QP Group
雋思集團

Q P GROUP HOLDINGS LIMITED
雋思集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1412)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

2019 RESULTS HIGHLIGHTS

- For the year ended 31 December 2019 ("**FY2019**"), Q P Group Holdings Limited (the "**Company**") and its subsidiaries' (collectively, the "**Group**") total revenue was approximately HK$1,193.6 million, representing an increase of approximately HK$30.6 million or about 2.6% as compared to that of approximately HK$1,163.0 million for the year ended 31 December 2018 ("**FY2018**"). For FY2019, revenue generated from OEM products and web sales products contributed 91.3% and 8.7% to the total revenue, respectively.

- Profit attributable to equity holders of the Company for FY2019 was approximately HK$84.3 million, representing an increase of approximately 65.3% year-on-year. The Group achieved the net profit excluding the listing expenses of approximately HK$91.9 million, representing an increase of approximately 28.4% as compared to that of last year.

- Basic earnings per share of the Company for FY2019 was approximately HK21.12 cents (FY2018: HK12.78 cents).

- The board of directors (the "**Board**") recommends the payment of final dividend of HK9.0 cents per share for FY2019.

The Board of the Company announces the audited consolidated results of the Group for FY2019, together with comparative figures of the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	**2019** **HK$'000**	2018 HK$'000
Revenue	3	**1,193,641**	1,162,979
Cost of sales	6	**(828,083)**	(880,912)
Gross profit		**365,558**	282,067
Other gains, net	4	**10,131**	4,303
Other income, net	5	**15,594**	33,318
Selling and distribution expenses	6	**(99,181)**	(99,619)
Administrative expenses	6	**(183,139)**	(155,047)
Operating profit		**108,963**	65,022
Finance income	7	**101**	125
Finance costs	7	**(7,618)**	(5,995)
Finance costs, net	7	**(7,517)**	(5,870)
Profit before income tax		**101,446**	59,152
Income tax expense	8	**(17,158)**	(8,161)
Profit for the year		**84,288**	50,991
Earnings per share for profit attributable to equity holders of the Company			
— Basic and diluted earnings per share (expressed in HK cents per share)	9	**21.12**	12.78
Other comprehensive loss, net of tax:			
Item that may be subsequently reclassified to profit or loss			
Currency translation differences		**(9,257)**	(24,397)
Total comprehensive income for the year attributable to equity holders of the Company		**75,031**	26,594

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	**2019** *HK$'000*	2018 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**343,985**	352,999
Investment property		**2,135**	2,275
Right of use assets		**120,759**	126,511
Intangible assets		**25,814**	26,341
Deposits		**18,917**	32,021
Deferred income tax assets		**9,023**	7,760
		520,633	547,907
Current assets			
Inventories		**85,706**	82,726
Trade receivables	11	**167,007**	193,035
Prepayments, deposits and other receivables		**58,650**	42,897
Income tax recoverable		**19,108**	13,104
Pledged deposits		**381**	381
Cash and cash equivalents		**104,775**	59,867
		435,627	392,010
Total assets		**956,260**	939,917
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**1**	1
Share premium		**3,762**	3,762
Reserves		**530,734**	465,703
Total equity		**534,497**	469,466

	Note	2019 HK$'000	2018 HK$'000
LIABILITIES			
Non-current liabilities			
Borrowings		**83,002**	93,444
Deferred income tax liabilities		**15,843**	14,029
Lease liabilities		**1,841**	1,749
		100,686	109,222
Current liabilities			
Trade payables	12	**92,095**	109,747
Accruals, provisions and other payables		**104,136**	99,159
Current income tax liabilities		**17,069**	13,480
Borrowings		**105,285**	134,590
Lease liabilities		**2,492**	4,253
		321,077	361,229
Total liabilities		**421,763**	470,451
Total equity and liabilities		**956,260**	939,917

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

The Company is an investment holding company and its subsidiaries are principally engaged in manufacturing and trading of paper products.

The Company was incorporated in the Cayman Islands on 19 April 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands.

Pursuant to a written resolution of the shareholders of the Company, a total of 398,845,200 shares of HK$0.01 each were allotted and issued at par value to the shareholders as of the date immediately before 16 January 2020 (the "**Listing Date**") on a pro rata basis by way of capitalisation of HK$3,988,452 (the "**Capitalisation Issue**") from the Company's share premium account on that day.

On the Listing Date, 133,000,000 new shares were issued at a price of HK$1.18 per share in connection with the Company's listing on the Main Board of The Stock Exchange of Hong Kong Limited. The net proceeds from the global offering, after deducting the underwriting commission and related expenses payable by the Company in the global offering, is estimated to be approximately HK$111.9 million.

1.2 Reorganisation

Prior to the incorporation of the Company and the completion of the reorganisation (the "**Reorganisation**") as described below, the Group's business (the "**Business**") was carried out by QP Holdings Limited ("**Q P Holdings**") and its subsidiaries (collectively the "**Operating Companies**").

In preparation for the listing of the Company's shares on the Main Board of the Stock Exchange of Hong Kong Limited, the Group underwent the Reorganisation which principally involved the following steps:

(1) On 29 November 2017, Welcome Mark Investment Limited ("**Welcome Mark**") was incorporated in the British Virgin Islands (the "**BVI**"). On 19 March 2018, Mr. Mak Chin Pang subscribed for one share in Welcome Mark.

(2) On 30 January 2018, Cypress Spurge Holdings Limited ("**Cypress Spurge**") and Dawn Gain Investment Limited ("**Dawn Gain**") were incorporated in the BVI. On 19 March 2018, Ms. Liu Shuk Yu Sanny and Mr. Chan Wang Tao Thomas subscribed for one share in Cypress Spurge and Dawn Gain, respectively.

