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RENTIAN TECHNOLOGY HOLDINGS LIMITED

仁天科技控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00885)

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

RESULTS

Triggered by the epidemic outbreak of coronavirus disease (COVID-19) in early 2020, the audit process for the annual results of Rentian Technology Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) for the year ended 31 December 2019 has been delayed and not been fully completed as of the date of this announcement, while in order to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the business operation and financial position of the Group, the board (the “**Board**”) of directors (the “**Directors**”) of the Company decides to publish the unaudited annual results announcement of the Group for the year ended 31 December 2019 together with the audited comparative figures for the corresponding period in 2018 on the planned date of announcement first. The Company will issue further announcement(s) in relation to the audited results for the year ended 31 December 2019 as agreed by the Company’s auditors following the completion of the auditing process once it can be ascertained.

The Board announces the unaudited consolidated results of the Group for the year ended 31 December 2019 (hereafter referred to as the “**Year**” or “**the reporting period**”) with audited comparative figures for 2018, as follows.

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2019

	Note	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Revenue	2(a)	175,507	1,134,936
Cost of sales		<u>(658,908)</u>	<u>(924,459)</u>
Gross (loss) profit		(483,401)	210,477
Other income	2(b)	25,904	38,540
Selling and distribution expenses		(113,469)	(128,191)
General and administrative expenses		(701,396)	(422,199)
Changes in fair value of financial assets at fair value through profit or loss		<u>(146,584)</u>	<u>(1,479,954)</u>
Loss from operation		(1,418,946)	(1,781,327)
Finance costs	4	(142,748)	(205,698)
Share of result of associates		(26)	—
Changes in fair value of contingent consideration payables		—	16,524
Forfeiture of a deposit paid for acquisition of a subsidiary		—	(3,000)
Impairment of intangible assets		(14,124)	(59,419)
Impairment of goodwill	8	<u>(120,110)</u>	<u>(897,375)</u>
Loss before taxation		(1,695,954)	(2,930,295)
Taxation	5	<u>837</u>	<u>(16,381)</u>
Loss for the year		<u>(1,695,117)</u>	<u>(2,946,676)</u>
Other comprehensive loss:			
<i>Item that will not be reclassified to profit or loss:</i>			
Changes in fair value of financial assets designated at fair value through other comprehensive income		<u>(14,295)</u>	<u>(34,239)</u>
		<u>(14,295)</u>	<u>(34,239)</u>
<i>Items that are or may be reclassified to profit or loss:</i>			
Exchange differences arising from translation of foreign operations		<u>(8,839)</u>	<u>(53,474)</u>
		<u>(8,839)</u>	<u>(53,474)</u>
Other comprehensive loss for the year		<u>(23,134)</u>	<u>(87,713)</u>
Total comprehensive loss for the year		<u><u>(1,718,251)</u></u>	<u><u>(3,034,389)</u></u>

	<i>Note</i>	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Loss attributable to:			
Owners of the Company		(1,541,664)	(2,835,001)
Non-controlling interests		<u>(153,453)</u>	<u>(111,675)</u>
		<u>(1,695,117)</u>	<u>(2,946,676)</u>
Total comprehensive loss attributable to:			
Owners of the Company		(1,561,852)	(2,909,675)
Non-controlling interests		<u>(156,399)</u>	<u>(124,714)</u>
		<u>(1,718,251)</u>	<u>(3,034,389)</u>
		<i>HK cents</i>	<i>HK cents</i>
Basic loss per share	7	<u>(13.99)</u>	<u>(25.49)</u>
Diluted loss per share	7	<u>(13.99)</u>	<u>(25.49)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	<i>Note</i>	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment		63,360	82,029
Right-of-use assets		24,121	—
Intangible assets		52,102	67,873
Goodwill	8	123,982	244,092
Interests in associates		3,692	—
Financial assets designated at fair value through other comprehensive income	9	218,966	233,261
Financial assets at fair value through profit or loss	10	—	20,285
Pledged bank deposits		2,950	1,808
Deferred tax assets		3,567	3,828
		<u>492,740</u>	<u>653,176</u>
Current assets			
Inventories		217,780	201,835
Financial assets at fair value through profit or loss	10	165,559	2,262,871
Loan receivables	11	—	149,609
Trade and other receivables	12	371,227	709,258
Income tax receivables		1,648	3,004
Pledged bank deposits		4,553	9,451
Bank balances and cash		225,912	335,913
		<u>986,679</u>	<u>3,671,941</u>
Current liabilities			
Trade and other payables	13	424,939	448,524
Lease liabilities		9,608	—
Income tax payables		41,787	42,504
Interest-bearing borrowings	14	445,067	1,324,863
Promissory notes	15	475,928	645,975
Convertible bonds		696,646	672,117
		<u>2,093,975</u>	<u>3,133,983</u>

	<i>Note</i>	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Net current (liabilities) assets		<u>(1,107,296)</u>	<u>537,958</u>
Total assets less current liabilities		<u>(614,556)</u>	<u>1,191,134</u>
Non-current liabilities			
Lease liabilities		14,783	—
Interest-bearing borrowings	<i>14</i>	—	121
Deferred tax liabilities		4,088	4,609
Promissory notes	<i>15</i>	—	90,662
		<u>18,871</u>	<u>95,392</u>
NET (LIABILITIES) ASSETS		<u><u>(633,427)</u></u>	<u><u>1,095,742</u></u>
Capital and reserves			
Share capital	<i>16</i>	11,022	11,022
Reserves		<u>(679,150)</u>	<u>893,300</u>
Equity attributable to owners of the Company		<u>(668,128)</u>	904,322
Non-controlling interests		<u>34,701</u>	<u>191,420</u>
TOTAL (DEFICIT) EQUITY		<u><u>(633,427)</u></u>	<u><u>1,095,742</u></u>

NOTES

1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES

General Information

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The functional currency of the Group is Hong Kong dollars (“**HK\$**”) except for those subsidiaries established in the People’s Republic of China (the “**PRC**” or “**China**”), Renminbi (“**RMB**”) is the functional currency.

