TC ORIENT LIGHTING HOLDINGS LIMITED
達進東方照明控股有限公司

(Incorporated in the Cayman Islands with limited liability)

website: www.tatchun.com

(Stock Code: 515)

ANNOUNCEMENT OF UNAUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

The board of directors (the "**Board**") of TC Orient Lighting Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated annual results (the "**Unaudited Annual Results**") of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2019 together with the comparative amounts for the corresponding year in 2018. The Unaudited Annual Results have been prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRSs**") as below. For the reasons explained in the Paragraph headed "Review of Unaudited Annual Results" in this announcement, the auditing process for the annual results of the Group for the year ended 31 December 2019 has not been completed.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	**2019** ***HK$'000*** **(Unaudited)**	2018 *HK$'000* (Audited)
Turnover	*4*	**274,477**	340,415
Cost of sales		**(272,651)**	(336,115)
Gross profit		**1,826**	4,300
Other income	*5*	**11,327**	18,866
Other gains and losses	*6*	**(19,236)**	(71,487)
Selling and distribution expenses		**(18,830)**	(19,417)
Administrative expenses		**(71,495)**	(73,204)
Finance costs	*7*	**(24,114)**	(24,601)
Loss before tax		**(120,522)**	(165,543)
Income tax expense	*8*	**(50)**	(54)
Loss for the year	*9*	**(120,572)**	(165,597)

	Notes	**2019**	2018
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Deficit on revaluation of properties		**(6,587)**	(8,440)
Deferred tax assets arising from revaluation of properties		**1,647**	2,110
		(4,940)	(6,330)
Items that may be subsequently reclassified to profit or loss			
Exchange differences arising on translation		**(1,583)**	1,478
Other comprehensive loss for the year		**(6,523)**	(4,852)
Total comprehensive loss for the year		**(127,095)**	(170,449)
Loss for the year attributable to:			
Owners of the Company		**(102,896)**	(133,768)
Non-controlling interests		**(17,676)**	(31,829)
		(120,572)	(165,597)
Total comprehensive loss attributable to:			
Owners of the Company		**(108,664)**	(139,933)
Non-controlling interests		**(18,431)**	(30,516)
		(127,095)	(170,449)
Loss per share			
Basic and diluted *(in HK cents)*	*10*	**(3.88)**	(6.10)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	Notes	2019 HK$'000 (Unaudited)	2018 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**141,211**	156,213
Prepaid lease payment – non-current portion		**–**	16,998
Right-of-use assets		**19,851**	–
Trade receivables with extended credit terms	*12(a)*	**5,742**	17,088
		166,804	190,299
Current assets			
Inventories		**34,366**	40,982
Prepaid lease payments – current portion		**–**	615
Trade and other receivables	*12(a)*	**281,937**	396,259
Bills receivables	*12(b)*	**–**	7,894
Pledged bank deposits		**14,768**	10,333
Bank balances, deposits and cash		**22,433**	21,150
		353,504	477,233
Current liabilities			
Trade and other payables	*13(a)*	**198,236**	268,903
Contract liabilities		**10,825**	14,263
Bills payables	*13(b)*	**29,994**	23,015
Taxation payables		**63,606**	64,781
Lease liabilities		**1,040**	–
Bank borrowings – due within one year		**144,444**	145,402
		448,145	516,364
Net current liabilities		**(94,641)**	(39,131)
Total assets less current liabilities		**72,163**	151,168

	Notes	2019 HK$'000 (Unaudited)	2018 HK$'000 (Audited)
Non-current liability			
Lease liabilities		**1,797**	–
Deferred taxation		**12,856**	14,503
		14,653	14,503
Net assets		**57,510**	136,665
Capital and reserves			
Share capital	*14*	**271,824**	226,520
Reserves		**(157,678)**	(50,539)
Equity attributable to owners of the Company		**114,146**	175,981
Non-controlling interests		**(56,636)**	(39,316)
Total equity		**57,510**	136,665

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 12 November 2004 and was registered as a non-Hong Kong Company under Part 16 of Hong Kong Companies Ordinance (Cap. 622) ("**new CO**"). Its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

The Company acts as an investment holding company.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company and all values are rounded to nearest thousand except otherwise indicated.

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

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

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**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 Amendments, 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 directors of the Company anticipate that the application of all other new and amendments to HKFRSs has had no material impact on the Group's financial positions and performance for the current year and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 16 Leases

Transition and summary of effects arising from initial application of HKFRS 16

On 1 January 2019, the Group has applied HKFRS 16. HKFRS 16 superseded HKAS 17, and the related interpretations. The Group applied the HKFRS 16 in accordance with the transition provisions of HKFRS 16.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HKFRIC – Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessor

During the year ended 31 December 2019, application of HKFRS 16 by the Group as a lessor has no material impact on the Group's consolidated financial statements.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained earnings and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

ii. applied a single discount rate to a portfolio of leases with a similar remaining term for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties was determined on a portfolio basis;

iii. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension options;

iv. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and

v. relied on the assessment of whether lease are onerous by applying HKAS 37 Provision Contingent Liabilities and Contingent Assets as an alternative of impairment view.