(3) On 28 February 2018, Good Elite Holdings Limited ("**Good Elite**") was incorporated in the BVI. On 19 March 2018, each of Mr. Cheng Wai Wai and Mr. Yeung Keung Wu Kenneth subscribed for one share in Good Elite.

(4) On 19 April 2018, the Company was incorporated in the Cayman Islands. On the date of its incorporation, one subscriber's share was issued to Good Elite. In addition, 7,777 shares, 1,622 shares, 500 shares and 100 shares were issued and allotted to Good Elite, Cypress Spurge, Dawn Gain and Welcome Mark, respectively. On 24 December 2018, the Company issued and allotted 67,400 shares in total to Good Elite, Cypress Spurge, Dawn Gain and Welcome Mark (together, the "**Ultimate Shareholders**") in proportion to the effective interest held by each of the Ultimate Shareholders, all nil-paid.

(5) On 27 December 2018, the Company entered into a sale and purchase agreement with the Ultimate Shareholders pursuant to which the Company acquired the entire shareholdings of 77,400 shares in total of Q P Holdings from the Ultimate Shareholders, respectively, at an aggregate consideration of HK$77,400. Such consideration was satisfied by the issue and allotment by the Company of 77,400 shares in total to Good Elite, Cypress Spurge, Dawn Gain and Welcome Mark in proportion to the effective interest held by each of the Ultimate Shareholders, as fully paid.

Upon the completion of the Reorganisation on 27 December 2018, the Company became the holding company of the companies now comprising the Group.

1.3 Basis of presentation

Immediately prior to and after the Reorganisation, the Business was held by and conducted through the Operating Companies. Pursuant to the Reorganisation, the Business was transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a reorganisation of the Business with no change in management of such business and the ultimate shareholders of the Business remain the same. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the Business under the Operating Companies and the consolidated financial statements of the Group have been prepared and presented as a continuation of the consolidated financial statements of the Operating Companies, with the results, assets and liabilities recognised and measured at the carrying amounts of the Business in the consolidated financial statements for all periods presented.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied throughout the years presented, unless otherwise stated.

Basis of preparation

The principal accounting policies applied in the preparation of the consolidated financial statements which are in accordance with the Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") are set out below. The consolidated financial statements has been prepared under the historical cost convention, as modified by the revaluation of investment property, which is carried at fair value. In addition, the Group has consistently applied HKFRS 16 "Leases" throughout the years ended 31 December 2019 and 2018.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

(i) New and amended standards adopted by the Group

The Group has applied the following amendments for the first time for their reporting commencing 1 January 2019:

Standards	**Subject of amendment**
Annual Improvements Project (Amendments)	Annual Improvements 2015–2017 Cycle
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments

The new and amended standards and interpretation did not have any impact on the current period or any prior period and is not likely to affect future periods.

(ii) New standards and amendments to existing standards not yet adopted by the Group

The following are standards and amendments to existing standards that have been published and are relevant and mandatory for the Group's annual periods beginning on or after 1 January 2020 or later periods, but have not been early adopted by the Group.

		Effective for annual periods beginning on or after
HKFRS 3	Definition of business	1 January 2020
Amendments to HKAS 1 and HKAS 8	Definition of material	1 January 2020
HKFRS 17	Insurance Contract	1 January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will adopt the above new or revised standards, amendments and interpretations to existing standards as and when they become effective. Management is in the process of assessing the impact of these standards, amendments and interpretations to existing HKFRS.

3 REVENUE AND SEGMENT INFORMATION

	2019	2018
	HK$'000	*HK$'000*
Revenue		
Sales of greeting cards and paper products	**1,193,641**	1,162,979

Sales of goods are recognised at the point in time when a group entity has delivered products to customers and fulfilled all the performance obligations as stipulated in the sales contracts.

As at 31 December 2019 and 2018, all performance obligations not yet satisfied by the Group were from contracts with original expected duration of less than one year. Therefore, as permitted by the relevant practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations were not disclosed.

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used for making strategic decisions. The chief operating decision-maker is identified as the executive directors of the Group. The executive directors consider the business from a service perspective and assess the performance of the operating segments based on a measure of gross profit for the purposes of allocating resources and assessing performance. These reports are prepared on the same basis as the consolidated financial statements.

The management has identified two reportable segments based on the types of products, namely (i) web sales products and (ii) original equipment manufacturer ("**OEM**") products.

The segment information provided to the executive directors for the years ended 31 December 2019 and 2018 are as follows:

	Year ended 31 December 2019		
	Web sales products *HK$'000*	**OEM products** *HK$'000*	**Total** *HK$'000*
Segment revenue from external customers	**103,512**	**1,090,129**	**1,193,641**
Cost of sales	**(28,767)**	**(799,316)**	**(828,083)**
Gross profit	**74,745**	**290,813**	**365,558**
Other gains, net			**10,131**
Other income, net			**15,594**
Selling and distribution expenses			**(99,181)**
Administrative expenses			**(183,139)**
Finance costs, net			**(7,517)**
Profit before income tax			**101,446**
Income tax expense			**(17,158)**
Profit for the year			**84,288**

	Year ended 31 December 2018		
	Web sales products *HK$'000*	OEM products *HK$'000*	Total *HK$'000*
Segment revenue from external customers	89,023	1,073,956	1,162,979
Cost of sales	(26,202)	(854,710)	(880,912)
Gross profit	62,821	219,246	282,067
Other gains, net			4,303
Other income, net			33,318
Selling and distribution expenses			(99,619)
Administrative expenses			(155,047)
Finance costs, net			(5,870)
Profit before income tax			59,152
Income tax expense			(8,161)
Profit for the year			50,991

Revenue from major customers who have individually contributed to 10% or more of the total revenue of the Group.