Basis of preparation

As at 31 December 2019, the Group had net current liabilities of approximately HK\$1,107,296,000 and net liabilities of approximately HK\$633,427,000. There is a material uncertainty related to these conditions that may cast significant doubt on the Group’s ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors of the Company have reviewed the Group’s cash flow projections which cover a period of fifteen months from 31 December 2019. They are of the opinion that the Group will have sufficient working capital to meet its financial obligations, that will be due in the coming fifteen months from 31 December 2019, and the on-going covenants compliance upon successful implementation of the following measures which will generate adequate financing and operating cash inflows for the Group:

(i) obtaining additional financing from a financial institution; (ii) the Group has obtained letters of undertakings from the controlling shareholder and certain companies controlled by the controlling shareholder confirming that they will provide financial support to the Group to meet its present and future financial obligations as they fall due in the next fifteen months; (iii) the Group will actively pursue additional financing including, but not limited to, equity and debt financing and bank borrowings; (iv) the Group will continue to negotiate with the Group’s creditors with a view to extend the repayment terms of the Group’s current liabilities as they fall due; (v) the Directors will continue to implement measures aiming at improving the working capital and cash flows of the Group, including close monitoring of general administrative expenses and operating costs; (vi) the Group is actively reorganizing the IoT (as defined below) business, through means of asset restructuring, to dispose equity interests in unprofitable subsidiaries and endeavoring to negotiate with a potential vendor for the acquisition of a company engaged in investment management and consultation and financial technology business in the mainland China, improving the profitability of the Company.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the unaudited condensed financial information of the Group for the year ended 31 December 2019 on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to obtain the necessary funding and achieve the plans and measures above. The Group’s ability to continue as a going concern would depend upon whether the Group is able to obtain financing when required, the attainability depends on the performance of the Group and whether the Group is able to generate sufficient cash flow from operations and plans to control costs, the attainability depends on the market performance.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the unaudited consolidated financial statements.

These unaudited consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2018 audited consolidated financial statements except for the adoption of the following new/revised Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by The Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are relevant to the Group and effective for the annual period beginning on 1 January 2019:

Annual Improvements to HKFRSs	2015–2017 Cycle
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKAS 19	Employee Benefits
Amendments to HKAS 28	Investments in Associates and Joint Ventures
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
HKFRS 16	Leases

Except for the recognition of right-of-use assets and lease liabilities upon the adoption of HKFRS 16, the adoption of the above new/revised HKFRSs does not have any significant impact on the unaudited consolidated financial statements of the Group.

2. REVENUE AND OTHER INCOME

An analysis of the Group’s revenue and other income by category:

	2019 <i>HK\$’000</i> (Unaudited)	2018 <i>HK\$’000</i> (Audited)
(a) Revenue		
<u>Revenue from contracts with customers within HKFRS 15</u>		
Sale of products	589,029	788,430
Rendering of services	339,037	445,472
	<u>928,066</u>	<u>1,233,902</u>
<u>Revenue from other sources</u>		
Dividend income from financial assets at fair value through profit or loss (“FVPL”)	—	52,547
Interest income from financial assets at FVPL	12,571	2,318
Net realised loss on disposal of financial assets at FVPL	(766,758)	(167,523)
Interest income from loan receivables	1,628	13,692
	<u>(752,559)</u>	<u>(98,966)</u>
	<u>175,507</u>	<u>1,134,936</u>

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
(b) Other income		
Amortisation of deferred day-one gain (<i>note 15</i>)	8,922	11,070
Government grant (<i>note</i>)	7,984	13,667
Interest income from financial institutions	1,992	10,627
Others	<u>7,006</u>	<u>3,176</u>
	<u><u>25,904</u></u>	<u><u>38,540</u></u>

Note: Government grant represent rewards to certain subsidiaries of the Company located in the PRC with no further obligations and conditions to be complied with.

3. SEGMENTAL INFORMATION

The following is an analysis of the Group's revenue and results by operating segments, based on information provided to the chief operating decision maker (the "CODM") who is the executive Director of the Company, for the purpose of allocating resources to segments and assessing their performance. This is also the basis upon which the Group is arranged and organised.

During the years ended 31 December 2019 and 2018, there are four reportable and operating segments as follows:

- (a) Integrated smart Internet-of things ("IoT") solution
- (b) Human-machine Interactive Devices ("HMID")
- (c) Intelligent documentation service ("IDS")
- (d) Securities and other investment ("Investing")

The Group's other operating segments do not meet any of the quantitative thresholds for determining as reportable segments. The information of these other operating segment is included in the "Unallocated" column.

Segments results represent the results from each reportable segment without allocation of finance costs. The following analysis is the measure reported to executive directors, being the CODM, for the purposes of resources allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources between segments, all direct segment assets and liabilities are grouped under respective reportable segments and the remaining assets and liabilities are grouped as unallocated corporate assets and liabilities.