On transition, the Group has made the following adjustments upon application of HKFRS16:

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The incremental borrowing rate applied by relevant group entities was 7.0%.

	At 1 January 2019 *HK$'000* (Unaudited)
Operating lease commitments disclosed as at 31 December 2018	2,300
Recognition exemption –short term or low value leases	(97)
Effect from discounting at the incremental borrowing rate as at 1 January 2019	(185)
Lease liabilities as at 1 January 2019	2,018
Analysed as:	
Current	1,497
Non-current	521
	2,018

The carrying amount of right-of-use assets for own use as at 1 January 2019 comprises the following:

	Right-of-use assets
	HK$'000
	(Unaudited)
Lease liabilities as at 1 January 2019	2,018
Reclassification from prepaid lease payments *(note)*	17,613
	19,631
By class	
Property Leases	2,018
Land use rights in the PRC under medium-term leases	17,613
	19,631

Notes: Upfront payments for leasehold lands in the PRC for own used properties were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to HK$615,000 and HK$16,998,000 respectively were reclassified to right-of-use assets.

The following table summarises the impacts of the adoption of HKFRS 16 on the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously report at 31 December 2018	**Adjustments**	**Carrying amounts under HKFRS 16 at 1 January 2019**
	HK$'000	*HK$'000*	*HK$'000*
	(Audited)	(Unaudited)	(Unaudited)
Non-current assets			
Right-of-use assets	–	19,631	19,631
Prepaid lease payment – non-current portion	16,998	(16,998)	–
Current assets			
Prepaid lease payment – current portion	615	(615)	–
Current liabilities			
Lease liabilities – due within one year	–	(1,497)	(1,497)
Non-current liabilities			
Lease liabilities – due over one year	–	(521)	(521)

For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening statement of financial position as at 1 January 2019 as disclosed above.

2.2 New and amendments to HKFRSs in issued but not yet effective

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

[1] Effective for annual periods beginning on or after a date to be determined

[2] Effective for annual periods beginning on or after 1 January 2021

[3] Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

[4] Effective for annual periods beginning on or after 1 January 2021

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of Preparation of Financial Statements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern basis

The Group incurred a loss approximately HK$120,572,000 during the year ended 31 December 2019 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$94,641,000. In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. The Directors adopted the going concern basis for the preparation of the consolidated financial statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group:

(1) Financial support

Intelligent South Network Group Ltd, a shareholder of the Company, has agreed to continuously provide financial support for the continuing operations of the Company so as to enable it to meet its liabilities when they fail due and carry on its business without a significant curtailment of operations in the twelve months from 31 December 2019.

(2) Necessary facilities

The Group is in the process of negotiating with its bankers to secure necessary facilities to meet the Group's working capital and financial requirements in the near future.

4. TURNOVER

All revenue contracts are for period of one year or less, as permitted by practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied contacts is not disclosed.

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Disaggregation of revenue from contracts with customers		
An analysis of the Group's turnover is by types of goods as follows:		
Sales of printed circuit boards ("**PCB**")	**274,477**	306,112
Tradings of tower and electric cable	**–**	34,303
Total revenue recognised at a point in time	**274,477**	340,415
Time of revenue recognition		
At a point in time	**274,477**	340,415
Over time	**–**	–
	274,477	340,415
Geographic market:		
The PRC	**168,235**	230,180
Hong Kong	**43,360**	60,658
Others	**62,882**	49,577
	274,477	340,415

Revenue recognition are disclosed in note 2 to the consolidation financial statements.

5. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Bank interest income	**650**	542
Imputed interest on trade receivables with extended credit terms	**1,542**	2,478
Sales of scrap materials	**6,948**	10,639
Government grants	**633**	–
Others	**1,554**	5,207
	11,327	18,866

6. OTHER GAINS AND LOSSES

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Write-down of inventories	**(866)**	(2,286)
Net foreign exchange gain	**893**	1,431
Net allowance for expected credit losses recognised on other receivables	**(17,391)**	(3,650)
Net allowance for expected credit losses recognised on trade receivables with normal credit terms	**(1,739)**	(70,186)
Net reversal of allowance for expected credit losses previously recognised on trade receivables with extended credit terms	**191**	1,074
(Loss)/gain on disposal of property, plant and equipment	**(242)**	430
Gain on disposal of subsidiaries	**–**	1,931
Others	**(82)**	(231)
	(19,236)	(71,487)

7. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Interest on:		
– Bank and other borrowing wholly repayable within five years	**24,027**	24,601
– Lease liabilities	**87**	–
	24,114	24,601

8. INCOME TAX EXPENSE

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
The charge comprises:		
Current tax:		
PRC Enterprise Income Tax ("EIT")	**50**	54

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$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong for both years.

