
Other payables and accruals	**1,718**	2,266
	28,619	45,790

The following is an analysis of trade payables based on the invoice date:

	2018	2017
	RMB'000	*RMB'000*
0-30 days	**12,843**	13,250
31-60 days	**6,186**	12,723
61-90 days	**1,310**	4,915
91-120 days	**955**	2,913
121-365 days	**17**	2,050
Over 365 days	**135**	109
	21,446	35,960

The trade payables are non-interest bearing.

15. SHARE CAPITAL

Details of the Company's authorised and issued ordinary share capital are as follows:

	Number of ordinary shares	**Share capital**
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2017 *(Note (i))*	**38,000,000**	380
Increase in authorised share capital *(Note (ii))*	**962,000,000**	9,620
At 31 December 2017 and 2018	**1,000,000,000**	10,000

	Number of ordinary shares	Share capital	Share capital
		HK$'000	*RMB'000*
Ordinary shares of HK$0.01 each			
Issued and fully paid:			
At 1 January 2017 *(Note (i))*	10,000	–	–
Issue of shares pursuant to the Corporate Reorganisation *(Note (iii))*	679,990,000	6,800	5,953
Issue of shares by share offer *(Note (iv))*	120,000,000	1,200	1,016
At 31 December 2017 and 2018	800,000,000	8,000	6,969

Notes:

(i) The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company with limited liability on 3 November 2015 and with an authorised capital of HK$380,000 divided into 38,000,000 ordinary shares of HK$0.01 each. One fully paid ordinary share of the Company was allotted and issued to the initial subscriber, which was subsequently transferred to Nonton on 3 November 2015. On 3 November 2015, Nonton subscribed for an additional 9,999 fully paid ordinary shares of the Company resulting in Nonton holding 10,000 fully paid ordinary shares of the Company.

(ii) Pursuant to the written resolution passed by the shareholders on 20 June 2017, the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 ordinary shares of HK$0.01 each to HK$10,000,000 divided into 1,000,000,000 ordinary shares of HK$0.01 each by the creation of an additional 962,000,000 ordinary shares of HK$0.01 each, ranking pari passu with the existing shares in all respect.

(iii) On 20 June 2017, the Company further issued and allotted 507,746,000 and 172,244,000 ordinary shares of HK$0.01 each to each of Nonton and Blink Wishes Limited ("**Blink Wishes**"), a company wholly-owned by Mr. Lee Kin Kee, in consideration for the acquisition of the entire equity interest in Silver Bliss from Nonton and Blink Wishes as part of the Corporate Reorganisation. Immediately following the above allotments and share transfers, the Company was owned as to 74.67% and 25.33% by Nonton and Blink Wishes, respectively.

(iv) On 7 December 2017, the Company issued 120,000,000 ordinary shares of HK$0.01 each pursuant to the Company's listing on GEM of the Stock Exchange by way of share offer at a price of HK$0.315 per ordinary share.

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the manufacturing and sales of inflatable products and related accessories. Founded in 2003, the Group has over 10 years' experience in designing, manufacturing and marketing high quality inflatable playgrounds and other inflatable products. The Group sells inflatable products under various brand. Through years of effort in marketing and promotion, the inflatable products the Group produces have been sold widely in various overseas markets.

The Group manufactures its products in the production facilities in Dongcheng Industrial Zone located in Zhongshan City, Guangdong Province. The Group is committed to maintain high standards of quality in all of the products and follow stringent quality control procedures throughout the production processes. The Group believes its product design and development capabilities will help strengthen its competitiveness through product differentiation and innovation.

After receiving positive responses from the launch of a new generation of commercial inflatable products with electronic interactive features incorporating sound and light effects in Euro Attractions Show (EAS) in September 2018, the Group participated in IAAPA Expo in the US in November 2018 and gained good responses from the market as well; meanwhile, the domestic sales of which has begun. In gratitude for the newly established electronic production department, the production of inflatable products with electronic interactive features incorporating sound and light effects have been in full operation and have been shipped to customers in the US, Europe and the PRC in December 2018. The first batch of new generation inflatable products abovementioned contributed to the increase in the Group's sales and gross profit margin for the fourth quarter. At the same time, the fourth quarter of 2018 is also the peak period of production for tradition product orders; the results of which were satisfactory.

Looking forward to the first half of 2019, in addition to the traditional products which are expected to deliver steady performance, the Directors expect the new generation of commercial inflatable products with electronic interactive features incorporating sound and light effects as well as end-user application products will also increase the Group's revenue and gross profit margin.