	2019 *HK$'000*	2018 *HK$'000*
Customer A	**504,150**	437,674
Customer B	**208,366**	205,323

Revenue from external customers by location, based on the destination of delivery:

	2019 *HK$'000*	2018 *HK$'000*
The PRC (including Hong Kong)	**95,511**	114,548
The United States of America	**898,883**	823,934
Europe	**138,419**	148,470
Others	**60,828**	76,027
	1,193,641	1,162,979

Non-current assets, other than deferred income tax assets, are located as follows:

	2019	2018
	HK$'000	*HK$'000*
The PRC (including Hong Kong)	**510,889**	538,954
The United States of America	**721**	1,193
	511,610	540,147

4 OTHER GAINS, NET

	2019	2018
	HK$'000	*HK$'000*
Other gains, net		
Foreign exchange gain	**6,360**	6,338
Fair value (loss)/gain on investment property	**(140)**	245
Gain/(loss) on disposal of property, plant and equipment	**3,911**	(2,280)
	10,131	4,303

5 OTHER INCOME, NET

	2019	2018
	HK$'000	*HK$'000*
Other income, net		
Rental income	**48**	48
Sale of scrap materials	**11,501**	13,782
Insurance claims	**391**	6,777
Government grants	**3,176**	11,111
Others	**478**	1,600
	15,594	33,318

6 EXPENSES BY NATURE

	2019	2018
	HK$'000	*HK$'000*
Raw materials and consumables used	**405,581**	449,369
Changes in inventories of finished goods and work in progress	**(226)**	6,254
Sub-contracting charges	**146,949**	122,560
Electricity expenses	**19,315**	19,545
Repair and maintenance	**16,244**	11,494
Transportation expenses	**48,282**	52,155
Employee benefits expenses (including directors' emoluments)	**320,422**	313,094
Lease expenses	**1,007**	3,839
Technical maintenance support	**9,030**	6,249
Outsource labour expense	**—**	3,499
Provision of inventory obsolescence	**3,406**	1,519
Amortisation of right-of-use assets	**7,413**	8,420
Amortisation of intangible assets	**184**	117
Depreciation of property, plant and equipment	**48,599**	45,320
Legal and professional fee	**4,510**	4,371
Auditor's remuneration		
— Audit services	**1,650**	370
— Non-audit services	**—**	—
Listing expenses	**7,573**	20,553
Others	**70,464**	66,850
Total cost of sales, selling and distribution expenses and administrative expenses	**1,110,403**	1,135,578

The research and development expenses charged for the years ended 31 December 2019 and 2018 amounted to approximately HK$26,898,000 and HK$30,795,000 respectively.

7 FINANCE COSTS, NET

	2019	2018
	HK$'000	*HK$'000*
Finance income		
Bank interest income	**101**	125
Finance costs		
Interest expense on bank borrowings	**(7,477)**	(5,767)
Interest expense on lease liabilities	**(141)**	(228)
	(7,618)	(5,995)
Finance costs, net	**(7,517)**	(5,870)

8 INCOME TAX EXPENSE

	2019	2018
	HK$'000	*HK$'000*
Current income tax	**16,478**	9,141
Deferred income tax	**680**	(980)
	17,158	8,161

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the years ended 31 December 2019 and 2018.

The subsidiaries established and operated in the PRC are subject to the PRC Corporate Income Tax at rate of 25% during the years ended 31 December 2019 and 2018.

Pursuant to the relevant laws and regulation in the PRC, the Group's subsidiary, Dongguan Zensee Printing Limited* (東莞雋思印刷有限公司), was accredited as a high-tech enterprise, and is entitled to the preferential tax rate of 15% since 2017.

Pursuant to the relevant laws and regulation in the PRC, certain entities of the Group qualified as small-scale and marginal profit enterprises. As a result, they were entitled to a reduction in tax base of 50% and a preferential tax rate of 20% during the years ended 31 December 2019 and 2018.

No provision for the United States of America profits tax has been made for the years ended 31 December 2019 and 2018 as the Group did not generate any assessable profits arising in the United States of America during the years ended 31 December 2019 and 2018.

Pursuant to the laws and regulations of the BVI and Cayman Islands, the Group is not subject to any income tax in the BVI and Cayman Islands during the years ended 31 December 2019 and 2018.

* *For translation purpose only*

9 EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 399,000,000 (2018: 398,854,354) as if the 398,845,200 new shares issued pursuant to the Capitalisation Issue (Note 1.1) had been issued on 1 January 2018.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2019 and 2018.

The calculations of basic and diluted earnings per share are based on:

Earnings

	2019	2018
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company, used in the basic and diluted earnings per share calculations	**84,288**	50,991

Shares

	Number of shares	
	2019	2018
	'000	*'000*
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculations	**399,000**	398,854

10 DIVIDENDS

During the year ended 31 December 2018, an interim dividend of HK$10,000,000 had been declared and paid by a company now comprising the Group to the then equity holders of that company, after elimination of intragroup dividends. The rates for dividend and the number of shares ranking for dividends are not presented as such information is not considered meaningful for the purpose of this announcement.

During the year ended 31 December 2019, the Company had declared and paid an interim dividend of HK$10,000,000 to its then shareholders of the Company prior to the Listing in January 2020.