Under the Law of the People's Republic of China on EIT (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

9. LOSS FOR THE YEAR

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loss for the year has been arrived at after charging:		
Employee expenses, including directors' and chief executive officer's remuneration *(note)*	**71,255**	80,043
Retirement benefit schemes contributions *(note)*	**6,199**	7,890
Total employee expenses	**77,454**	87,933
Auditors' remuneration:		
Audit service	**1,800**	1,800
Cost of inventories recognised as an expense	**272,651**	336,115
Depreciation of property, plant and equipment	**10,629**	13,217
Research and development costs recognised as an expense	**575**	487
Amortisation of prepaid lease payments	**–**	615
Depreciation of right-of-use assets	**2,712**	–
Expenses relating to short-term leases	**305**	–
Share based payment expenses	**1,525**	3,170

Note: Employee expenses and retirement benefit schemes contributions were included the direct and indirect labour cost and share base payment expenses, they have been recognised in the cost of inventories and administrative expenses.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the year is based on the following data:

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loss		
Loss for the purposes of basic and diluted loss per share, loss for the year	**(102,896)**	(133,768)

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**2,654,936**	2,192,418

The basic and diluted loss per share are the same for the years ended 31 December 2019 and 2018. The calculation of the diluted loss per share for both years did not assume the exercise of the Company's outstanding share options as the effect is anti-dilutive.

11. DIVIDENDS

The Board of Directors do not recommend the payment of any dividend for the year ended 31 December 2019 (2018: Nil).

12. TRADE, BILLS AND OTHER RECEIVABLES

(a) Trade and Other Receivables

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables with normal credit terms	**192,941**	282,669
Less: Allowance for expected credit losses	**(87,187)**	(85,448)
	105,754	197,221
Trade receivables with extended credit terms	**74,426**	87,547
Less: Allowance for expected credit losses	**(11,356)**	(11,547)
	63,070	76,000
Total trade receivables, net of allowance for expected credit losses	**168,824**	273,221
Less: Non-current portion of trade receivables with extended credit terms	**(5,742)**	(17,088)
Current portion of trade receivables	**163,082**	256,133
Advances to suppliers	**7,773**	8,236
Value-added tax recoverable	**5,750**	6,082
	13,523	14,318
Other receivables	**105,332**	125,808
	118,855	140,126
Trade and other receivables shown under current assets	**281,937**	396,259

The Group generally allows an average credit period of 30 days to 180 days to its trade on PCB customers and tradings of towers and electric cable customers with normal credit terms and credit period ranging from one year to ten years to its trade on LED lighting customers with extended credit terms which is based on the contractual repayment schedule. The following is an aging analysis of trade receivables with normal credit terms and trade receivables with extended credit terms, net of expected credit losses, respectively, presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	Extended credit terms		**Normal credit terms**		**Total**	
	2019	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
0 – 30 days	**–**	–	**20,622**	24,053	**20,622**	24,053
31 – 60 days	**–**	–	**27,240**	22,458	**27,240**	22,458
61 – 90 days	**–**	–	**14,489**	18,345	**14,489**	18,345
91 – 180 days	**–**	–	**32,372**	57,630	**32,372**	57,630
Over 180 days	**63,070**	76,000	**11,031**	74,735	**74,101**	150,735
	63,070	76,000	**105,754**	197,221	**168,824**	273,221

(b) Bills Receivables

The following is an aged analysis of bills receivable based on issue date of the bills at the end of the reporting period:

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 – 30 days	**–**	–
31 – 60 days	**–**	–
Over 60 days	**–**	7,894
	–	7,894

13. TRADE, BILLS AND OTHER PAYABLES

(a) Trade and other Payables

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 – 30 days	**12,930**	12,415
31 – 60 days	**11,894**	9,623
61 – 90 days	**12,933**	12,331
91 – 180 days	**20,850**	35,963
Over 180 days	**62,560**	49,994
Total trade payables	**121,167**	120,326
Other payables	**56,922**	125,610
Accrued salaries and other accrued charges	**20,147**	22,967
	198,236	268,903

The credit period on purchases of goods ranged from 90 days to 120 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

(b) Bills Payables

The aged analysis of bills payable based on issue date of the bill at the end of the reporting period is as follows:

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0 – 30 days	**817**	–
31 – 60 days	**14,895**	–
61 – 90 days	**14,282**	8,564
91 – 180 days	**–**	14,378
Over 180 days	**–**	73
	29,994	23,015

14. SHARE CAPITAL

	Number of shares		**Amount**	
	2019	2018	**2019**	2018
	Number	*Number*		
	'000	*'000*	***HK$'000***	*HK$'000*
Authorised:				
Ordinary of shares of HK$0.10 each				
At 1 January	**4,000,000**	4,000,000	**400,000**	400,000
Increase during the year *(note (i))*	**8,000,000**	–	**800,000**	–
At 31 December	**12,000,000**	4,000,000	**1,200,000**	400,000
Issued and full paid:				
Ordinary shares of HK$0.10 each				
At 1 January	**2,265,198**	2,059,271	**226,520**	205,927
Issue of new shares *(notes (ii) and (iii))*	**453,039**	205,927	**45,304**	20,593
At 31 December	**2,718,237**	2,265,198	**271,824**	226,520

(i) On 12 December 2019, the authorised share capital of the Company was increased from HK$400,000,000 divided into 4,000,000,000 shares to HK$1,200,000,000 divided into 12,000,000,000 shares by the creation of additional 8,000,000,000 shares of par value of HK$0.10 each.