FINANCIAL REVIEW

REVENUE

The Group's revenue was approximately RMB192,977,000 for the year ended 31 December 2018, representing a slightly increase of approximately RMB16,167,000 or 9.1% as compared to the revenue for the year ended 31 December 2017. Revenue from the sales of inflatable playgrounds with air blowers for the year ended 31 December 2018 was approximately RMB168,758,000 (2017: RMB162,327,000), increased by approximately RMB6,431,000 or 4.0% compared with last year, which accounted for approximately 87.4% of the Group's total revenue (2017: 91.8%); revenue from the sales of other inflatable products for the year ended 31 December 2018 was approximately RMB10,538,000 (2017: RMB7,225,000), increased by approximately RMB3,313,000 or 45.9% compared with last year, which accounted for approximately 5.5% of the Group's total revenue (2017: 4.1%); revenue from the sales of inflatable products related accessories and subcontracting work for the year ended 31 December 2018 was approximately RMB13,681,000 (2017: RMB7,258,000), increased by approximately RMB6,423,000 or 88.5%, which accounted for approximately 7.1% of the Group's total revenue (2017: 4.1%).

An analysis of the Group's revenue for the Year by geographical location is set out in Note 4 to this annual results announcement.

COST OF SALES

The cost of sales increased by approximately 6.1% to approximately RMB144,139,000 for the year ended 31 December 2018 from approximately RMB135,790,000 for the corresponding period in 2017 which is in line with the increase in revenue.

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group recorded a gross profit of approximately RMB48,838,000 for the year ended 31 December 2018, an increase of approximately RMB7,818,000 compared with that for the year ended 31 December 2017 (2017: RMB41,020,000). The gross profit margin was approximately 25.3% for the current year, representing an increase of approximately 2.1% as compared to the previous year (2017: 23.2%).

OTHER INCOME AND GAINS

Total other income and gains was approximately RMB1,433,000 for the year ended 31 December 2018, representing an increase of approximately RMB943,000 compared with that for the year ended 31 December 2017 (2017: RMB490,000), as the Group recorded an increase in grants and subsidies from the PRC government and municipal of approximately RMB749,000 and an increase in other income and gains of approximately RMB132,000.

DISTRIBUTION AND SELLING EXPENSES

Total distribution and selling expenses was approximately RMB8,347,000 for the year ended 31 December 2018 (2017: RMB10,596,000), representing a decrease of approximately RMB2,249,000 or 21.2% compared with last year. The decrease was mainly due to the Group recorded total commission and after-sales service expenses of approximately RMB1,720,000 for the year ended 31 December 2018, a decrease of approximately RMB2,137,000 as compared to the previous year (2017: RMB3,857,000).

ADMINISTRATIVE EXPENSES

The administrative expenses was approximately RMB14,936,000 for the year ended 31 December 2018 (2017: RMB15,102,000), representing a decrease of approximately RMB166,000 or 1.1% compared with last year. The decrease was mainly resulted from: (i) a decrease in net foreign exchange loss of approximately RMB1,390,000; partially offset by (ii) increased spending in legal & professional fees by approximately RMB351,000; and (iii) increased spending in directors' emoluments by approximately RMB455,000.

FINANCE COSTS

No finance costs was recorded for the year ended 31 December 2018 (2017: Nil).

INCOME TAX EXPENSE

Income tax expense was approximately RMB3,577,000 for the year ended 31 December 2018 (2017: RMB4,423,000), representing a decrease of approximately RMB846,000 or 19.1% compared with last year. An analysis of the Group's income tax expense for the year is set out in Note 6 to this results announcement.

PROFIT AND TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit and total comprehensive income attributable to owners of the Company for the year ended 31 December 2018 was approximately RMB22,615,000 (2017: RMB9,384,000).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group finances its liquidity and financial requirements primarily through cash generated from operations and equity contributed from the shareholders.

The Group's shares were successfully listed on GEM on 7 December 2017. There has been no change in the capital structure of the Group since the date of Listing and up to the date of this results announcement.

As at 31 December 2018, the Group's total equity attributable to owners of the Company amounted to approximately RMB90.3 million (2017: RMB68.3 million).

The current ratio of the Group as at 31 December 2018 was approximately 3.70 times as compared to that of approximately 2.29 times as at 31 December 2017. The quick ratio of the Group as at 31 December 2018 was approximately 2.68 times as compared to that of approximately 1.72 times as at 31 December 2017. The Directors believe that the Group is in a healthy financial position to expand its core business and to achieve its business objectives.

Since no borrowings was outstanding as at 31 December 2018 and 31 December 2017, no gearing ratio was applicable.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK0.75 cents per ordinary share for the year ended 31 December 2018 to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 15 May 2019. Subject to the approval of the Company's shareholders at the Company's annual general meeting to be held on 2 May 2019, the proposed final dividend will be paid to the Company's shareholders on 27 May 2019. There is no arrangement under which a shareholder of the Company has waived or agreed to waive any dividends.

During the year ended 31 December 2017, the Board did not recommend the payment of any final dividend.

