



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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020

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.

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This announcement, for which the directors (the “Directors”) of Zhuoxin International Holdings Limited (formerly known as Gold Tat Group International Limited) (the “Company”) 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.

RESULTS

The board of Directors (the “Board”) of Zhuoxin International Holdings Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred as the “Group”) for the year ended 31 March 2020, together with the comparative audited figures for the corresponding year ended 31 March 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2020

	Note	2020 HK\$'000 (unaudited)	2019 HK\$'000 (audited)
Revenue	3	490,866	501,246
Cost of sales		(472,647)	(481,921)
Gross profit		18,219	19,325
Other net income	4	461	7,523
Staff costs		(20,911)	(27,299)
Research and development expenses		(1,951)	(478)
Depreciation		(3,600)	(763)
Transportation expenses		(523)	(783)
Other operating expenses		(10,568)	(13,794)
Expected credit loss on financial assets		(454)	(180)
Write-down of properties under development		(19,574)	(1,149)
Loss from operations		(38,901)	(17,598)
Finance costs	6	(3,931)	(4,551)
Impairment losses on investments in associates		–	(4,851)
Share of losses of associates		(168)	(358)
Loss before taxation		(43,000)	(27,358)
Income tax	7	(98)	–
Loss for the year	8	(43,098)	(27,358)
Attributable to:			
Owners of the Company		(42,212)	(26,865)
Non-controlling interests		(886)	(493)
		(43,098)	(27,358)
Loss per share (HK cents)			
Basic		(10.2)	(6.52)
Diluted		N/A	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2020

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Loss for the year	<u>(43,098)</u>	<u>(27,358)</u>
Other comprehensive income:		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value change of financial assets at fair value through other comprehensive income	–	(5,961)
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	1,488	(3,265)
Exchange differences on disposal of foreign operations	<u>–</u>	<u>(1,774)</u>
Other comprehensive income for the year, net of tax	<u>1,488</u>	<u>(11,000)</u>
Total comprehensive income for the year	<u><u>(41,610)</u></u>	<u><u>(38,358)</u></u>
Attributable to:		
Owners of the Company	(40,676)	(40,276)
Non-controlling interests	<u>(934)</u>	<u>1,918</u>
	<u><u>(41,610)</u></u>	<u><u>(38,358)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	<i>Note</i>	2020 HK\$'000 (unaudited)	2019 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment		573	1,068
Goodwill		24,911	24,911
Intangible asset		4,054	4,054
Financial asset at FVTOCI		38,600	38,600
Financial asset of FVTPL		3,875	3,875
Right-of-use assets		1,918	–
Investments in associates		13,867	14,035
		<u>87,798</u>	<u>86,543</u>
Current assets			
Inventories		8,753	5,921
Trade and other receivables	11	71,613	65,302
Properties under development		19,574	39,532
Pledged bank deposits		19,279	27,197
Bank and cash balances		28,601	54,955
Tax refundable		206	–
		<u>148,026</u>	<u>192,907</u>
Current liabilities			
Trade and other payables	12	94,743	103,097
Due to an associate		21,533	22,515
Bank and other loans		42,308	39,875
Lease liabilities		1,973	–
		<u>160,557</u>	<u>165,487</u>
Net current (liabilities)/assets		<u>(12,531)</u>	<u>27,420</u>
Total assets less current liabilities		<u>75,267</u>	<u>113,963</u>

	2020 HK\$'000 (unaudited)	2019 <i>HK\$'000</i> (audited)
Non-current liabilities		
Long term bonds	42,461	40,000
Deferred tax liabilities	<u>—</u>	<u>—</u>
	42,461	40,000
NET ASSETS	<u>32,806</u>	<u>73,963</u>
Capital and reserves		
Share capital	32,194	32,194
Reserves	<u>(12,780)</u>	<u>27,555</u>
Equity attributable to owners of the Company	19,414	59,749
Non-controlling interests	<u>13,392</u>	<u>14,214</u>
TOTAL EQUITY	<u>32,806</u>	<u>73,963</u>

1. Basis of preparation

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

2. Adoption of new and revised Hong Kong Financial Reporting Standards

(a) Application of new and revised HKFRSs

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

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

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

(b) New and revised 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 17	Insurance Contracts ³
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 1 and HKAS 8	Definition of Material ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ¹

¹ Effective for annual periods beginning on or after 1 January 2020.

² Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

³ Effective for annual periods beginning on or after 1 January 2021.

⁴ Effective for annual periods beginning on or after a date to be determined.