(ii) On 31 May 2018, an aggregate of 205,927,043 Subscription Shares were allotted and issued to the Share Subscribers at the Subscription Price of HK$0.10 per Subscription Share. The net proceeds were used for settlement of the Group's loans and trade payable to suppliers as they fall due. Details of the share subscriptions were disclosed in the Company's announcements dated 10 May 2018 and 31 May 2018.

(iii) On 21 February 2019, an aggregate of 453,039,495 Subscription Shares were allotted and issued to the Share Subscribers at the Subscription Price of HK$0.10 per Subscription Share. The net proceeds from the Subscriptions were used for the Group's business development, investments, acquisition, repayment of loans and general working capital purposes. Details of the share subscriptions were disclosed in the Company's announcements dated 17 January 2019 and 21 February 2019.

15. SEGMENTAL INFORMATION

The Group determines its operating segment based on the reports reviewed by the chief operating decision maker for making strategic decisions. The Group is engaged in the manufacturing and trading of PCB and LED lighting and trading of towers and electric cable and the information reported to the chief operating decision maker was analysed based on the three types of PCB, LED lighting and trading of towers and electric cable which represent the operating segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- Manufacturing and trading of Single-sided PCB ("**Single-sided PCB**")
- Manufacturing and trading of Double-sided PCB ("**Double-sided PCB**")
- Manufacturing and trading of Multi-layered PCB ("**Multi-layered PCB**")
- Manufacturing and trading of LED lighting
- Trading of tower and electric cable

No information of segment assets and liabilities is available for the assessment of performance of different operating segments. Therefore, only segment turnover and segment results are presented.

Segment Turnover and Results

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

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
TURNOVER – external sales		
Single-sided PCB	**83,113**	102,556
Double-sided PCB	**145,745**	159,371
Multi-layered PCB	**45,619**	44,185
LED lighting	**–**	–
Tradings of tower and electric cable	**–**	34,303
Total	**274,477**	340,415
RESULTS		
Segment losses		
– Single-sided PCB	**(25,664)**	(28,128)
– Double-sided PCB	**(37,615)**	(37,771)
– Multi-layered PCB	**(8,566)**	(10,472)
– LED lighting	**(6,303)**	(8,658)
– Trading of tower and electric cable	**(18,675)**	(57,073)
	(96,823)	(142,102)
Other income	**4,962**	3,364
Central administrative costs	**(4,547)**	(2,204)
Finance costs	**(24,114)**	(24,601)
Loss before tax	**(120,522)**	(165,543)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the loss incurred by each segment after allocation of selling and administrative staff cost with reference to turnover and without allocation of certain other income, central administrative costs (mainly including audit fee, exchange loss and depreciation of property, plant and equipment for administrative purpose) and finance costs. This is the measure reported to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment.

Other Segment Information

Amounts included in the measure of segment results:

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Depreciation and amortisation		
– Single-sided PCB	**4,008**	4,293
– Double-sided PCB	**5,875**	6,671
– Multi-layered PCB	**1,338**	1,849
– LED lighting	**–**	–
– Trading of tower and electric cable	**–**	–
	11,221	12,813
– unallocated	**2,120**	404
	13,341	13,217
Net allowance for expected credit losses recognised in respect of trade and other receivables		
– Single-sided PCB	**187**	5,967
– Double-sided PCB	**274**	9,268
– Multi-layered PCB	**62**	2,570
– LED lighting	**(191)**	(1,302)
– Trading of tower and electric cable	**18,607**	56,259
	18,939	72,762
Write-down of inventories		
– Single-sided PCB	**203**	1,227
– Double-sided PCB	**555**	829
– Multi-layered PCB	**108**	230
– LED lighting	**–**	–
– Trading of tower and electric cable	**–**	–
	866	2,286

Geographical Information

Detailed below is information about the Group's turnover from external customers and information about its non-current assets (excluding trade receivables with extended credit terms and interests in associates), analysed by their geographical location: Group's operations are located in HK and the PRC.

	Turnover from external customers For the year ended 31 December		**Non-current assets As at 31 December**	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Asia:				
HK	**43,360**	60,658	**2,904**	79
Taiwan	**8,148**	8,377	**–**	–
The PRC (other than HK and Taiwan)	**168,235**	230,180	**158,158**	173,132
Other Asian countries	**1,710**	15	**–**	–
Europe:				
Austria	**5,496**	8,561	**–**	–
Hungary	**14,367**	174	**–**	–
Turkey	**26,360**	17,128	**–**	–
France	**1,766**	4,541	**–**	–
Germany	**1,477**	663	**–**	–
Other European countries	**3,558**	5,919	**–**	–
Others	**–**	4,199	**–**	–
	274,477	340,415	**161,062**	173,211

The non-current assets excluded trade receivables with extended credit terms.

Information About Major Customers

No customer of Group has individually contributed 10% or more of the Group during the year and no information about major customer is presented accordingly.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the year of 2019, the Company's PCB business decreased in revenue due to severe competition with competitors and the China-US trade tension. The Group has taken various measures to overcome these challenges. On one hand, the Group has taken various cost-savings and quality improvement measures. The Group also adopted strategic pricing policy and proactive marketing approach to attract more sales orders from both existing and potential customers.