A final dividend in respect of the year ended 31 December 2019 of HK9.0 cents per ordinary share, amounting to a total dividend of HK$47,880,000 is to be proposed at the forthcoming annual general meeting of the Company to be held on 28 May 2020.

11 TRADE RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**167,007**	193,035

Trade receivables represent goods sold to third parties. The credit terms granted by the Group are generally 30 to 90 days.

As at 31 December 2019 and 2018, the aging analysis of the trade receivables, based on invoice date, were as follows:

	2019	2018
	HK$'000	*HK$'000*
Less than 30 days	**74,297**	93,529
31–60 days	**52,396**	42,656
61–90 days	**20,045**	23,319
Over 90 days	**20,269**	33,531
	167,007	193,035

The maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables. The Group does not hold any collateral as security.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group considers the credit risk characteristics and the days past due to measure the expected credit losses. During the years ended 31 December 2019 and 2018, the expected losses for customers of sales of goods is minimal and the expected credit loss rate is close to zero, given there is no history of significant defaults from customers and no adverse change is anticipated in the future business environment. No provision for impairment of trade receivables has been made throughout the years ended 31 December 2019 and 2018.

The carrying amounts of trade receivables approximate their fair values as at 31 December 2019 and 2018.

The Group's trade receivables were denominated in the following currencies:

	2019	2018
	HK$'000	*HK$'000*
HK$	**58,245**	72,896
US$	**103,796**	113,582
RMB	**4,085**	5,664
EUR	**167**	42
Others	**714**	851
	167,007	193,035

12 TRADE PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Trade payables	**92,095**	109,747

As at 31 December 2019 and 2018, the aging analysis of the trade payables, based on invoice date, were as follows:

	2019	2018
	HK$'000	*HK$'000*
Less than 30 days	**45,256**	52,679
31–60 days	**25,951**	36,877
61–90 days	**15,427**	13,427
Over 90 days	**5,461**	6,764
	92,095	109,747

The carrying amounts of trade payables approximate their fair values as at 31 December 2019 and 2018.

The Group's trade payables were denominated in the following currencies:

	2019	2018
	HK$'000	*HK$'000*
HK$	**16,255**	17,823
US$	**8,162**	7,811
RMB	**67,678**	83,866
EUR	**—**	247
	92,095	109,747

13 EVENTS AFTER THE REPORTING PERIOD

After the outbreak ("**COVID-19 Outbreak**") of Coronavirus Disease 2019 ("**COVID-19**") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the world. The Group will pay close attention to the development of the COVID-19 Outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which this set of financial statements were authorised for issue, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 Outbreak.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Overview

The Group is a long-established paper product manufacturing and printing services provider headquartered in Hong Kong with the capability to offer value-adding and customised product engineering services and printing solutions to our customers for a wide spectrum of products. We have over 30 years of operating history, and have established stable business relationships with our major customers in the United States (the "**U.S.**") and countries in Europe.

Our principal product categories are tabletop games, greeting cards, educational items and premium packaging. Our products are sold to (i) OEM customers who generally order mass quantities for direct sales and distribution through their own sales network; and (ii) individual and corporate customers who generally order smaller quantities through our self-operated websites. Our major OEM customers include an international greeting cards publisher, and multinational children educational products and toys brands.

We operate two key production plants at Dongguan and Heshan in the Guangdong Province (being the "**Dongguan Factory**" and the "**Heshan Factory**"), and we manufacture our products mainly in our production facilities located in the PRC. We outsource some of our production processes, including printing, die-cutting and assembling, to the subcontractors approved by us if outsourcing will be cost-saving, or when outsourcing is needed because our production capacity has reached its peak. In early January 2019, we ceased the operation of our production plant at Tianjin, which had relatively low utilisation rates during the past few years. Since FY2019, we have engaged subcontractors in Vietnam to perform end-to-end production of certain greeting cards products in order to diversify our operational risks.

We are committed to maintaining high quality of our products. We have implemented quality assurance procedures which comprise quality assurance, quality engineering, as well as quality control. We have obtained certain patents in relation to production techniques developed by us to enhance the efficiency of our production processes.

During the year under review, market volatility was brought about by the escalated trade conflicts between the PRC and the U.S. The customers were concerned about the ongoing trade conflicts with the PRC in the context of a slowing global economy. According to the notice published by the Federal Register of the U.S. on 18 December 2019, the products with an annual trade value of approximately US$300 billion on the fourth list of tariff items (the "**Section 301 List 4**") on the second part of the List 4 products, which was scheduled to be effective on 15 December 2019, were suspended until further notice. Since a substantial portion of the Group's products sold to the U.S. market is on the second part of the Section

301 List 4, we consider that there is no material adverse effect on both our Group's business operation and financial results based on the latest development in the trade war. For FY2019, our revenue from the U.S. market continued to account for a substantial portion of our revenue and amounting to approximately HK$898.9 million, representing approximately 75.3% of our total revenue.

Our Group achieved a mild and healthy growth of total revenue despite the challenging environment during FY2019. The total revenue of our Group increased by approximately HK$30.6 million, or 2.6%, to approximately HK$1,193.6 million in FY2019 from approximately HK$1,163.0 million in FY2018. Revenue derived from our OEM sales accounted for approximately 92.3% and 91.3% of our revenue, respectively, while revenue derived from our websites accounted for approximately 7.7% and 8.7% of our revenue, respectively, for FY2018 and FY2019.