By business segments

An analysis of the Group's revenue and results by reportable segment is set out below:

	Year ended 31 December 2019					Total <i>HK\$'000</i> (Unaudited)
	IoT solution <i>HK\$'000</i> (Unaudited)	HMID <i>HK\$'000</i> (Unaudited)	IDS <i>HK\$'000</i> (Unaudited)	Investing <i>HK\$'000</i> (Unaudited)	Unallocated <i>HK\$'000</i> (Unaudited)	
Revenue from contracts with customers within						
HKFRS 15						
Sale of products, at a point in time	74,082	514,947	—	—	—	589,029
Rendering of services, over time	138,428	8,016	192,593	—	—	339,037
	<u>212,510</u>	<u>522,963</u>	<u>192,593</u>	<u>—</u>	<u>—</u>	<u>928,066</u>
Revenue from other sources						
Interest income from financial assets at FVPL	—	—	—	12,571	—	12,571
Net realised loss on disposal of financial assets at FVPL	—	—	—	(766,758)	—	(766,758)
Interest income from loan receivables	—	—	—	—	1,628	1,628
	<u>—</u>	<u>—</u>	<u>—</u>	<u>(754,187)</u>	<u>1,628</u>	<u>(752,559)</u>
Total revenue	<u>212,510</u>	<u>522,963</u>	<u>192,593</u>	<u>(754,187)</u>	<u>1,628</u>	<u>175,507</u>
Operating results						
Segment results	<u>(383,475)</u>	<u>(92,989)</u>	<u>22,247</u>	<u>(912,467)</u>	<u>(186,522)</u>	<u>(1,553,206)</u>
Finance costs						<u>(142,748)</u>
Loss before taxation						<u>(1,695,954)</u>

	Year ended 31 December 2018					
	IoT solution	HMID	IDS	Investing	Unallocated	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Revenue from contracts with customers within						
HKFRS 15						
Sale of products, at a point in time	125,319	663,111	—	—	—	788,430
Rendering of services, over time	213,537	6,185	225,750	—	—	445,472
	<u>338,856</u>	<u>669,296</u>	<u>225,750</u>	<u>—</u>	<u>—</u>	<u>1,233,902</u>
Revenue from other sources						
Dividend income from financial assets at FVPL	—	—	—	52,547	—	52,547
Interest income from financial assets at FVPL	—	—	—	2,318	—	2,318
Net realised loss on disposal of financial assets at FVPL	—	—	—	(167,523)	—	(167,523)
Interest income from loan receivables	—	—	—	—	13,692	13,692
	<u>—</u>	<u>—</u>	<u>—</u>	<u>(112,658)</u>	<u>13,692</u>	<u>(98,966)</u>
Total revenue	<u><u>338,856</u></u>	<u><u>669,296</u></u>	<u><u>225,750</u></u>	<u><u>(112,658)</u></u>	<u><u>13,692</u></u>	<u><u>1,134,936</u></u>
Operating results						
Segment results	<u><u>(1,131,541)</u></u>	<u><u>13,640</u></u>	<u><u>27,179</u></u>	<u><u>(1,596,798)</u></u>	<u><u>(37,077)</u></u>	<u><u>(2,724,597)</u></u>
Finance costs						<u>(205,698)</u>
Loss before taxation						<u><u>(2,930,295)</u></u>

4. FINANCE COSTS

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Interest on promissory notes (<i>note 15</i>)	42,782	53,067
Interest on convertible bonds	53,444	70,094
Interest on interest-bearing borrowings	<u>45,559</u>	<u>82,527</u>
Interest expenses for financial liabilities at amortised cost	141,785	205,688
Interest on lease liabilities	963	—
Finance charges on obligations under finance leases	<u>—</u>	<u>10</u>
	<u><u>142,748</u></u>	<u><u>205,698</u></u>

5. TAXATION

Hong Kong Profits Tax has not been provided as the Group's entities either have no assessable profit or incurred a loss for taxation purposes for the years ended 31 December 2019 and 2018.

The applicable PRC Enterprise Income Tax (“EIT”) for the PRC subsidiaries is at the statutory rate of 25% (2018: 25%) based on their taxable profit, unless otherwise specified below.

Six (2018: seven) PRC subsidiaries of the Company have been officially designated by the local tax authority as “High and New Technology Enterprises”. A reduced tax rate of 15% (2018: 15%) for the period of three years was granted as long as those PRC subsidiaries meet the high-tech enterprise qualification.

In 2017, a PRC subsidiary of the Company was qualified as software enterprises and granted a tax holiday of two-year tax exemption followed by three-year 50% tax reduction (subject to annual review), starting from the first profit making year from the PRC tax perspective under the then effective tax regulations. This PRC subsidiary made the first-year profit in 2016. As a result, it is exempted from EIT for 2017, and is subject to EIT at 12.5% from 2018 to 2020 and at 25% from 2021 onwards.

Withholding tax represents tax charged by the PRC tax authority on dividends distributed by the Group's PRC subsidiaries.

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Current tax		
PRC EIT		
Current year	(5,051)	(10,574)
Over provision in prior year	5,084	4,110
	<u>33</u>	<u>(6,464)</u>
Withholding tax	<u>—</u>	<u>(31,878)</u>
Deferred tax	<u>804</u>	<u>21,961</u>
Tax credit (expenses) for the year	<u>837</u>	<u>(16,381)</u>

6. DIVIDENDS

The directors of the Company do not recommend the payment of final dividend for the year ended 31 December 2019 (2018: Nil).

7. LOSS PER SHARE

The calculation of basic and diluted loss per share are based on the following data:

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Numerator		
Loss attributable to owners of the Company used in computing basic and diluted loss per share	<u>(1,541,664)</u>	<u>(2,835,001)</u>
	2019 <i>'000 shares</i>	2018 <i>'000 shares</i>
Denominator		
Weighted average number of ordinary shares in issue during the year used in computing basic and diluted loss per share	<u>11,022,580</u>	<u>11,123,292</u>

Notes:

- (a) The weighted average number of ordinary shares in issue during the years ended 31 December 2019 and 2018 takes into account the effects arising from the repurchasing of shares during the respective years as set out in note 16 to this announcement.
- (b) For the years ended 31 December 2019 and 2018, other dilutive potential ordinary shares were excluded from the calculation of diluted loss per share as their inclusion would have been anti-dilutive or the specific conditions were not met.