Regarding the LED segment, during the Year, the Group has focused on credit management and optimisation of the trade receivable collection. The Group was also in negotiations with business partners with the view to pursuing projects and business opportunities.

BUSINESS REVIEW

The Group is principally engaged in manufacturing and trading of a broad range of LED lighting and PCBs including single-sided PCBs, double-sided PCBs and multi-layered PCBs (for up to 12 layers), and the trading of tower and electric cable. The breakdown of turnover based on products is summarised as follows:

	Year 2019		Year 2018		Increase/ (decrease)	Change in
	HK$'000	***%***	*HK$'000*	*%*	*HK$'000*	*%*
	(Unaudited)		(Audited)			
Single-sided PCB	**83,113**	**30.3%**	102,556	30.1%	(19,443)	(19.0)%
Double-sided PCB	**145,745**	**53.1%**	159,371	46.8%	(13,626)	(8.5)%
Multi-layered PCB	**45,619**	**16.6%**	44,185	13.0%	1,434	3.2%
Trading of tower and electric cable	**–**	**–**	34,303	10.1%	(34,303)	(100.0)%
	274,477	**100%**	340,415	100%	(65,938)	(19.4)%

Revenue from LED lighting business for the year ended 31 December 2019 was nil.

The three categories of PCB products are mainly applied in consumer electronics, computers and computer peripherals, and communications equipment. During the Year, single-sided PCB and doubled-sided PCB's used for consumer electronics accounted for approximately 83.4% (2018: 76.9%) of the Group's turnover. High-end multi-layered PCBs were also a core product of the Group, accounting for 16.6% (2018: 13.0%) of turnover.

The Group's turnover by geographical regions is summarised as follows:

	Year 2019		Year 2018		Increase/ (decrease)	Change in
	HK$'000	**%**	*HK$'000*	*%*	*HK$'000*	*%*
	(Unaudited)		(Audited)			
Hong Kong	**43,360**	**15.8%**	60,658	17.8%	(17,298)	(28.5)%
The PRC	**168,235**	**61.3%**	230,180	67.6%	(61,945)	(26.9)%
Asia (excluding Hong Kong and the PRC)	**9,858**	**3.6%**	8,392	2.5%	1,466	17.5%
Europe	**53,024**	**19.3%**	36,986	10.9%	16,038	43.4%
Others	**–**	**–**	4,199	1.2%	(4,199)	(100)%
	274,477	**100%**	340,415	100%	(65,938)	(19.4)%

During the year, the Group's revenue decreased mainly due to the decrease of revenue from the segments of single-sided and double-sided PCB and the trading of tower and electric cable.

The Group has two PCB manufacturing plants both located at Zhongshan, Guangdong, the PRC, details of which are summarised as follows:

Production plant	**Location**	**Area**	**Products**	**Production capacity**	**Commencement of operations**
Plant 1	Zhongshan, Guangdong, the PRC	58,000 sq. m.	Single-sided PCBs	530,000 sq. ft. per month	May 2003
Plant 2	Zhongshan, Guangdong, the PRC	52,000 sq. m.	Double-sided and multi-layered PCBs	420,000 sq. ft. per month	October 2007

OUTLOOK

The Board considers that it is vital and necessary for the Group to dedicate more efforts on the research and development with the view to achieving product upgrade. The Group has paid high attention to develop high value-added PCB products, particularly the copper-based PCB engaged in clean and environmental friendly applications.

Regarding the LED segment, the Group intends to focus on credit management and to optimize the trade receivable collection. The Group intends to pursue only after profitable projects with shorter receivable cycle.

THE IMPACT OF NOVEL CORONAVIRUS EPIDEMIC

The Group's production facilities are principally situated in Zhongshan city and Shenzhen city, both in Guangdong Province. Since late January 2020, travel restrictions and other public health measures (the "**Public Health Measures**") including the extension of Chinese new year holiday and quarantine requirements of travelers were imposed in various areas in China in an attempt to contain the novel Coronavirus epidemic (the "**Epidemic**"), as a result of which some staff of the Group were restricted from traveling or otherwise returning to work after holiday. The prolonged effect of the Epidemic and the Public Health Measures affected not only the human resources of the Group, but also the supply chains of raw materials and product shipments and the general economic atmosphere whether in China and globally.

The Epidemic is expected to adversely impact on the business performance of the Group but the actual impact has yet to be quantified. Based on our current observation and estimation, the Group's turnover in January and February 2020 is expected to decrease by over 40% as compared to the corresponding period in 2019 due to human resources bottlenecking arising from the Epidemic and Public Health Measures, and the downtrend is expected to be carried forward to certain extent for the rest of the first quarter or even the first half of 2020 due to the pressure on worldwide supply chain. The Group will take all practicable measures to cope with the challenges ahead, including the implementation of cost-control measures and the exploration of opportunities to further develop its business and enhance its growth potential. In the meantime, the Group is striving for the highest caution standard to protect the health and safety of our staff. The Company will continue to monitor the development of the Epidemic and its impact on the Company's operations, and make further announcement(s) as appropriate if necessary.