In FY2019, we continued to maintain good business relationships with our major OEM customers, which comprise leading players in their respective market segments. The revenue derived from the OEM sales recorded a mild growth by approximately HK$16.1 million or 1.5% from approximately HK$1,074.0 million in FY2018 to approximately HK$1,090.1 million in FY2019. Such increment was mainly derived from the increase in sales orders placed by our largest customer who principally purchases greeting cards from us.

We operate five major websites, namely www.makeplayingcards.com ("**MPC**"), www.boardgamesmaker.com, www.createjigsawpuzzles.com, www.printerstudio.com and www.gifthing.com, for the provision of personalised printing services. At our five major websites, we offer a variety of personalised products such as playing cards, board games, puzzles, baby keepsakes and different gift items to suit the need of both individual and corporate customers. During the year under review, we stepped up extra effort on expanding our customer base by enhancing the mobile platforms as well as launching new products and implementing marketing strategies in relation to our web sales business. The number of active registered user accounts, which refers to the number of registered user accounts with order(s) placed in our five major websites, increased by approximately 8.4% from approximately 32,200 in FY2018 to approximately 34,900 in FY2019. During the year under review, we continued to record sustainable and stable growth in revenue of our web sales business. The revenue derived from the web sales increased by approximately HK$14.5 million or 16.3% from approximately HK$89.0 million in FY2018 to approximately HK$103.5 million in FY2019. Such increment was mainly contributed by our website of MPC, which mainly offers personalised playing cards to our customers.

Future Outlook

The COVID-19 Outbreak since early 2020 has evolved into a global challenge as the number of COVID-19 confirmed cases continues to rise rapidly around the world, particularly in the US and countries in Europe which are our major markets. The disruption to certain economic activities attributable to the COVID-19 and the implementation of disease prevention and control measures may erode the economic growth of those countries, which may imply potential adverse impact on the demand for our products from those markets and hence our operation and financial performance. As at the date of this announcement, such potential impact cannot be estimated or evaluated. Meanwhile, as at the date of this announcement, we have not yet experienced any significant disturbance in the supply chain or any major hindrance in our manufacturing bases in China. We will remain alert to the impact of the COVID-19 Outbreak on our supply chain, our employees and compliance matters. The Board will not hesitate to take all necessary and appropriate measures to safeguard our employees and our business operations.

Looking ahead, the global economy is expected to be hit by higher uncertainty with the recent COVID-19 Outbreak as well as the continued political, economic and trade tensions presented on a number of fronts. The Group reckons that the global economy will continue to experience stages of adjustments and is cautiously prudent about the outlook in the coming years.

We recognise our web sales business as an important growth driver in the long run. We expect to achieve continuous, sustainable and stable growth in our web sales business by continuously enhancing the functions and product options of our websites and digital marketing strategies and developing websites in more languages. In order to reach such objective, we will continue to employ additional staff and reinforce our resources of the web sale business segment in the coming years.

The Group is committed to employing digitalisation, connectivity and automation to enhance its manufacturing and operational excellence. We believe that our Group could improve our production efficiency and cost-effectiveness through the continuous enhancement of automation and data exchange in manufacturing technologies and processes. Going forward, we will continue to intensify the development of Industry 4.0 across the organisation including all areas of business and managerial operations.

The Group is confident about its future prospects and believes that the Listing would enhance the Group's brand awareness and reputation on an international level and help to attract potential local and international customers. To enhance the quality of services and expand its business, the management of the Group will continue to implement strategies as stated in the prospectus of the Company issued on 31 December 2019 (the "**Prospectus**"), including but not limited to (i) developing our production support in Southeast Asia through subcontracting arrangement and subsequently setting up our own production site in Vietnam; (ii) enhancing our technological capability and upgrading our IT infrastructure to capture more business opportunities; and (iii) improving operating efficiency by streamlining business operations and optimising internal resources in order to meet the challenge of market adversity should they arise when advancing ahead.

FINANCIAL REVIEW

Revenue

During FY2019, the Group achieved an increase in revenue of approximately 2.6% to approximately HK$1,193.6 million from approximately HK$1,163.0 million in FY2018. The increase in the Group's revenue in FY2019 as compared to FY2018 was driven by our sales derived from OEM products and web sales products.

The following table sets forth a breakdown of total revenue for the periods indicated by business segment:

	Year ended 31 December			
	2019		2018	
	HK$'000	*%*	*HK$'000*	*%*
OEM products	**1,090,129**	**91.3**	1,073,956	92.3
Web sales products	**103,512**	**8.7**	89,023	7.7
Total	**1,193,641**	**100.0**	1,162,979	100.0

The sales derived from the OEM products increased from approximately HK$1,074.0 million in FY2018 to approximately HK$1,090.1 million in FY2019, representing an increase of approximately 1.5%. The increase in sales derived from the OEM products was due to the continued increase in customer demands for our OEM products, and particularly, due to (i) the increase in sales made to our largest customer, who principally purchases the greeting cards from us; and offset by (ii) the decrease in sales made to our other major customers who principally purchase the tabletop games and educational items from us.

The sales derived from the web sales products increased from approximately HK$89.0 million in FY2018 to approximately HK$103.5 million in FY2019, representing an increase of approximately 16.3%. The increase in sales derived from the web sales products was primarily due to increase in orders of our playing cards products, and our efforts in marketing and promotion to enhance awareness and reputation by participating in international trade shows, exhibitions and conferences.