8. GOODWILL

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Reconciliation of carrying amount		
At beginning of the reporting period	244,092	1,141,467
Impairment losses	<u>(120,110)</u>	<u>(897,375)</u>
At end of the reporting period	<u>123,982</u>	<u>244,092</u>
At 31 December		
Cost	1,341,467	1,341,467
Accumulated impairment losses	<u>(1,217,485)</u>	<u>(1,097,375)</u>
	<u>123,982</u>	<u>244,092</u>

9. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Unlisted equity securities in a private limited company incorporated outside Hong Kong	<u>218,966</u>	<u>233,261</u>

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Held for trading		
Equity securities listed in Hong Kong	6,243	1,696,636
Bonds listed outside Hong Kong	—	348,765
Measured at FVPL		
Wealth management products, unlisted	12,863	55,565
Unlisted equity securities in a private limited company incorporated outside Hong Kong	121,790	136,212
Unlisted equity securities in a private limited company incorporated in Hong Kong	24,663	25,693
Unlisted partnership investments	—	20,285
	<u>165,559</u>	<u>2,283,156</u>
Analysed as:		
Current portion	165,559	2,262,871
Non-current portion	—	20,285
	<u>165,559</u>	<u>2,283,156</u>

11. LOAN RECEIVABLES

Loans granted to borrowers are repayable according to repayment schedules. The balance comprises loan receivables from:

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Loan receivables	175,833	194,276
Less: Loss allowance	<u>(175,833)</u>	<u>(44,667)</u>
	<u>—</u>	<u>149,609</u>

12. TRADE AND OTHER RECEIVABLES

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Trade receivables		
Trade receivables	324,744	452,323
Less: Loss allowance	<u>(104,088)</u>	<u>(134,483)</u>
	<u>220,656</u>	<u>317,840</u>
Notes receivables	<u>1,377</u>	<u>2,337</u>
Other receivables		
Prepayments to suppliers, net of loss allowance	85,667	225,419
Prepayments	2,262	4,030
Deposits and other debtors, net of loss allowance	<u>61,265</u>	<u>159,632</u>
	<u>149,194</u>	<u>389,081</u>
	<u><u>371,227</u></u>	<u><u>709,258</u></u>

13. TRADE AND OTHER PAYABLES

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Trade payables to third parties	<u>189,224</u>	<u>215,548</u>
Notes payables	<u>15,304</u>	<u>25,824</u>
Other payables		
Accrued charges	88,266	87,582
Interest payables	48,822	31,364
Other creditors	45,743	51,635
Trade deposits received	<u>37,580</u>	<u>36,571</u>
	<u>220,411</u>	<u>207,152</u>
	<u><u>424,939</u></u>	<u><u>448,524</u></u>

14. INTEREST-BEARING BORROWINGS

	<i>Note</i>	2019 HK\$'000 (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Bank borrowings, unsecured and guaranteed		5,593	28,405
Bank borrowings, secured and unguaranteed		2,237	14,801
Bank borrowings, secured and guaranteed	<i>(a)</i>	180,000	200,000
Bank borrowings, unsecured and unguaranteed		2,237	—
Margin loan, secured and unguaranteed		—	685,499
Loan from a third party, unsecured and unguaranteed		5,000	5,000
Loans from financial institutions, secured and guaranteed	<i>(b)</i>	250,000	391,000
Obligations under finance leases		—	279
		445,067	1,324,984
The maturity of the interest-bearing borrowings are as follows:			
Within 1 year		445,067	1,324,863
2 to 5 years		—	121
		445,067	1,324,984
Portion classified as current liabilities		(445,067)	(1,324,863)
Non-current portion		—	121

Notes:

(a) Bank borrowings, secured and guaranteed

The bank borrowings carried interest at The Hong Kong Interbank Offered Rate (“**HIBOR**”) plus 5.6% per annum (2018: HIBOR plus 4.6% per annum). The bank borrowings were secured by the charges over the entire issued share capital in certain subsidiaries of the Company, guaranteed by the controlling shareholder of the Company (2018: the same). The bank borrowings are overdue as at 31 December 2019 (2018: due in March 2019).

(b) Loans from financial institutions, secured and guaranteed

The loans due to financial institutions of HK\$250,000,000 (2018: HK\$250,000,000) is secured by the shares of Enterprise Development Holdings Limited (“**Enterprise Development**”), a company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange, guaranteed by the controlling shareholder of the Company and carried interest rate at The Bank of China (Hong Kong) Limited’s HK\$ prime rate plus 2% per annum (2018: the same). The loans are overdue as at 31 December 2019 (2018: due in July 2019).

The remaining loans due to financial institutions of HK\$141,000,000 in 2018 is secured by a securities account, with a total market value of approximately HK\$451,396,000 as at 31 December 2018, guaranteed by the controlling shareholder of the Company and carried at fixed rate of 6.625%. The loans are fully settled during the Year.

15. PROMISSORY NOTES

	Debt component <i>HK\$'000</i> (Unaudited)	Deferred day-one gain <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
At 1 January 2019	723,221	13,416	736,637
Interest charged for the year (<i>note 4</i>)	42,782	—	42,782
Interest payable on promissory notes included in other payables	(29,291)	—	(29,291)
Amortisation of deferred day-one gain (<i>note 2(b)</i>)	—	(8,922)	(8,922)
Settlement	(265,278)	—	(265,278)
At 31 December 2019	<u>471,434</u>	<u>4,494</u>	<u>475,928</u>

16. SHARE CAPITAL

	2019		2018	
	No. of shares '000	<i>HK\$'000</i> (Unaudited)	No. of shares '000	<i>HK\$'000</i> (Audited)
Authorised:				
At beginning of the reporting period and at end of the reporting period				
Ordinary shares of HK\$0.001 each	<u>5,000,000,000</u>	<u>5,000,000</u>	<u>5,000,000,000</u>	<u>5,000,000</u>
Issued and fully paid:				
At beginning of the reporting period				
Ordinary shares of HK\$0.001 each	11,022,580	11,022	11,148,390	11,148
Shares repurchased and cancelled	—	—	(125,810)	(126)
At end of the reporting period				
Ordinary shares of HK\$0.001 each	<u>11,022,580</u>	<u>11,022</u>	<u>11,022,580</u>	<u>11,022</u>

During the year, pursuant to the general mandate given to the Directors, the Company repurchased a total of 270,000 of its shares on the Stock Exchange, in which no shares were cancelled and recognised as treasury shares as at 31 December 2019. The total consideration paid to repurchase these shares were approximately HK\$6,000, which has been deducted from equity attributable to the owners of the Company.