EVENTS AFTER THE REPORTING PERIOD

Since January 2020, the Epidemic has impacted the global business environment. Up to the date of these financial statements, the Epidemic has resulted in material adverse impact to the Group's turnover due to human resources bottlenecking arising from the Epidemic and public health measures, and the downtrend is expected to be carried forward to certain extent for the rest of the first quarter or even the first half of 2020 due to the pressure on worldwide supply chain. Pending the development and spread of the Epidemic subsequent to the date of the financial statements, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of these financial statements. The Group will continue to monitor the development of the Epidemic and react actively to its impact on the financial position and operating results of the Group.

FINANCIAL REVIEW

For the Year, the Group's turnover amounted to approximately HK$274.5 million (2018: HK$340.4 million), representing a decrease of 19.4% as compared to the last year. The gross profit margin for the year of 2019 was 0.7% (2018: 1.3%). The gross profit margins for LED lighting, PCBs and tower and electric cable were nil%, 0.7% and nil% respectively.

The decrease in the turnover and gross profit margin for PCB business was mainly attributable to (i) increase in competition in PCB industry; and (ii) reduction in the average selling price of PCB. In addition, as the Group's manufacturing facilities are operated in China, our business is also adversely affected by the China-US trade tension. Loss attributable to shareholders was approximately HK$102.9 million (2018: HK$133.8 million).

Impairment loss in respect of property, plant and equipment

No impairment losses were recognised respectively for 2019 and 2018 in respect of plant and machinery and leasehold improvements.

Written off in respect of inventories

During the year ended 31 December 2019, HK$0.9 million (2018: HK$2.3 million) has been recognised as written off in respect of inventories.

Recognised share based payments

During the year ended 31 December 2019, the Group recognised HK$1.5 million share based payment (2018: HK$3.2 million). No negative cash flow effect is made to the Group as a result of these share based payments.

Impairment loss and amount recovered recognised on trade receivables and other receivables

During the Year, the management performed an impairment assessment and recover amount on trade receivables and other receivables, resulting in net amount impaired of HK$18.9 million (2018: Net impairment impaired of HK$72.7 million) being recognised for the Group's LED lighting, PCB businesses and trading of tower and electric cable.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2019, the Group had total assets of approximately HK$520.3 million (2018: HK$667.5 million) and interest-bearing borrowings of approximately HK$152.5 million (2018: HK$200.5 million), representing a gearing ratio, defined as interest-bearing borrowings over total assets, of approximately 29.3% (2018: 30.0%).

The Group had net current liabilities of approximately HK$94.6 million (2018: net current liabilities of HK$39.1 million) consisted of current assets of approximately HK$353.5 million (2018: HK$477.2 million) and current liabilities of approximately HK$448.1 million (2018: HK$516.4million), representing a current ratio of approximately 0.79 (2018: 0.92).

As at 31 December 2019, the Group had cash and bank balances (including pledged bank deposits) of approximately HK$37.2 million (2018: HK$31.5 million). As at 31 December 2019, the Group had cash and bank balances (excluding pledged bank deposits) of approximately HK$22.4 million (2018: HK$21.2 million).

FOREIGN CURRENCY EXPOSURE

The Group operates in Hong Kong and the PRC with most of the transactions denominated and settled in Hong Kong dollars ("**HK$**") and Renminbi ("**RMB**"). However, foreign currencies, mainly United States Dollars ("**US$**") are required to settle the Group's expenses and additions on property, plant and equipment. There are also sales transactions denominated in US$ and RMB. The Group will use forward contracts to hedge its foreign currency exposure if it considers the risk to be significant.

HUMAN RESOURCES

As at 31 December 2019, the Group employed a total of approximately 716 employees (2018: 1,044), including approximately 680 employees in its Zhongshan production site, 20 employees in its LED division in China and other business units and approximately 16 employees in its Hong Kong office.

The Group's remuneration policy is reviewed regularly with reference to the legal framework, market conditions and the performance of the Group and individual staff. The remuneration policy and remuneration packages of the executive directors and members of the senior management are also reviewed by the remuneration committee. The Group may grant share options and discretionary bonuses to eligible employees based on the performance of the Group and individuals. Under the Group's remuneration policy, employees are rewarded in line with the market rate in compliance with statutory requirements of all jurisdictions where it operates. The Group holds regular training programmes and encourages staffs to attend training courses and seminars that are related directly or indirectly to the Group's business.

CORPORATE STRATEGY

The primary objective of the Company is to enhance long-term total return for our shareholders. To achieve this objective, the Group's strategy is to place equal emphasis on achieving sustainable recurring earnings growth and maintaining the Group's strong financial profile. The Management Discussion and Analysis contain discussions and analysis of the Group's performance and the basis on which the Group generates or preserves value over the longer term and the basis on which the Group will execute its strategy for delivering the Group's objective.