The table below summarises the geographical revenue segment destination of delivery for the periods:

	Year ended 31 December			
	2019		2018	
	HK$'000	*%*	*HK$'000*	*%*
The United States of America	**898,883**	**75.3**	823,934	70.8
Europe	**138,419**	**11.6**	148,470	12.8
The PRC (including Hong Kong)	**95,511**	**8.0**	114,548	9.8
Others	**60,828**	**5.1**	76,027	6.6
Total	**1,193,641**	**100.0**	1,162,979	100.0

The U.S. and the Europe were the two largest overseas markets of the Group which in aggregate accounted for 86.9% and 83.6% of total revenue for FY2019 and FY2018, respectively. Growth of the revenue from the U.S. markets mainly resulted from the increase in sales of greeting cards made to our largest customer and our web sales products during FY2019. Sales to the Europe decreased in FY2019 compared to that of FY2018 mainly due to less sales orders received from one of our major customers, which is a multinational toy company with its headquarter in France.

Cost of sales

Our Group's cost of sales mainly consists of cost of raw materials, direct staff cost, sub-contracting charges, depreciation, utilities and factory overhead. The Group recorded a decrease in cost of sales by approximately 6.0% from approximately HK$880.9 million in FY2018 to approximately HK$828.1 million in FY2019. The decrease in cost of sales was primarily attributable to (i) the decrease in raw materials cost from approximately HK$425.5 million in FY2018 to approximately HK$384.1 million in FY2019 as a result of the depreciation of RMB against HKD during FY2019 and decrease in usage of auxiliary accessories and other materials in our production over the comparable periods; (ii) the decrease in staff cost incurred in cost of sales from approximately HK$207.9 million in FY2018 to approximately HK$190.2 million in FY2019 as a result of the depreciation of RMB against HKD during FY2019; (iii) the decrease in VAT expenses from approximately HK$22.7 million in FY2018 to approximately HK$9.8 million in FY2019 primarily due to the increase in tax refund rate for export products announced by the PRC tax authorities which took effect on 15 September 2018; and offset by (iv) the increase in sub-contracting charges from approximately HK$122.6 million in FY2018 to approximately HK$147.0 million in FY2019 as a result of increase in sales quantity of greeting cards during the first half of FY2019 for which we generally engage our subcontractors for assembly work of greeting cards.

Gross Profit and Gross Profit Margin

For the FY2019, the gross profit of the Group was approximately HK$365.6 million, representing an increase of approximately HK$83.5 million or approximately 29.6% as compared to approximately HK$282.1 million for the FY2018. The gross profit margin increased from approximately 24.3% in FY2018 to approximately 30.6% in FY2019 and such increment was primarily attributable to (i) the depreciation of RMB against HKD during FY2019; and (ii) the increase in tax refund rate for export products announced by the PRC tax authorities which took effect on 15 September 2018.

Other gains, net

Our Group's other gains, net mainly consist of foreign exchange gain and gain/(loss) on disposal of property, plant and equipment. A portion of our revenue and cost are denominated in currencies other than HKD and RMB, respectively, as such settlement of receipts and payments are subject to foreign exchange gain or loss. The foreign exchange gain was approximately HK$6.4 million in FY2019, remained at a similar level compared to approximately HK$6.3 million in FY2018 since the RMB depreciated against HKD continuously since FY2018.

Other income, net

Our Group's other income, net mainly consists of sales of scrap materials, government grants and insurance claims. Our decrease in other income, net, was mainly due to (i) the decrease in government grant from approximately HK$11.1 million in FY2018, represented a decrease of approximately HK$7.9 million or 71.4%, to approximately HK$3.2 million in FY2019, and such decrease was due to fewer government grant programmes that we were eligible to apply during FY2019; (ii) the recognition of insurance claim of approximately HK$6.8 million in relation to the destroyed finished goods in a fire incident occurred in a warehouse during FY2018; and (iii) the decrease in sales of scrap materials, which represent income from remaining paper parts after production which cannot be reused, amounted to approximately HK$11.5 million in FY2019, represented a decrease of approximately HK$2.3 million or 16.6%, compared to approximately HK$13.8 million in FY2018.

Selling and distribution expenses

Our selling and distribution expenses primarily consist of (i) transportation expenses; (ii) staff cost of our sales personnel; (iii) commission paid to our sales representatives and (iv) services charges by the payment gateways. The selling and distribution expenses amounted to approximately HK$99.6 million in FY2018, decreased slightly by approximately HK$0.4 million or 0.4%, to approximately HK$99.2 million in FY2019, was mainly due to (i) the decrease in transportation expenses, which mainly represent expenses incurred in relation to delivery of finished goods, amounted to approximately HK$51.4 million in FY2018, decreased slightly by approximately HK$3.4 million or 6.6%, to approximately HK$48.0 million in FY2019. Such decrement was mainly due to the fact that we have engaged a third-party logistic service provider at a lower rate since February 2019; offset by (ii) the increase in staff cost related to sales and distribution activities of approximately HK$1.1 million, from approximately HK$28.2 million in FY2018 to approximately HK$29.3 million in FY2019 as a result of increase in discretionary bonus offered to our staff during FY2019.

Administrative expenses

Our administrative expenses mainly comprise staff cost, listing expenses, depreciation and amortisation, rent and rates, office supplies, legal and professional fees and motor vehicle and travelling expenses. The Group's administrative expenses increased by approximately 18.1% from approximately HK$155.0 million in FY2018 to approximately HK$183.1 million in FY2019.