17. OTHER EVENTS AND EVENTS AFTER THE REPORTING PERIOD

Other than disclosed elsewhere in the announcement, a summary of other events and events transacted after end of the reporting period is set out below:

(a) **Placing of new shares of Enterprise Development which constitute a deemed disposal of the Company**

On 4 February 2020, Enterprise Development completed its placing and a total of 105,301,796 placing shares of Enterprise Development were allotted and issued to not less than six places at the placing price of HK\$0.249 per placing share. The net proceeds arising from the placing amounted to approximately HK\$25.41 million (after deduction of commission and other expenses of the placing), which is intended to be used as general working capital of Enterprise Development.

Upon completion of the placing, Enterprise Development indirectly owned as to approximately 32.27% by the Company and 12.03% by Mr. King Pak Fu (“**Mr. King**”), the controlling shareholder of the Company. Together with Mr. King’s 12.03% voting right, the Company have 44.30% voting right at Enterprise Development. The Board has assessed the changes and concluded that the Company still has de facto control over Enterprise Development and the financial results of Enterprise Development will continue to be consolidated in that of the Company.

Details of the placing of new shares of Enterprise Development were set out in the announcements of the Company dated 21 January 2020, 29 January 2020 and 10 February 2020.

(b) **Negotiations on acquisition of businesses and disposal of subsidiaries**

Negotiation on acquisition of businesses

The Company is endeavouring to negotiate with a potential vendor for the acquisition of a company engaged in investment management and consultation and financial technology business in the mainland China (the “**Target Company**”). The principal businesses of the Target Company include: 1) investment management and investment consultation; 2) financial technology business: focusing on AI-assisted investment advisory, big data platform and cloud service.

Details of the negotiation on acquisition of businesses were set out in the announcement of the Company dated 26 February 2020.

Negotiations on disposal of subsidiaries

The Company is negotiating with certain potential purchasers in respect of the disposal of subsidiaries namely Qingdao Jiashengtai Technology Services Co. Ltd* (青島嘉盛泰科技服務有限公司), Shenzhen CNEOP Technology Company Limited* (深圳市中光遠科技有限公司), Beijing Weein Software Technology Company Limited* (北京微應軟件科技有限公司) and Shenzhen Hexicom Technologies Company Limited* (深圳市海億康科技有限公司).

Details of the negotiations on disposal of subsidiaries were set out in four respective announcements of the Company all dated 26 February 2020.

(c) Winding up orders against shareholders of the Company

It had come to the attention of the Board on 26 February 2020 that two letters dated 22 January 2020 were issued by the Official Receiver's Office to the Company that winding up orders were made by the High Court of Hong Kong against Better Joint Venture Limited and Mystery Idea Limited, the substantial shareholders of the Company, on 22 January 2020.

Details of the winding up orders against shareholders of the Company were set out in the announcement of the Company dated 26 February 2020.

(d) Winding up petition of the Company

On 19 March 2020, the Company received a winding up petition from the High Court of The Hong Kong Special Administrative Region (Companies Winding-up Proceedings No. 63 of 2020) (the "Petition") in respect of certain alleged indebtedness owed to certain individual bondholders. The Petition is listed to be heard at 9:30 a.m. on 17 June 2020. The Company is seeking professional legal advice in respect of the Petition.

Details of the Petition were set out in the announcement of the Company dated 20 March 2020.

(e) Impact of COVID-19

The recent escalation of COVID-19 to a global pandemic has an adverse impact on market sentiments and posed challenge to the whole world. The Group continues to closely monitor the development of the pandemic and takes all possible and reasonable measures to mitigate the effect on the Group's operations.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECT

The trade war between China and the United States was not resolved until the two sides reached an agreement in early 2020. Affected by the growing concerns over the COVID-19, economic situation of China and Hong Kong are expected to be uncertain. The global stock market, including PRC and Hong Kong, suffered a severe blow due to the uncertainty of global business market. The Group will closely monitor the stock market and will adopt a more prudent approach in securities investment.

Additionally, the severe competition in the information technology industry in China is expected to adversely affect the financial performance of the Group's internet-of-things solutions business and related businesses. In coming years, the operation of the IoT business is expected to remain challenging. The Group will endeavour to expand customer base in coming years to improve the financial performance of this segment. The Group's management will continue to pay close attention to the prospect of profitable business segments and to maximize the interests of Shareholders.

Looking forward, the Company will adopt a proactive attitude in the Chinese IoT sector and focus the capital and management resources on the core and major business activities by integrating the existing resources and optimising the business portfolio.

BUSINESS REVIEW

The Group has the following major business activities during the Year:

IoT Business

The major business activities of the Group covers cloud computing and data processing and analysis (“**cloud**”), telecommunication infrastructure and technologies (“**pipeline**”) and terminal computing (“**endpoint**”) for corporate IoT systems.

