Yi Hua Holdings Limited
益華控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2213)

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

FINANCIAL HIGHLIGHTS

- Revenue decreased by 20.7% to approximately RMB613.2 million.
- Gross profit (revenue less purchases of and changes in inventories and constructions of and changes in completed properties held for sale) decreased by 7.4% to approximately RMB328.2 million.
- Losses from disposal of subsidiaries amounted to RMB49.74 million.
- Provision for impairment of assets amounted to RMB287.1 million.
- Loss attributable to owners of the Company amounted to approximately RMB583.1 million.
- Basic losses per share for the year ended 31 December 2019 was RMB0.5813.

UNAUDITED ANNUAL RESULTS

For the reasons explained in the paragraph "Review of Unaudited Annual Results and Delay in Despatch of the Annual Report" in this announcement, the auditing process for the annual results of the Group has not been completed for the year ended 31 December 2019. In the meantime, the board (the "**Board**") of directors (the "**Directors**") of Yi Hua Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") is pleased to announce the unaudited consolidated results for the year ended 31 December 2019, together with the comparative figures for the year ended 31 December 2018, which have been prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRSs**") as below, except for HKFRS 16 Leases.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts expressed in RMB thousands unless otherwise stated)

		Year ended 31 December	
		2019	2018
		Unaudited	Audited
	Note	***RMB$'000***	*RMB$'000*
Revenue	3	**613,177**	773,335
Other income	4	**2,496**	3,888
Fair value (losses)/gains on investment properties		**(113,097)**	30,490
Losses from disposal of subsidiaries		**(49,744)**	(3,824)
Other (losses)/gains – net	5	**(4,897)**	1,796
Purchases of and changes in inventories		**(79,581)**	(139,304)
Constructions of and changes in completed properties held for sale		**(205,440)**	(279,504)
Employee benefit expenses		**(86,641)**	(95,602)
Depreciation and amortisation		**(23,040)**	(24,871)
Provision for impairment of assets	6	**(287,087)**	(32,932)
Operating lease rental expense and property management fee		**(158,687)**	(151,807)
Other operating expenses	7	**(116,189)**	(133,334)
Operating loss		**(508,730)**	(51,669)
Finance income		**763**	2,034
Finance costs		**(83,512)**	(46,038)
Finance costs – net	8	**(82,749)**	(44,004)
Share of net losses of an associate accounted for using the equity method		**(34,300)**	(7,262)
Loss before income tax		**(625,779)**	(102,935)
Income tax credits/(expenses)	9	**44,852**	(12,236)
Loss for the year		**(580,927)**	(115,171)
Other comprehensive income for the year, net of tax		**–**	–
Total comprehensive loss for the year		**(580,927)**	(115,171)

	Note	Year ended 31 December **2019** **Unaudited** ***RMB$'000***	 2018 Audited *RMB$'000*
(Loss)/profit attributable to:			
– Owners of the Company		**(583,096)**	(117,386)
– Non-controlling interests		**2,169**	2,215
		(580,927)	(115,171)
Total comprehensive (loss)/income attributable to:			
– Owners of the Company		**(583,096)**	(117,386)
– Non-controlling interests		**2,169**	2,215
		(580,927)	(115,171)

	Note	Year ended 31 December **2019** **Unaudited** ***RMB$'000***	 2018 Audited *RMB$'000*
Basic and diluted losses per share (expressed in RMB per share)	10	**(0.5813)**	(0.1170)

CONSOLIDATED BALANCE SHEET

(All amounts expressed in RMB thousands unless otherwise stated)

		As at 31 December	
		2019	2018
		Unaudited	Audited
	Note	***RMB$'000***	*RMB$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**159,392**	167,242
Investment properties		**346,700**	822,170
Computer software		**6,843**	4,911
Goodwill		**–**	2,130
Investment in an associate		**–**	34,300
Deferred tax assets		**2,707**	3,887
Deferred assets		**–**	4,044
Financial assets at fair value through profit or loss		**–**	10,568
Prepayments and other receivables	12	**701**	7,425
Total non-current assets		**516,343**	1,056,677
Current assets			
Properties under development		**188,352**	331,727
Completed properties held for sale		**182,927**	141,098
Inventories		**11,723**	45,492
Contract costs		**5,715**	4,979
Trade receivables, prepayments and other receivables	12	**552,510**	189,126
Tax prepayments		**40,655**	45,096
Amounts due from related parties	13	**89,474**	150,677
Restricted cash		**19,861**	32,242
Term deposits		**15,000**	69,050
Cash and cash equivalents		**48,308**	114,803
Total current assets		**1,154,525**	1,124,290
Total assets		**1,670,868**	2,180,967