CONTINGENT LIABILITIES

As at 31 December 2018, the Group did not have any significant contingent liabilities (2017: Nil).

PLEDGE OF ASSETS

As at 31 December 2018, the Group had no assets pledged for bank borrowings or for other purpose (2017: Nil).

CAPITAL COMMITMENTS

As at 31 December 2018, the Group did not have any significant capital commitments not provided for in the consolidated financial statements (2017: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the year ended 31 December 2018, the Group did not have any material acquisitions and disposal of subsidiaries and affiliated companies (2017: Nil).

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the year ended 31 December 2018, there was no significant investment held by the Group (2017: Nil).

FUTURE PLAN FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save as disclosed in the section "Use of Proceeds" in the prospectus of the Company dated 23 November 2017 (the "**Prospectus**"), the Group does not have any plan for material investment and capital assets for the coming year.

FOREIGN CURRENCY EXPOSURE

As approximately 78.2% and 78.8% of the Group's revenue for the years ended 31 December 2018 and 31 December 2017 respectively are denominated in US Dollars but the costs incurred by the Group for the production are denominated in RMB, significant fluctuation in the exchange rate between RMB against US Dollars may materially affect the Group's business results of operations. As a result of the Group's business expansion to overseas markets, the Group will continue to generate a significant amount of sales, assets and liabilities denominated in a currency other than RMB. In this case, the Group would be exposed to risks related to the exchange rate and the currency in which the Group's assets and liabilities are denominated. A depreciation of RMB would require the Group to use more RMB funds to service the same amount of foreign currency liabilities, or a depreciation of foreign currency against RMB would result in receipts from receivables substantially less than the contractual amounts in terms of RMB at the settlement date.

Having considered the cost effectiveness with reference to the Group's business model, the Group currently does not have a formal foreign currency hedging policy or engage in hedging activities designed or intended to manage such exchange rate risk during the reporting years. Because RMB is not freely convertible, the Group's ability to reduce foreign exchange rate risk is limited.

TREASURY POLICIES

The Group is exposed to credit risk primarily arising from trade receivables and bank deposits. Trade receivables are from customers with good collection track records with the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history to mitigate credit risks. During the year ended 31 December 2018, allowance for credit losses in relation to trade receivables of approximately RMB2,149,000 was recognised (2017: Nil).

Bank deposits are mainly deposits with banks with good credit ratings assigned by international credit-rating agencies or with good reputation. For bank deposits, we adopt the policy of dealing only with high credit quality counterparties.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, the Group had 552 full-time employees (2017: 515). Most of the Group's employees are located in Zhongshan City, Guangdong Province, the PRC. The total employee remuneration, including remuneration of the Directors, for the year ended 31 December 2018 amounted to approximately RMB35,749,000 (2017: RMB32,173,000).

The Group entered into separate labour contracts with each of the Group's employees in accordance with the applicable labour laws in Hong Kong and the PRC. The Group provides its employees with various benefits including discretionary bonus, contribution to social insurance premium and housing provident fund, and contribution to mandatory provident fund. The Group also offers options that may be granted to employees under the share option scheme.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business plan as set out in the Prospectus with actual business progress up to 31 December 2018.

Business plan as set in the Prospectus	Progress up to 31 December 2018
Expand and enhance the product offerings through continuous product development efforts and continue to strengthen the brand recognition of the Group	
– Develop new products offerings and adjust product mix	In addition to the three newly developed smaller inflatable playgrounds and two inflatable tents, inflatable products with electronic interactive features incorporating sound and light effects into the bouncing play were launched in the second half of 2018, making the Group's product offerings more comprehensive
– Improve manufacturing for the products	The structure of certain products was improved to guarantee quality while reducing production costs
– Register trademarks and patents for the new product design and new corporate trademark	11 new product design patents were obtained

Business plan as set in the Prospectus	Progress up to 31 December 2018
Expand production capacity	
– Acquire new production facility or machinery	In 2018, an investment of approximately RMB1,158,000 was made in new equipment. Another investment of approximately RMB1,300,000 is expected to be made in new equipment in the first quarter of 2019
– Upgrade production facility or machinery for the existing production line	In 2018, the existing machinery and equipment were upgraded and the existing production lines were optimised and improved. A production line of inflatable products was newly established to meet the customers' delivery period
Attract and retain quality personnel	
– Provide continuous structured training track to motivate and incentise the staff	In 2018, the training of production line staff and product quality training were enhanced to ensure the continuous improvement of the staff's skills and further secure the product quality
Increase marketing effort, expand distribution network and explore new business opportunities	
– Expand the wholesale distribution network	The Group has cooperated with an e-commerce company and set up a sales platform in the USA in 2018
– Strengthen marketing efforts such as placing of advertisements and participating in more exhibitions to explore new business opportunites	The Group participated in a number of exhibitions in 2018, and notably received positive responses in EAS and IAAPA Expo. 14 new customers were acquired

USE OF PROCEEDS FROM SHARE OFFER

The net proceeds from the issue of new shares of the Company at the time of its listing on GEM on 7 December 2017 through a share offer of 120,000,000 shares of HK$0.01 each in the share capital of the Company at the price of HK$0.315 per share, after deduction of the related underwriting fees, professional service fees and issuance expenses paid by the Group in connection thereto, were approximately HK$20,658,000.