Such increase was primarily attributable to (i) the increase in staff cost related to administrative activities of approximately HK$23.9 million, from approximately HK$77.0 million in FY2018 to approximately HK$100.9 million in FY2019, mainly resulting from (a) the increase in discretionary bonus offered to our staff primarily due to the improvement of our financial performance during FY2019; (b) the additional staff cost incurred arising from full period in relation to Heshan Factory during FY2019 in comparison to approximately nine months incurred in FY2018 and (c) the increase in severance payment to our employees primarily as a result of the discontinuance of our Tianjin Factory, (ii) the increase in consultancy fees in relation to the transfer of the land parcels and the application of real estate ownership certificate for certain building blocks in our Dongguan Factory in aggregate of HK$8.6 million, (iii) the increase in other taxes of approximately HK$2.6 million mainly due to the taxation charge of approximately HK$1.3 million in relation to the transfer of land parcels and the under provision of other taxes of approximately HK$1.2 million in relation to the acquisition of Heshan Factory; and partially offset by (iv) the decrease in listing expenses of approximately HK$13.0 million.

Finance costs, net

Our finance costs, net increased by approximately HK$1.6 million or 28.1% from approximately HK$5.9 million for FY2018 to approximately HK$7.5 million for FY2019, mainly due to the increase in average bank borrowings balance for FY2019 in comparison to the corresponding period.

Income tax expense

Our income tax expense increased by approximately HK$9.0 million, or 110.2% from approximately HK$8.2 million for FY2018 to approximately HK$17.2 million for FY2019. The increase was primarily due to the increase in profit before income tax from approximately HK$59.2 million for FY2018 to approximately HK$101.4 million for FY2019. Our effective tax rate was approximately 13.8% and approximately 16.9% for FY2018 and FY2019, respectively. Such increment was primarily due to a higher portion of profit generated by our Heshan Factory which had a relatively higher effective tax rate across our Group during FY2019.

Profit for the year

The Group's profit increased by approximately HK$33.3 million or 65.3% from approximately HK$51.0 million in FY2018 to approximately HK$84.3 million in FY2019. The net profit margin also increased from approximately 4.4% in FY2018 to approximately 7.1% in FY2019. Before taking into account the listing expenses, the adjusted Group's profit increased by approximately 28.4% from approximately HK$71.5 million in FY2018 to approximately HK$91.9 million in FY2019, the adjusted net profit margin also increased from approximately 6.2% in FY2018 to approximately 7.7% in FY2019.

LIQUIDITY AND FINANCIAL RESOURCES

During the year under review, the Group maintained a healthy liquidity position, with working capital financed mainly by internal resources. The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimise the costs of funds, the Group's treasury activities are centralised and substantial cash is generally deposited with banks in Hong Kong and denominated mostly in Hong Kong dollars.

As at 31 December 2019, the Group reported net current assets of approximately HK$114.6 million, as compared with approximately HK$30.8 million as at 31 December 2018. As at 31 December 2019, the Group's cash and cash equivalents was approximately HK$104.8 million, representing an increase of approximately HK$44.9 million as compared to approximately HK$59.9 million as at 31 December 2018.

Total borrowings and lease liabilities for the Group amounted to approximately HK$192.6 million (31 December 2018: approximately HK$234.0 million). As at 31 December 2019, borrowings were denominated in Hong Kong dollars and lease liabilities were denominated in Hong Kong dollars and Renminbi. All bank borrowings are at floating rates and lease liabilities are in fixed rates.

CONTINGENT LIABILITIES

As at 31 December 2019, the Group had no significant contingent liabilities (31 December 2018: Nil).

CAPITAL COMMITMENTS

As at 31 December 2019, the Group had approximately HK$11.5 million (31 December 2018: approximately HK$18.4 million) capital commitments in relation to the purchase of property, plant and equipment.

FOREIGN EXCHANGE EXPOSURE

While our headquarters is located in Hong Kong and our production facilities are primarily located in the PRC, most of our production cost and operating expenses are primarily denominated in HKD and RMB. Whereas our revenue is mainly denominated in USD and HKD, we are exposed to foreign currency risks primarily as a result of revenue that is denominated in foreign currencies other than HKD and purchases that are denominated in foreign currencies other than HKD. The Group's foreign currency exposure also comprises assets and liabilities denominated in currencies other than the subsidiaries' functional currencies. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

PLEDGE OF ASSETS

As at 31 December 2019, right of use assets amounted to approximately HK$60.4 million (31 December 2018: HK$61.6 million) property, plant and equipment amounted to approximately HK$36.6 million (31 December 2018: HK$38.2 million) and bank deposits amounted to approximately HK$0.4 million (31 December 2018: HK$0.4 million) have been charged as security for bank borrowings of the Group.

GEARING RATIO

Gearing ratio is calculated by the total debt (being borrowings and lease liabilities) less cash and cash equivalents and divided by the total equity as at the end of the respective dates and multiplied by 100%. As of 31 December 2018 and 2019, our gearing ratios were approximately 37.1% and 16.4%, respectively. Our gearing ratio decreased as of 31 December 2019 as compared to that of 31 December 2018 primarily because of the decrease in our bank borrowings level and the increase in cash and cash equivalents.

We will closely monitor our gearing ratio. We analyse the maturity profiles of our borrowings and manage our liquidity level to ensure sufficient cash flow to service our indebtedness and meet cash requirements arising from our business. We will explore various financing opportunities to improve our capital structure and reduce our cost of capital. We expect that utilising the proceeds we received from the Global Offering will also effectively improve our gearing ratio.

USE OF PROCEEDS

Our shares (the "**Share(s)**") were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 16 January 2020 of which 133,000,000 ordinary shares (comprising 13,300,000 Hong Kong offer shares and 119,700,000 international placing shares) had been allotted by global offering, at an offer price of HK$1.18 per Share (the "**Listing**"). The actual net proceeds from the Listing were approximately HK$111.9 million (after deduction of the listing expenses).