The Group’s IoT business can be further divided into 3 segments, namely (i) IoT solution; (ii) HMID; and (iii) IDS. During the Year, the Group’s segment loss from the IoT solution business amounted to approximately HK\$383.5 million for the Year, representing a decrease of approximately 66.1% from segment loss amounted to approximately HK\$1,131.5 million in the year of 2018. Segment profit from the IDS business decreased to approximately HK\$22.2 million for the Year, representing an decrease of approximately 18.4% from approximately HK\$27.2 million in the year of 2018. Segment profit from the HMID business of HK\$13.6 million in the year 2018 decreased to segment loss of approximately HK\$93.0 million, representing a decrease of approximately 783.8% for the Year.

Impairment of goodwill in IoT solution segment

The US-China trade war spreading from goods to services has brought unfavorable market conditions to the IoT solution segment in the PRC and weakened the ultimate customers’ confidence. Also, the increasing restrictions and regulations imposed to the new entrants and existing market players further increased the difficulties in the development of existing and potential customers. Along with the reduction on number of customers followed by keen competition in the market and the slowdown in growth of the PRC economy, the IoT solution segment faced a challenging year in 2019.

These circumstances indicated that impairment on goodwill and intangible assets arising from the acquisition of subsidiaries under IoT solution segment in previous years is necessary. The Group has made a downward adjustment on the profit of these acquired subsidiaries in the financial forecast based on the current circumstances as discussed above. Impairment loss on goodwill and intangible assets amounted to approximately HK\$120.1 million and approximately HK\$14.1 million respectively was recognised for the Year.

Securities Investment Business

The Group invested in various financial instruments as both short-term and long-term investments. During the Year, the Group recorded a net realised loss on disposal of financial assets at fair value through profit or loss of approximately HK\$766.8 million and a loss on changes in fair value of financial assets at fair value through profit or loss of approximately HK\$146.6 million.

The Group's significant investments (i.e. investment with carrying amount exceeding 5% of the total assets of the Group) held as at 31 December 2019 are as follows:

The Group's equity interests in Co-Lead Holdings Limited (“**Co-Lead**”), a company incorporated in the British Virgin Islands (“**BVI**”) with limited liability. As at 31 December 2019, the Group held 8.58% (2018: 8.58%) equity interests in Co-Lead with fair value of HK\$218,966,000 (2018: HK\$233,261,000) which was classified as financial assets designated at fair value through other comprehensive income as set out in note 9 to the unaudited consolidated financial statements. During the year ended 31 December 2019, a decrease in fair value of HK\$14,295,000 (2018: HK\$34,239,000) in Co-Lead was recognised in fair value reserve (non-recycling). The principal activity of Co-Lead is investment holding. The investment in Co-Lead with carrying amount is 14.8% of the total assets of the Group held as at 31 December 2019 (2018: 5.4%).

In August 2018, the Group entered into a subscription agreement with Satinu Resources Group Limited (“**Satinu**”), a company incorporated in the BVI with limited liability, pursuant to which the Group shall acquire 2.11% equity interests in Satinu at a consideration of HK\$175,000,000 by issuing promissory notes. Due to the allotment of new shares to other investors during 2019, the Group's equity interests in Satinu were diluted from 2.11% to 1.76%. As at 31 December 2019, the Group's 1.76% equity interest in Satinu with fair value of HK\$121,790,000 (2018: HK\$136,212,000) was classified as financial assets at fair value through profit or loss as set out in note 10 to the unaudited consolidated financial statements. The principal activities of Satinu are provision of integrated financial services, securities brokerage services, money lending, securities and other direct investments.

During the year ended 31 December 2019, the fair value loss of HK\$14,422,000 (2018: HK\$35,028,000) in respect of the investments in Satinu was recognised in profit or loss. The investment in Satinu with carrying amount is 8.2% of the total assets of the Group held as at 31 December 2019 (2018: 3.1%).

Money Lending Business

The Group provides short-term loans to various borrowers. Those short-term loans carried interest rates ranging from 5% to 18% per annum. During the Year, the money lending business contributed a loan interest income of approximately HK\$1.6 million to the Group.

FINANCIAL REVIEW

Results for the Year

During the Year, the US-China trade war has become an escalating technological cold war. Emerging technologies such as the IoT industry in China faced immense challenges. The Group's revenue for the Year decreased from approximately HK\$1,134.9 million for the year ended 31 December 2018 to approximately HK\$175.5 million, representing a year-on-year decrease of 84.5%. The decrease in revenue was mainly caused by the changes in revenue in the following businesses:

Business	2019	2018	Changes	
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>%</i>
IoT solution	212.5	338.9	(126.4)	(37.3)
HMID	523.0	669.3	(146.3)	(21.9)
IDS	192.6	225.8	(33.2)	(14.7)
Investing	(754.2)	(112.7)	(641.5)	569.2

The Group recorded a loss before taxation of approximately HK\$1,696.0 million (2018: loss before taxation of approximately HK\$2,930.3 million). The loss before taxation was mainly attributable from:

- the unrealised fair value loss of financial assets at fair value through profit or loss of approximately HK\$146.6 million (2018: loss of approximately HK\$1,480.0 million);
- the impairment of goodwill of approximately HK\$120.1 million (2018: approximately HK\$897.4 million); and
- the increase in loss allowance of trade receivables, loan receivables, and prepayment and other receivables amounting to approximately HK\$52.4 million (2018: approximately HK\$118.4 million), HK\$130.9 million (2018: approximately HK\$24.4 million) and HK\$268.6 million (2018: Nil) respectively caused by certain major customers and debtors of the Group, as these amounts are overdue and the Board is of the view that the repayment abilities of these customers have significantly reduced.

Liquidity, Financial Resources, Borrowing and Gearing Ratio

As at 31 December 2019, the current assets and current liabilities of the Group were approximately HK\$986.7 million (31 December 2018: approximately HK\$3,671.9 million) and approximately HK\$2,094.0 million (31 December 2018: approximately HK\$3,134.0 million) respectively. The liquidity ratio, which is calculated as current assets over current liabilities, was approximately 0.47 times as at 31 December 2019, as compared to that of approximately 1.17 times as at 31 December 2018.