The actual net proceeds from the issue of new shares of the Company under the share offer was different from the estimated net proceeds of approximately HK$17,014,000 as set out in the Prospectus. The Group adjusted the use of proceeds in the same manner and in the same proportion as shown in the Prospectus, which is (i) approximately 26.5% of the net proceeds, or approximately HK$5,464,000, will be used for expanding and enhancing product offerings through continuous product development efforts and continuing to strengthen brand recognition; (ii) approximately 26.5% of the net proceeds, or approximately HK$5,464,000, will be used for expanding production capacity; (iii) approximately 21.1% of the net proceeds, or approximately HK$4,371,000, will be used for attracting and retaining quality personnel; (iv) approximately 20.7% of the net proceeds, or approximately HK$4,282,000, will be used for uplifting marketing effort, expanding distribution network and exploring new business opportunities; and (v) approximately 5.2% of the net proceeds, or approximately HK$1,077,000, will be used as general working capital.

	Planned use of net proceeds up to 31 December 2018	Actual use of net proceeds up to 31 December 2018
	HKD'000	*HKD'000*
Expand and enhance the product offerings through continuous product development efforts and continue to strengthen the brand recognition	**3,278**	**2,803**
Expand production capacity	**5,464**	**1,920**
Attract and retain quality personnel	**2,623**	**2,446**
Increase marketing effort, expand distribution network and explore new business opportunities	**2,622**	**3,176**
General working capital	**1,077**	**1,077**
	15,064	**11,422**

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

CORPORATE GOVERNANCE PRACTICE

The Board considers that good corporate governance of the Company is central to safeguarding the interests of the shareholders and enhancing the performance of the Group. The Board is committed to maintaining and ensuring high standards of corporate governance. The Company has applied the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the "**Code**") as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the Code during the Year.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 15 November 2017 (the "**Scheme**") pursuant to the written resolution of the shareholders of the Company on 15 November 2017 for the purpose of providing additional incentives eligible participants for their contribution to the Group and/or enabling the Group to attract and retain best available personnel that are valuable to the Group.

No share option has been granted under the scheme since its adoption and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

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

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting is scheduled to be held on Thursday, 2 May 2019 (the "**AGM**").

In order to establish entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 26 April 2019 to Thursday, 2 May 2019, both days inclusive, during which period no transfer of the shares of the Company will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 25 April 2019.

In order to qualify for the proposed final dividend, the register of members of the Company will be closed from Tuesday, 14 May 2019 to Wednesday, 15 May 2019, both days inclusive, during which period no transfer of shares of the Company will be registered. Shareholders are reminded to ensure that all properly completed share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 10 May 2019.

EVENTS AFTER THE REPORTING PERIOD

Except the proposed final dividend as disclosed in Note 8 of this results announcement, the Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 31 December 2018 and up to the date of this annual results announcement.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual result announcement, based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company maintained the amount of public float as required under the GEM Listing Rules.

REVIEW OF THE ANNUAL RESULTS

The Group's consolidated financial statements for the year ended 31 December 2018 have been reviewed by the audit committee of the Company (the "**Audit Committee**"). The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 December 2018 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

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 2018 as set out in this results announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2018. The work performed by HLB Hodgson Impey Cheng 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 HLB Hodgson Impey Cheng Limited on this results announcement.

PUBLICATION OF 2018 ANNUAL REPORT

The 2018 annual report of the Company containing all the information required by the GEM Listing Rules will be despatched to the shareholders of the Company and will also be published on the website of the Company at www.alpha-era.co and the "Latest Listed Company Information" page of the Stock Exchange at www.hkexnews.hk in due course and in accordance with the requirements under the GEM Listing Rules.

APPRECIATION

The Company would like to thank the Group's customers, suppliers, business partners for their support. Also, the Company would like to offer its highest gratitude to its shareholders for their devotion and to the Group's employees for their loyalty and contributions made during the year.

By order of the Board
Alpha Era International Holdings Limited
Huang Xiaodong
Chairman and executive Director

Hong Kong, 22 March 2019

As at the date of this announcement, the Board comprises Mr. Huang Xiaodong and Mr. Xiao Jiansheng as executive Directors; Mr. Lee Kin Kee as non-executive Director; and Mr. Mao Guohua, Mr. Gan Minqing and Mr. Ho Hin Chung as independent non-executive Directors.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and on the Company's website at www.alpha-era.co.