CHARGE OF ASSETS

At the respective end of the reporting periods, the following assets were pledged to banks to secure general banking facilities granted to the Group:

	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Buildings	**111,922**	121,172
Pledged bank deposits	**14,768**	10,333
Right-of-use assets/prepaid lease payments	**16,998**	17,613
	143,688	149,118

LITIGATIONS

(a) The Company was informed by its legal advisers that a writ of summons dated 10 May 2016 under Hong Kong High Court Action No. 1228/2016 (the "**Legal Action**") was filed by Mr. Li Jian Chao ("**Mr. Li**") seeking to claim from the Company an alleged outstanding special bonus payment in the amount of HK$1,640,000. Mr. Li was formerly the chief executive officer and executive director the Company before he resigned on 5 June 2015. On 12 July 2016, the Company filed a defence and counterclaim against Mr. Li (re-amended on 3 May 2018, the "**Counterclaim**"), whereby the Company denied (inter alia) that Mr. Li is entitled to the alleged amount and counterclaimed from Mr. Li (inter alia) a total sum of HK$5,240,000 being wrongful receipts by Mr. Li based on certain invalid resolutions purportedly passed by the Board between 31 December 2014 and 4 June 2015, and/or damages for breach of fiduciary duties by Mr. Li when he was a director of the Company between 1 September 2014 and 5 June 2015. The Company will continue to uphold its rights in the Legal Action and the Counterclaim. In the meantime, the Board considers that the Legal Action and the Counterclaim are unlikely to result in any material adverse effect to the Company's operations or financial position. Further details relating to the Legal Action and Counterclaim are more particularly set out in the Company's announcements dated 13 May and 14 July 2016.

(b) On 13 August 2018, TC Orient (Jiangsu) Optoelectronic Company Limited（達進東方（江蘇）光電有限公司）(“**TCO Jiangsu**”), a subsidiary of the Company, received a writ issued by 連雲港嘉鋭建築工程有限公司 (the “**Plaintiff**”) against TCO Jiangsu and filed with Lianyungang City Lianyun District People’s Court (“**Lianyungang Court**”) together with the related court summons, whereby the Plaintiff alleged that TCO Jiangsu shall make a payment of RMB11,062,094.81 (approximately HK$12,863,000) to them in settlement of certain construction cost (the “**Jiangsu Legal Action**”). The Company has instructed its legal advisor to uphold its right in the Jiangsu Legal Action. In the meantime, the Board considers that the Jiangsu Legal Action is unlikely to result in any material adverse effect to the Company’s operations or financial position.

During the year ended 31 December 2018, the Group entered into a sale and purchase agreement to dispose its 100% equity interest in Best Pursue Holdings Limited (“**Best Pursue**”), TC Orient Jiangsu Holdings Company Limited (“**TC Orient (JS) Holdings**”) and TCO Jiangsu to an independent third party (the “**Purchaser**”) for cash consideration of HK$20,000,000. The disposal was completed on 31 December 2018.

(c) In January 2019, 吳川榮森貿易有限公司 (“**Wuchuan Rongsen**”), a subsidiary of the Company, applied to Wuchuan City District People’s Court（吳川市人民法院）(“**Wuchuan Court**”) to have 廣東威立電力器材有限公司 (“**Guangdong Weili**”) liquidated (the “**Liquidation Application**”) due to its failure to repay trade receivables of RMB48,944,917 on or before 30 May 2018, despite its previous undertaking to Wuchuan Rongsen to do so pursuant to a settlement agreement (the “**Settlement Agreement**”) entered into by the parties in December 2017. As a prudent measure, impairment loss on trade receivables for the year ended 31 December 2018 was made in respect of the entire sum of trade receivables of RMB48,944,917.

OTHER INFORMATION

Dividends

The Board has resolved not to recommend the payment of a final dividend (31 December 2018: Nil).

FUND RAISING ACTIVITIES

Subscriptions of 453,039,495 share at HK$0.10 per share

As announced by the Company on 17 January 2019, the Company entered into share subscription agreements with not less than six share subscribers in relation to the subscriptions of 453,039,495 ordinary shares ("**Subscription Shares**") of the Company at the subscription price of HK$0.10 per Subscription Share. The subscriptions were carried out under the general mandate approved by the Company's shareholders at the annual general meeting held on 6 June 2018. Completion of the subscriptions took place on 21 February 2019, with 453,039,495 ordinary shares of the Company allotted and issued to not less than six share subscribers. The gross and net proceeds from the subscriptions were approximately HK$45.3 million and HK$45.1 million, respectively. It was intended that such net proceeds will be used by the Company for the Group's business development, investments, acquisition, repayment of loan and general working capital purposes. The entire amount of the net proceeds from the subscriptions was utilized as intended before 30 June 2019, including approximately HK$1.2 million for the Group's business development, approximately HK$9.0 million for the Group's repayment of loan and interest expenses, and the remaining HK$34.9 million for the Group's corporate expenses and overheads including salaries and emoluments, rental expenses and professional fees.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of its own listed securities.

CORPORATE GOVERNANCE PRACTICES

The Board of the Company recognises the importance of corporate governance practice of a listed company and is committed to adopting the standards of corporate governance. It is in the interest of the stakeholders and shareholders for a listed company to operate in a transparent manner with the adoptions of various self-regulatory policies, procedures and monitoring mechanisms with a clear definition of accountability of directors and management.