The Group financed its operation largely through internal cash resources and interest-bearing borrowings. As at 31 December 2019, the Group maintained cash and bank balances (including pledged bank deposits) at approximately HK\$233.4 million (31 December 2018: approximately HK\$347.2 million). The decrease in cash and bank balances was mainly due to payment of borrowings during the Year. The Group's gearing ratio, expressed as a percentage of total borrowings and long-term debts (including promissory notes) over total deficit and borrowings and long-term debts (including promissory notes), was stated at 162.8% (31 December 2018: total borrowings and long-term debts (including promissory notes) over total equity and borrowings and long-term debts (including promissory notes) was 71.4%). The increase in gearing ratio was mainly due to the loss for the Year of approximately HK\$1,696.0 million.

The Group's total assets and total liabilities as at 31 December 2019 amounted to approximately HK\$1,479.4 million (31 December 2018: approximately HK\$4,325.1 million) and approximately HK\$2,112.8 million (31 December 2018: approximately HK\$3,229.4 million) respectively. The debt ratio, which is calculated based on total liabilities over total assets, was approximately 1.43 times as at 31 December 2019, as compared to that of approximately 0.75 times as at 31 December 2018.

The net asset value of the Group decreased from approximately HK\$1,095.7 million as at 31 December 2018 to net liabilities of approximately HK\$633.4 million as at 31 December 2019.

Pledge of Assets

As at 31 December 2019, bank and other borrowings of the Group amounted to HK\$430.0 million (31 December 2018: HK\$591.0 million) from financial institutions and a bank, among which (i) the bank borrowing of HK\$180.0 million (2018: HK\$200.0 million) was guaranteed by Mr. King Pak Fu ("**Mr. King**"), the controlling shareholder of the Company and secured by the charges over the entire issued share capital in certain subsidiaries of the Company; (ii) HK\$141.0 million was guaranteed by Mr. King and secured by a securities account in 2018; and (iii) the bank borrowing of HK\$250.0 million was guaranteed by Mr. King and was secured by 203,854,292 shares of Enterprise Development.

As at 31 December 2019, the convertible bonds of US\$80.0 million with an outstanding principal balance of approximately HK\$696.6 million (31 December 2018: HK\$672.1 million) were guaranteed by Mr. King and secured by the entire shares of the Group's subsidiaries, Elite Dynamic Enterprises Limited and Best Elite Enterprises Limited. As at 31 December 2018 and 2019, there is no bank deposits being pledged to secure trade finance facilities and banking facilities granted to the Group.

As at 31 December 2019, the Group had no pledged assets (31 December 2018: net book value of approximately HK\$12.3 million of certain property, plant and equipment was pledged to secure the interest-bearing borrowings of HK\$6.0 million).

The Directors closely monitor the Group's liquidity position and financial performance and have initiated measures to improve the Group's cash flows. In the opinion of the Directors, the Group will have sufficient working capital to meet in full its financial obligations as and when they fall due for the next fifteen months from the end of the reporting period given that: (i) the Group is obtaining additional financing from a financial institution; (ii) continuous development and improvement of the Group's businesses in IoT, HMID, IDS and Securities investment; and (iii) the Group has obtained letters of undertakings from Mr. King and certain companies controlled by Mr. King confirming that they will provide financial support to the Group for the period from 1 January 2020 to 31 March 2021 to the extent that is necessary to allow the Group to continue as a going concern. Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Capital Structure

The Company's capital structure has not been changed during the Year. As at 31 December 2019, the issued share capital of the Company amounted to HK\$11,022,580.53 and the number of issued ordinary shares was 11,022,580,530 with nominal value of HK\$0.001.

Foreign Currency Exposure

The Group is not subject to material foreign currency exposure since its operations in Hong Kong are mainly denominated in Hong Kong dollars and United States dollars and the Group's revenue and operating costs in the PRC are denominated in the functional currency of the Group's entity making the sales or incurring the costs. The Group considers there is no significant exposure to foreign exchange fluctuations for United States dollars as long as the Hong Kong-United States dollar exchange rate remains pegged. Accordingly, the Directors consider that the currency risk is not significant. As such, no hedging instrument is considered necessary by the Board during the Year. The Directors will monitor the Group's exposure on an ongoing basis and will consider hedging the currency risk should the need arise.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year.

MATERIAL ACQUISITION AND DISPOSAL

Disposal of interests in subsidiaries without loss of control

As at 31 December 2018, the Group held 42.99% equity interests in Enterprise Development. During the year ended 31 December 2019, the Group acquired additional 17,802,000 shares of Enterprise Development, representing 3.38% equity interests in Enterprise Development, on the Stock Exchange at an aggregate consideration of HK\$14,365,000 and the Group's equity interests in Enterprise Development increased to 46.37%.

During the year ended 31 December 2019, the Group disposed 40,302,000 shares of Enterprise Development, representing 7.65% equity interests in Enterprise Development, on the Stock Exchange at an aggregate proceed of HK\$13,862,000.

Apart from abovementioned, the Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures during the Year.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period of the Group are set out in note 17 to the unaudited consolidated financial statements.

EMPLOYEES, REMUNERATION POLICY AND RETIREMENT BENEFIT SCHEME

As at 31 December 2019, the Group had approximately 1,350 employees including Directors in Hong Kong and in the PRC. Employee remuneration, bonus, share option scheme and training policies are commensurate with individual performance and experience and comparable to the market rate. The Group contributes to a Mandatory Provident Fund under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. Other employee benefits include insurance and medical cover, subsidised educational and training programmes as well as a share option scheme.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits.

CONTINGENT LIABILITIES

As at 31 December 2019 and 2018, the Group did not have material contingent liabilities.