3. Revenue

An analysis of the Group's revenue for the year is as follows:

	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Sales of electronic parts and components	490,866	501,246

4. Other net income

	2020	2019
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Interest income	272	283
Net foreign exchange gains	101	361
Loss on disposal of investment property	–	(1,000)
Gain on disposal of property, plant and equipment	–	99
Gain on disposal of subsidiary	–	7,673
Sundry income	88	107
	461	7,523

5. Segment information

The Group has three (2019: three) reportable segments as follows:

Trading of electronic parts and components	–	trading of electronic parts and components and provision of professional solution with engineering services
Property development and investment	–	sale of developed properties, rental income and property appreciation

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profit or loss do not include unallocated corporate results.

Information about reportable segment profit or loss:

	Trading of electronic parts and components <i>HK\$'000</i>	Property development and investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2020 (unaudited)			
Revenue from external customers	490,866	–	490,866
Segment (loss)/profit	(2,935)	(3,170)	(6,105)
Depreciation	55	23	78
Write-down of properties under development	–	19,574	19,574
Year ended 31 March 2019 (audited)			
Revenue from external customers	501,246	–	501,246
Segment profit/(loss)	916	(6,631)	(5,715)
Depreciation	64	72	136
Impairment losses on investments in associates	–	4,851	4,851
Write-down of properties under development	–	1,149	1,149

6. Finance costs

	2020 HK\$'000 (unaudited)	2019 <i>HK\$'000</i> (audited)
Wholly repayable within five years		
– Interest on bank loans	1,763	2,484
– Finance lease charges	–	3
– Interest on long term bonds	2,000	2,000
– Interest on lease liabilities	168	–
Not wholly repayable within five years based on repayment schedule		
– Interest on bank loans	–	64
	3,931	4,551

7. Income tax expense

Income tax has been recognised in profit or loss as following:

	2020 HK\$'000 (unaudited)	2019 <i>HK\$'000</i> (audited)
Current tax – PRC Enterprise Income Tax		
– Provision for the year	98	–
Deferred tax liabilities	–	–
Income tax credit	98	–

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements since the Group has sufficient tax losses brought forward to set off against current year's assessable profit (2019: Nil).

PRC Enterprise Income Tax has been provided at a rate of 25% (2019: 25%).

8. Loss for the year

The Group's loss for the year is stated after charging/(crediting) the following:

	2020 HK\$'000 (unaudited)	2019 <i>HK\$'000</i> <i>(audited)</i>
Auditor's remuneration		
– Current year	850	800
– Under-provision in prior year	–	–
	850	800
Cost of inventories sold	472,647	481,921
Depreciation	3,600	763
Direct operating expense of investment property that did not generate rental income	–	25
Inventories written off	11	13
Gain on disposal of property, plant and equipment	–	(99)
Loss on disposal of investment property	–	1,000
Operating lease charges		
– Premises	43	3,569
Net foreign exchange (gains)/losses	(101)	(361)
Research and development expenses		
– Other expenses	1,951	478
	<u>1,951</u>	<u>478</u>

9. Dividend

The Directors have not declared nor proposed any dividends in respect of the year ended 31 March 2020 (2019: Nil).

10. Loss per share

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company of approximately HK\$42,212,000 (2019: approximately HK\$26,865,000) and the weighted average number of ordinary shares of 412,089,994 (2019: 412,089,994) in issue during the year.

(b) Diluted loss per share

As the exercise of the Group's outstanding share options for the years ended 31 March 2020 and 2019 would be anti-dilutive, no diluted loss per share was presented in both years.

11. Trade and other receivables

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Trade receivables	32,294	33,916
Bills receivables	3,767	1,773
Other receivables	13,888	5,170
Deposits and prepayments	21,664	24,443
	<u>71,613</u>	<u>65,302</u>

The ageing analysis of trade receivables, based on the goods delivery date, and net of allowance, is as follows:

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
0 to 30 days	3,681	19,590
31 to 60 days	19,113	8,314
61 to 90 days	9,344	3,528
Over 90 days	156	2,484
	<u>32,294</u>	<u>33,916</u>

The credit terms granted by the Group to its customers are generally cash on delivery to 90 days.

The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by directors.

The carrying amounts of the Group's trade receivables are denominated in the United States dollars ("US\$").

12. Trade and other payables

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
Trade payables	43,471	64,375
Other payables	50,555	35,021
Receipt in advance	717	2,240
Bond interest payable	—	1,461
	<u>94,743</u>	<u>103,097</u>

The ageing analysis of trade payables of the Group, based on the goods receipt date, is as follows:

	2020 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (audited)
0 to 30 days	—	16,274
31 to 60 days	26,064	34,302
61 to 90 days	17,407	13,799
	<u>43,471</u>	<u>64,375</u>

The carrying amounts of the Group's trade payables are denominated in US\$.