The Company and the Directors confirm, to the best of their knowledge, that the Company complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") as stated in Appendix 14 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") throughout the Year except for the following:

(i) Under Code Provision A.2.1, the roles of Chairman and chief executive officer ("**CEO**") should be separated and not be performed by the same individual. The positions of chairman and CEO are currently vacant. The Company is identifying suitable candidates to fill the vacancies.

(ii) Under Code Provision A.6.7, independent non-executive directors should attend the annual general meeting of the Company. Certain directors did not attend the annual general meeting of the Company held on 30 May 2019 due to other commitments. The Company will improve its advance planning of its corporate actions to better facilitate Directors' attendance.

(iii) Under Code Provision C.1.2, management should provide all members of the Board with monthly updates on the issuer's performance, position and prospects, which may include monthly management accounts and material variance between projections and actual results. During the Year, although management accounts were not circulated to Board members on monthly basis, regular verbal updates were given by management to Directors on working level meetings from time to time, which the management considers to be sufficient and appropriate in the circumstances in giving a balanced and understandable assessment of the Group's performance and enabling Directors to discharge their duties.

The Board and the compliance committee shall continue to monitor and review the Company's corporate governance practices to ensure compliance of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company follows the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules (the "**Model Code**") as the code of conduct for Directors in their dealings in the Company's securities and the incumbent directors confirmed that they have complied with the Model Code during the year ended 31 December 2019.

AUDIT COMMITTEE

As at 31 December 2019 and the date of this Annual Report, the Audit Committee of the Company ("**AC**") comprised of four independent non-executive Directors, namely, Dr. Loke Yu (alias Loke Hoi Lam), Mr. Li Hongxiang, Mr. Wong Kwok On and Mr. Bonathan Wai Ka Cheung. Dr. Loke Yu (alias Loke Hoi Lam) is the chairman of the AC. One out of four AC members, namely, Dr. Loke Yu (alias Loke Hoi Lam), possesses recognised professional qualifications in accounting and has wide experience in audit and accounting.

No former partner of the Company's existing auditing firm acted as a member of the AC within one year from ceasing to be a partner or having any financial interest in the auditing firm.

The AC was delegated with the authority of the Board of the Company to investigate any activity within its terms of reference. The primary function of the AC is to review and supervise the Group's financial reporting process and internal controls. The AC has also reviewed arrangements to enable employees of the Group to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters, and to ensure proper arrangements that in place for fair and independent investigation and follow up actions. The full terms of reference of the AC are available on the Company's website: www.tatchun.com and the website of the Stock Exchange: www.hkexnews.hk.

The Group's Unaudited Annual Results for the year ended 31 December 2019 have been reviewed by the AC, which is of the opinion that such statements comply with applicable accounting standards, the Listing Rules and other legal requirements, and that adequate disclosures have been made.

REVIEW OF UNAUDITED ANNUAL RESULTS

The auditing process for the annual results for the year ended 31 December 2019 has not been completed due to the COVID-19 Coronavirus outbreak. An announcement relating to the audited results will be made when the auditing process has been completed in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants. The Company currently expects that the auditing process should be completed on or before 15 May 2020.

The Unaudited Annual Results contained herein have been reviewed by the audit committee of the Company, but have not been agreed with the Company's auditors.

Due to the outbreak of Coronavirus since January 2020, the Company is unable to arrange for any site visit to our operation centers in China by professional parties in Hong Kong. We therefore cannot rule out the possibility that the impairment assessments conducted by the Company's management over the fair value of accounting items set out in this announcement may be adjusted after taking the advice of professional advisers during the course of the audit process.

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to: (i) the audited results for the year ended 31 December 2019 as agreed by the Company's auditors and the material differences (if any) as compared with the unaudited annual results contained herein; (ii) the proposed date of the forthcoming annual general meeting of the Company (the "**2020 AGM**"); and (iii) the book closure period for the purpose of ascertaining shareholders' eligibility to attend and vote at the 2020 AGM. In addition, the Company will issue further announcement as and when necessary if there are other material development in the completion of the auditing process.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This Unaudited Annual Results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (http://www.hkex.com.hk) and the Company. Due to the delay in the completion of the financial reporting and auditing works as a result of the Coronavirus epidemic as set out in the Company's announcement dated 11 March 2020, the Company currently expects that the annual report of the Company for the year ended 31 December 2019 containing all the information as required by the Listing Rules should be dispatched to the shareholders of the Company and made available for review on the same websites on or before 15 May 2020.

WARNING STATEMENT

The financial information contained in this announcement in respect of the annual results of the Group have not been audited nor agreed with the Company's auditors. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
TC Orient Lighting Holdings Limited
Zeng Yongguang
Executive Director

Hong Kong, 27 March 2020

As at the date hereof, the Board comprises Mr. Zeng Yongguang, Mr. Xu Ming, Mr. Guo Jun Hao, Mr. Mai Huazhi and Mr. Yau Yan Ming Raymond as executive Directors; and Mr. Li Hongxiang, Mr. Wong Kwok On, Mr. Bonathan Wai Ka Cheung and Dr. Loke Yu (alias Loke Hoi Lam) as independent non-executive Directors.