PURCHASE, SALES OR REDEMPTION OF SECURITIES

During the Year, the Company had repurchased its own shares from the market in total of 270,000 shares at an aggregate consideration (before transaction costs and expenses) of approximately HK\$6,000 in which no shares were cancelled and recognised as treasury shares as at 31 December 2019. Having considered the Group's cash reserves, the Directors believe the share repurchases would optimise capital structure of the Company and recognise value to the Shareholders. As at 31 December 2019, the total number of issued shares of the Company was 11,022,580,530 shares and the issued share capital was approximately HK\$11,023,000.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company during the Year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board has adopted its own code on corporate governance practices which incorporate all the code provision in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to The Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The Company will continue to enhance the corporate governance standards throughout the Group and ensure further standards be put in place by reference to the recommended best practices whenever suitable and appropriate.

Save as disclosed below, in the opinion of the Directors, the Company has complied with all code provisions set out in the CG Code during the Year:

Code provision A.2.1 stipulated that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Since Mr. Kwok Kenneth Wai Lung resigned as an executive Director and chief executive officer of the Company (the “**Chief Executive Officer**”) on 1 September 2019, the Company had not appointed any individual to take up the position of the chairman of the Board (the “**Chairman**”) and the Chief Executive Officer and role and functions of Chairman and the Chief Executive Officer have been performed by the executive Director. The Board will continually review its current structure and the need of appointment of a suitable person(s) to perform the role of Chairman and Chief Executive Officer.

Code provision A.4.1 stipulated that non-executive Directors should be appointed for a specific term and be subject to re-election. Mr. Chin Hon Siang, an independent non-executive Director, and each of Mr. Zhang Xiaoman, Mr. Huang Xin and Mr. Leung Ka Tin, being former independent non-executive Directors, resigned on 6 May 2019, 5 February 2020 and 16 March 2020 respectively, were not appointed for specific term. However, all non-executive Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company pursuant to Article 116 of the Articles of Association of the Company.

Code provision D.1.4 stipulated that directors should clearly understand delegation arrangements in place, and therefore the company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. There are no service contract nor letter of appointment of Mr. Chin Hon Siang, an independent non-executive Director, Mr. Tsang To, Mr. Kwok Kenneth Wai Lung and Ms. Hau Ying, being former executive Directors resigned on 6 May 2019, 10 September 2019 and 13 November 2019 respectively, and Mr. Zhang Xiaoman, Mr. Huang Xin and Mr. Leung Ka Tin, being former independent non-executive Directors resigned on 6 May 2019, 5 February 2020 and 16 March 2020 respectively. The Board will nevertheless review the need to have the formal letter and service contract from time to time.

Code provision E.1.2 stipulated that the chairman of the Board should attend the annual general meeting. He should also invite the chairman of the audit, remuneration, nomination and any other committees (as appropriate) to attend the annual general meeting. Mr. Chin Hon Siang, being an independent non-executive Director and the chairman of each of the audit committee (the “**Audit Committee**”), nomination committee and remuneration committee (the “**Remuneration Committee**”) of the Company, was unable to attend the annual general meeting of the Company held on 28 June 2019 due to his other business engagements.

NON-COMPLIANCE WITH RULES 3.10(1), 3.21 AND 3.25 OF THE LISTING RULES

Following the resignation of Mr. Huang Xin as independent non-executive Director on 5 February 2020, the Company only had two independent non-executive Directors, thus the number of the independent non-executive Directors fell below the minimum number required under Rule 3.10(1) of the Listing Rules. As a result of the insufficient number of independent non-executive Directors, the Company had also failed to comply with the requirements set out in Rule 3.21 of the Listing Rules with regard to the minimum number of members and the composition of the Audit Committee and Rule 3.25 of the Listing Rules with regard to the composition requirement of the Remuneration Committee.

The Company will take all necessary measures to comply with the above requirements within three months from 5 February 2020 and will make further announcement(s) as and when appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for securities transaction by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix 10 to the Listing Rules as the Company’s code of conduct for dealing in securities of the Company by the Directors. All Directors confirmed that they have complied with the required standards as set out in the Model Code throughout the Year.

AUDIT COMMITTEE

The Audit Committee consists of two independent non-executive Directors, namely Mr. Chin Hon Siang and Mr. Chan Tsang Mo. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting process, risk management and internal control systems, and review of the Group's financial information.

The unaudited annual results contained herein have been reviewed by the Audit Committee.

REVIEW OF UNAUDITED ANNUAL RESULTS

Due to the impact of the COVID-19 outbreak, the Company's auditors have not fully completed the auditing process for the annual results for the Year. While in order to keep the Shareholders and potential investors informed of the business operation and financial position of the Group, the Board decides to publish the unaudited annual results announcement of the Company for the Year together with the audited comparative figures for the corresponding period in 2018 on the planned date of announcement first. An announcement relating to the audited results will be made when the auditing process has been completed.

FURTHER ANNOUNCEMENT(S)

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to the audited results for the Year and the material differences (if any) as compared with the unaudited annual results contained herein. 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 once it can be ascertained.

PUBLICATION OF THE UNAUDITED ANNUAL RESULTS AND ANNUAL REPORT

The unaudited annual results announcement is published on websites of the Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (<http://www.rentiantech.com>). Any further announcement(s) relating to the Company's annual results will also be published on the same websites in due course. The Annual Report containing all the information as required by the Listing Rules will be despatched to the Shareholders and made available for review in the same websites in due course.

The financial information for the Year contained herein have not been audited and have not been agreed with the auditors of the Company. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Rentian Technology Holdings Limited
Qian Feng
Executive Director

Hong Kong, 30 March 2020

As at the date of this announcement, the Board comprises the following members:–

Executive Director

Mr. Qian Feng

Independent Non-executive Directors

Mr. Chin Hon Siang

Mr. Chan Tsang Mo

** For identification purpose only*