As at the date of this announcement, the Company does not anticipate any change to its plan on the use of proceeds and the net proceeds have not been utilised. The Board closely monitored the use of proceeds from the Listing with reference to the use of proceeds disclosed in the prospectus of the Company issued on 31 December 2019 (the "**Prospectus**") and confirmed that there was no change in the proposed use of proceeds as previously disclosed in the Prospectus.

The Directors considered that it would be in the best interest of the Group without materially impairing its financial capabilities to temporarily utilise such funds by earning interest income in bank accounts and they are not aware of any material change to the proposed use of proceeds as at the date of this announcement.

RESTRUCTURING AND SIGNIFICANT INVESTMENTS

During the year under review, the Group underwent corporate restructuring prior to the Listing of Shares. Please refer to the section headed "History, Reorganisation and Corporate Structure" in the Prospectus for further details on the restructuring. As at 31 December 2019, the Group did not hold any significant investments.

EMPLOYEES AND REMUNERATION POLICY

The Group had a total of 2,554 (31 December 2018: 2,962) employees as at 31 December 2019. Total staff costs of the Group (including the Directors' remuneration) for FY2019 was approximately HK$320.4 million (FY2018: approximately HK$313.1 million). The Group's remuneration policies were in line with relevant legislation, market conditions and the performance of our employees.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the period from the Listing Date to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has put in place a corporate governance framework and has established a set of policies and procedures based on the Corporate Governance Code ("**CG Code**") contained in Appendix 14 to the Listing Rules. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

The Company has adopted the principles and code provisions of the CG Code contained in Appendix 14 of the Listing Rules as the basis of the Company's corporate governance practices. The Company has applied and complied with the CG Code in each case as set out in Appendix 14 to the Listing Rules during the year ended 31 December 2019, except for the deviation from the CG Code of code provision A.2.1. Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual and the division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Mr. Cheng Wan Wai currently holds both positions of the chairman of the Board and the chief executive officer of the Company, being responsible for the effective functioning of the Board in accordance with good corporate governance practice and implementing objectives, policies and strategies approved by members of the Board from time to time. Mr. Cheng has been the key leadership figure of the Group who has been primarily involved in the formulation of business strategies and, more importantly, the determination of the overall direction of the Group since 1985. The Board considers that having Mr. Cheng acting as both our chairman and chief executive officer provides strong and consistent leadership to our Group and facilitate the efficient execution of our business strategies. Also, the Board considers there are adequate safeguards in place to ensure sufficient balance of powers within the Board, such as major issues affecting the operations of the Company are made in consultation with experienced and high caliber Directors in regular Board meetings, the delegation of authorities to the management and the supervision of the management by the members of the Board and the relevant Board committees. Having considered the factors mentioned above, the Board considers Mr. Cheng is the best candidate for both positions and the present arrangements are beneficial and in the interest of the Group and the shareholders as a whole. The Board will continue to review and consider segregating the roles of the chairman and chief executive officer at an appropriate time, taking into account the circumstances of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard indicated by the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules.

All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code adopted by the Company since the Listing Date and up to the date of this result announcement.

AUDIT COMMITTEE

The audit committee of the Company ("**Audit Committee**"), which consists of three independent non-executive Directors, namely Mr. Ng Shung, Mr. Chan Hiu Fung Nicholas and Prof. Cheng Man Chung Daniel, all of whom are independent non-executive Directors as members, has reviewed, together with the participation of the management, the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including the review of the audited financial statements of the Group for the year ended 31 December 2019.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY THE INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in this preliminary announcement have been reviewed and agreed by the Group's independent auditors, PricewaterhouseCoopers, Certified Public Accountants of Hong Kong ("**PricewaterhouseCoopers**") to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with the Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently, no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Board, the Board confirms that the Company has maintained the public float as required by the Listing Rules as at the latest practicable date prior to the issue of this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Thursday, 28 May 2020. A notice convening the AGM will be issued and dispatched to the shareholders in the manner as required by the Listing Rules in due course.

DIVIDEND

The Directors recommended the declaration of a final dividend at the rate of HK9.0 cents per share amounting to approximately HK$47.9 million for the year ended 31 December 2019, which is expected to be paid on Monday, 22 June 2020 to all persons registered as holders of shares of the Company on Friday, 5 June 2020, subject to the approval of the shareholders at the AGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the qualification as shareholders of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 25 May 2020 to Thursday, 28 May 2020, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 22 May 2020, being the last share registration date.

For the purpose of determining the entitlement to the proposed final dividend (subject to the approval of the shareholders at the AGM), the register of members of the Company will be closed from Wednesday, 3 June 2020 to Friday, 5 June 2020, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the entitlement to the proposed final dividend, unregistered holders of shares of the Company are required to lodge all transfer documents accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 2 June 2020.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual result announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.qpp.com) and the annual report for the year ended 31 December 2019 containing all information required by the Listing Rules will be despatched to the Shareholders and published on the aforesaid websites on or before 30 April 2020.

By order of the Board
Q P Group Holdings Limited
Cheng Wan Wai
Chairman

Hong Kong, 24 March 2020

As at the date of this announcement, the board of directors of the Company comprises Mr. CHENG Wan Wai, Mr. YEUNG Keng Wu Kenneth, Ms. LIU Shuk Yu Sanny, Mr. CHAN Wang Tao Thomas, Ms. HUI Li Kwan and Mr. MAK Chin Pang as executive Directors, Mr. CHAN Hiu Fung Nicholas, Prof. CHENG Man Chung Daniel and Mr. NG Shung as independent non-executive Directors.