	Note	As at 31 December 2019 Unaudited *RMB$'000*	2018 Audited *RMB$'000*
EQUITY			
Equity attributable to owners of the Company			
Share capital		**3,956**	3,956
Other reserves		**141,269**	143,627
(Accumulated losses)/retained earnings		**(580,586)**	4,031
		(435,361)	151,614
Non-controlling interests		**9,333**	7,846
Total equity		**(426,028)**	159,460
LIABILITIES			
Non-current liabilities			
Borrowings		**–**	298,676
Deferred tax liabilities		**77,671**	144,153
Deferred revenue		**–**	8,204
Other payables	14	**–**	57,141
Total non-current liabilities		**77,671**	508,174
Current liabilities			
Trade and other payables	14	**782,319**	855,202
Amounts due to related parties	15	**131,880**	13,803
Contract liabilities		**423,259**	322,246
Deferred revenue		**8,215**	1,740
Current income tax liabilities		**14,994**	10,675
Borrowings		**655,703**	306,812
Provision for a legal claim		**2,855**	2,855
Total current liabilities		**2,019,225**	1,513,333
Total liabilities		**2,096,896**	2,021,507
Total equity and liabilities		**1,670,868**	2,180,967

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts expressed in RMB thousands unless otherwise stated)

1 General information of the Group

Yi Hua Holdings Limited (the "**Company**", formerly known as Yi Hua Department Store Holdings Limited) is an investing holding company. The Company and its subsidiaries (together the "**Group**") are principally engaged in the operations of department stores in the People's Republic of China (the "**PRC**"). Following various acquisitions from 2016 to 2018, the Group has also expanded its operations into property investment, property development and property management business.

The Company was incorporated in the Cayman Islands on 20 April 2012 as an exempted company with limited liability under the Cayman Islands Companies Law. The address of its registered office is at the Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands.

The Company has its primarily listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "**HKEX**") (the "**Placing and Public Offer**") on 11 December 2013.

These consolidated financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated.

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

- A significant decrease in revenue from the segment of property development as a result of reduction in completed properties delivery (note 3).

- A significant increase in losses from disposal of subsidiaries was incurred mainly as a result of disposal of a subsidiary.

- A significant increase in provision for impairment of assets was incurred mainly as a result of operating performance below expectation of a subsidiary and an associate.

1.1 Going concern

As at 31 December 2019, the current liabilities of the Group exceeded its current assets by approximately RMB864,700,000. Included in the current liabilities were contract liabilities primarily relating to consumption cards issued and receipt in advance from property presale of approximately RMB423,259,000, which would not result in future cash outflows. As at 31 December 2019, total borrowings of the Group amounted to RMB655,703,000, all of which are due for repayment in the coming twelve months; while the Group's cash and cash equivalents amounted to RMB48,308,000.

An associate of the Group had entered into a semi-custom development agreement with a supplier with regard to a chip development project (the "**Development Project**"). Payments of US$6,070,000 (equivalent to RMB42,346,000) for the Development Project, have to be made to the supplier during the year ending 31 December 2020 as certain relevant development milestones have been reached. In addition, the Group has provided financial guarantees to the supplier to the extent of US$10,000,000 (equivalent to RMB69,762,000) for any outstanding obligations owed by the associate to the supplier.

The capital expenditure of the Group contracted for but not yet incurred as at 31 December 2019 including construction costs for property, plant and equipment and properties under development.

In view of these circumstances, the directors of the Company (the "**Directors**") have given due and careful consideration to the liquidity of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to fulfil its financial obligations and contracted commitments. A number of measures have been put in place by the Directors to improve the Group's financial position, including:

(i) The Group is implementing various cost control measures to improve the operating performance of the retailing business. In addition, with the acquisitions of the investment properties, property development during these years, it is expected that there will be cash inflows from the leasing of the investment properties, sales of properties in the coming twelve months.

(ii) The Directors have assessed the available sources of financing and funding for the Group and considered that certain of the Group's investment properties and property, plant and equipment, which are free from any encumbrances, could be pledged to provide additional financial resources for the Group when needed.

The Directors are of the opinion that, taking into account the Group's anticipated cash flows generated from the Group's retailing business operations and the sales and leases of the properties in the expected timeframe as well as the possible changes in its operating performance, successful renewal of its bank loans upon expiry, continuous availability of banking and other funding facilities; and the additional financing to be obtained as and when needed, the Group will have sufficient financial resources to meet its financial liabilities as and when they fall due in the coming twelve months from 31 December 2019. Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of the Company and its subsidiaries.

2.1 Basis of preparation

(i) Compliance with HKFRS and HKCO

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance ("**HKCO**") Cap. 622.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- investment properties – measured at fair value,
- assets held for sale transferred from investment properties – measured at fair value, and
- financial assets at fair value through profit or loss (“**FVPL**”) – measured at fair value.

(iii) New standards, amendments to existing standards and interpretations that are effective and adopted by the Group

The following new standards, amendments to existing standards and interpretations have been issued and effective for the annual accounting period beginning on 1 January 2019.

Standards, Amendments or Interpretations	**Subject**
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements to 2015–2017 Cycle	Improvements to HKFRSs
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Interpretation 23	Uncertainty over Income Tax Treatments

Most of the amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New standards that are effective and not adopted by the Group

The following new standards have been issued and effective for the annual accounting period beginning on 1 January 2019, and has not adopted by the Group.

Standards	**Subject**
HKFRS 16	Leases

Due to the outbreak of Coronavirus Disease 2019 (“**the COVID-19 outbreak**”), the Company is still assessing the impact of the adoption of HKFRS 16 Leases on the Group’s financial statement.