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

The Group had been participating in the following activities:

- Trading of Electronic Hardware Components (Display Modules including mainly IC Drivers and LCD panel) with Compatibility Solutions Advisory Services; and
- Property Development and Investment

BUSINESS REVIEW

Trading of Electronic Hardware Components (Display Modules including mainly IC Drivers and LCD panel) with Compatibility Solutions Advisory Services

Revenue for the year ended 31 March 2020 decreased by approximately 20.7%, from approximately HK\$501,246,000 in last year to approximately HK\$490,866,000 in the current year since our customers adopted prudent marketing strategies for their businesses due to trade war.

A turnaround from profit of approximately HK\$916,000 in last year to loss of approximately HK\$2,935,000 in the current year was obtained.

Property Development and Investment

The Group has a real estate development project in the area of Yangjiang City, Guangdong Province, PRC. The project the Group held is still in active sales by the associate company on the few remaining residential and commercial units. The Group will continue with its cautious investment approach and will make necessary preparations against possible adverse conditions due to market competition and tightened government policies for the sector.

During the period, the Group has one property investment, which is located in Yangjiang City. The property investment located in Yangjiang City comprises 2 vacant lands of total site area of approximately 16,128 square meters, which are opened for sale currently.

Prospects

The management of ETC Technology Limited (“ETC”) will continue to enforce its effective cost controls including renegotiating favourable credit terms with major vendors. Besides, the management has begun renegotiating credit terms with existing customers for a shorter credit period. Hence, our customer base will be optimised to utilise our financial resources in the most efficient way to reduce the finance costs.

However, the management predicts overall market condition will be difficult as global smartphone shipment declined in 2019 and the outlook for 2020 is still conservative. Other external factors, such as potential trade war and exchange rate fluctuation may cast darker cloud. The management of ETC will continuously review their business approach and will make necessary preparations against possible adverse conditions due to trade war and market competition.

For the property development business, it is still in an adjustment period since the last quarter of 2017 that the PRC government have lifted the purchase restrictions for properties in some third and fourth-tier cities, including Yangjiang City. The management will continuously and carefully balance our business strategy in this heavily government policy-influenced market. The Group will closely monitor the market conditions in Yangjiang City and will also actively seek for potential business opportunities elsewhere.

Moving forward, the Group will continue to work hard on our existing businesses, and will actively looking for new investment opportunities while optimising our financial resources. We are committed to enhancing the business performance and to bringing better return to our shareholders.

FINANCIAL REVIEW

Revenue and results

The Group recorded revenue of approximately HK\$490,866,000 for the year ended 31 March 2020 (2019: approximately HK\$501,246,000), representing a year-on-year decrease of 20.7%. All revenue was generated from the trading of electronic parts and components business.

Loss attributable to owners of the Company was approximately HK\$42,212,000 (2019: approximately HK\$26,865,000). The loss per share was 10.2 HK cents (2019: 6.52 HK cents).

Liquidity and financial resources

The Group financed its operations with the revenue generated from its operations and banking facilities provided by its bankers in Hong Kong. As at 31 March 2020, the Group had total indebtedness of approximately HK\$84,769,000 (2019: approximately HK\$79,875,000) which comprised of bank and other loans, long term bonds, promissory note and finance lease payables.

At 31 March 2020, the Group had cash reserves of approximately HK\$28,601,000 (2019: approximately HK\$54,955,000). Most of the cash reserves were placed with major banks in Hong Kong and the PRC. 97.1% (2019: 98.4%) of the Group's cash and cash equivalents (comprising cash on hand and bank balances) were denominated in HK dollar or US dollar, whereas 2.9% (2019: 1.6%) were denominated in Renminbi.

The gearing ratio as at 31 March 2020 was 258.4% (2019: 108.0%). The gearing ratio was derived by dividing the total indebtedness of approximately HK\$84,769,000 (2019: approximately HK\$79,875,000) by the amount of shareholders' equity of approximately HK\$32,806,000 (2019: approximately HK\$73,963,000). The liquidity ratio of the Group, represented by a ratio between current assets over current liabilities, was 92.2% (2019: 116.6%).

The management of the Company will continue to make good efforts to improve the liquidity condition. Measures will include but not limited to tightening of costs control, expansion of current businesses, securing of additional loan facilities and/or raising funds from the capital markets.

FOREIGN EXCHANGE EXPOSURE

The income and expenditure of the Group are mainly denominated in HK dollar, US dollar and Renminbi, the impact of foreign exchange exposure to the Group is considered minimal in this respect and no hedging or other arrangements to reduce the currency risk have been implemented.

SHARE STRUCTURE

The capital of the Company comprises only ordinary shares. There was no change in the capital structure of the Company during the year ended 31 March 2020. As at 31 March 2020, the total number of ordinary shares of the Company was 412,089,994 shares.

SIGNIFICANT INVESTMENTS, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The equity instrument at FVTOCI is an unlisted equity securities (the “UES”), representing an investment of 7% equity interests in Coulman, a private company incorporated in the BVI, Coulman International Limited (“Coulman”). Coulman and its non-wholly owned subsidiaries are principally engaged in the operations of natural gas business, including construction of pipeline, selling and distribution of natural gas, installation of natural gas equipment and operation of fuel station in the PRC. For the year ended 31 March 2020, Coulman recorded unaudited revenue of approximately HK\$509,999,000, unaudited profit before taxation of approximately HK\$38,595,000 and unaudited profit after taxation of approximately HK\$34,104,000.

The Group considered that the future prospect of the UES to be positive. According to the PRC Natural Gas Industry Development Report (2018) (中國天然氣發展報告(2018)) published in August 2018, the PRC government has plans to boost the natural gas usage in the PRC. In view of the overall energy policy, the PRC government also set a goal to increase reliance on natural gas to 10%-15% of total energy consumption by 2030, while natural gas consumption only accounted for 7.3% in 2017. Therefore, the Group considered that the income of the investee companies which are engaged in the operations of natural gas business is expected to grow steadily in the next 2 decades.

CHARGES ON THE GROUP’S ASSETS

As at 31 March 2020, the Group pledged the following assets to secure loans and bank loan facilities of the Group:

- (i) bank deposits in the total amount of approximately HK\$19,279,000 (2019: approximately HK\$27,197,000); and
- (ii) structured deposit in the total amount of approximately HK\$3,875,000 (2019: approximately HK\$3,875,000).

CONTINGENT LIABILITIES

As at 31 March 2020 and 2019, the Group did not have any material contingent liabilities.

EMPLOYEE INFORMATION

As at 31 March 2020, the Group had a total of 28 (2019: 38) employees, of which 13 (2019: 16) were based in Hong Kong while the rest were located in the PRC. The Group's employees are remunerated in accordance with their work performance, experience and prevailing industry practices. Total staff costs, including Directors' emoluments, amounted to approximately HK\$20,446,000 for the year ended 31 March 2020 (2019: approximately HK\$27,299,000). Share options and bonuses are also available to the Group's employees at the discretion of the Directors and depending upon the financial performance of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2020.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year, none of the Directors or the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed with or might compete with the business of the Group.

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2020 and up to the date of this announcement.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31 March 2020, the Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules, with the exceptions of code provisions A.2.1.

Under code provision A.2.1, the roles of chairman and chief executive should be separated and should not be performed by the same individual.

The chairman is responsible for management of the Board and strategic planning of the Group, ensures that the Board works effectively and discharges its responsibilities, encourages all Directors to make a full and active contribution to the Board's affairs and taking the lead to ensure that the Board acts in the best interests of the Group. The role of chief executive officer is responsible to undertake the day-to-day management of the Group's business.

Mr. Ma Chao was the chairman of the Board during the year ended 31 March 2020. There was no chief executive officer appointed by the Company and the day-to-day management of the Group was led by Mr. Ma Chao during the year ended 31 March 2020 respectively. There is no time schedule to change this structure, as the Directors consider that this structure provides the Group with consistent leadership in the Company's decision making process and operational efficiency.

REVIEW OF UNAUDITED ANNUAL RESULTS

The auditing process for the annual results for the year ended 31 March 2020 has not been completed due to restrictions in force in parts of China to combat the COVID-19 outbreak. The results contained herein have not been agreed by the Group's auditors, Elite Partners CPA Limited. An announcement relating to the results will be made when the auditing process has been completed in accordance with Hong Kong Standards on Auditing issued by HKICPA.

AUDIT COMMITTEE

The Company has an audit committee which was established with written terms of reference in compliance with the GEM Listing Rules. The audit committee has three members comprising all independent non-executive Directors namely Mr. Sun Bo (as chairman), Mr. Feng Xiaohua and Mr. Fang Wei.

The audit committee is mainly responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the quarterly reports, interim report and annual report and accounts of the Group; and overseeing the Company's financial reporting system, risk management and internal control procedures.

The audit committee has reviewed and discussed with the management and the external auditor the annual results for the year ended 31 March 2020 and has provided advice and comments thereon.

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

Hong Kong, 30 June 2020

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Ma Chao (Chairman) and Mr. Fu Yong; and three independent non-executive Directors, namely, Mr. Fang Wei (Deputy Chairman), Mr. Feng Xiaohua and Mr. Sun Bo.

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 the 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 Stock Exchange of Hong Kong Limited's website at www.hkexnews.hk 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.