(v) ***New standards, amendments to standards and interpretations that have been issued but are not effective***

Certain new accounting standards, amendments to existing standards and interpretations have been published that are not mandatory for adoption during the current reporting period and have not been early adopted by the Group. None of these is expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Standards, Amendments or Interpretations	**Subject**	**Effective for annual accounting periods beginning on or after**
Amendments to HKAS 1 and HKAS 8	Definition of Material	1 January 2020
Amendments to HKFRS 3	Definition of a Business	1 January 2020
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform	1 January 2020
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 January 2020
HKFRS 17	Insurance Contracts	1 January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

2.2 Changes in accounting policies

As indicated in note 2.1 above, the Group has not adopted HKFRS 16 from its mandatory adoption date of 1 January 2019.

The Company is still assessing the impact of the adoption of HKFRS 16 Leases on the Group's financial statements.

The adopted accounting policies for leases are disclosed in note 2.3.

2.3 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term (note 3). The respective leased assets are included in the consolidated balance sheet based on their nature.

3 Segment information and revenue

The chief operating decision-maker ("**CODM**") has been identified as executive directors and senior management of the Company. Management determines the operating segments based on the Group's internal reports, which are then submitted to executive directors and senior management for performance assessment and resources allocation.

The CODM considered the nature of the Group's business and determined that the Group has eight reportable operating segments as follows:

(i) Department store (which offers an extensive variety of merchandise, including watches, jewelries, cosmetics, handbags, leather goods, and children's products, clothing, shoes, textiles, sports wear and beddings etc.);

(ii) Supermarket and convenience store (trading under the brand "Yihua Lejia Supermarket" (益華樂家超市), "Wangoo Health Supermarket" (萬果健康超市) and "Wangoo Convenience Store" (萬果便利店), which offer mainly daily essential products such as food and beverages, perishables and other household products etc.);

(iii) Electrical appliance (trading under the brand "Yihua Sihai Electrical Appliance" (益華四海電器), which offers a variety of electrical appliances ranging from large household electrical appliances (such as refrigerators, washing machines, air conditioners, televisions, kitchen appliances etc.) to small household electrical appliances (such as rice cookers, hair dryers, toasters etc.));

(iv) Furniture (trading under the brand "Yihua Shijia" (益華世家) in Zhongshan store and Jiangmen store);

(v) Consulting service (mainly includes market research and provision of advice on design, decoration and layout for properties);

(vi) Property investment (mainly includes development and leasing commercial properties and provision of property management service in the PRC);

(vii) Property development (mainly includes development and sale of residential properties, carparks and commercial properties in the PRC);

(viii) Others (mainly an investment accounted for using the equity method and subsidiaries, which are engaged in sale and production of game console, educational software development and virtual reality business).

The CODM assesses the performance of the operating segments based on a measure of revenue and segment results (revenue less purchases of and changes in inventories and provision of impairment for inventories and receivables; revenue less constructions of and changes in completed properties held for sale, taxes and surcharges related to property sales and provision of impairment of completed properties held for sale; net rental income from investment properties plus its fair value gain less property taxes; share of net losses of an associate accounted for using the equity method, when appropriate). Assets and liabilities for the operating segments are not regularly reported to the CODM.

Most of the revenue is generated in the PRC and all significant operating assets of the Group are in the PRC. No single external customer contributes 10 per cent or more of the Group's revenue.

The revenue reported to the CODM is measured in a manner consistent with that in the consolidated statement of comprehensive income.

The segment results for the year ended 31 December 2019:

	Department store *RMB'000*	Supermarket and convenience store *RMB'000*	Electrical appliance *RMB'000*	Furniture *RMB'000*	Consulting service *RMB'000*	Property investment *RMB'000*	Property development *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue at a point of time	**201,674**	**111,857**	**19,724**	**1,437**	**5,599**	**38,051**	**234,374**	**461**	**613,177**
Fair value losses on investment properties	**–**	**–**	**–**	**–**	**–**	**(113,097)**	**–**	**–**	**(113,097)**
Provision for impairment of assets	**(129,042)**	**(4,783)**	**–**	**–**	**–**	**(63,529)**	**–**	**(89,733)**	**(287,087)**
Losses from disposal of subsidiaries	**–**	**–**	**–**	**–**	**–**	**(49,744)**	**–**	**–**	**(49,744)**
Share of net losses of an associate accounted for using the equity method	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(34,300)**	**(34,300)**
Segment result — gross profit/(loss)	**70,262**	**39,412**	**10,555**	**1,437**	**5,599**	**(202,230)**	**20,386**	**(123,951)**	**(178,530)**
Unallocated loss — other income and other losses, net									**(2,401)**
Unallocated costs									**(365,277)**
Finance income									**763**
Finance costs									**(83,512)**
Loss before income tax with land appreciation tax allocated									**(628,957)**
Unallocated income tax credits									**48,030**
Loss for the year									**(580,927)**
Depreciation and amortisation									**23,040**

The segment results for the year ended 31 December 2018:

	Department store Audited *RMB'000*	Supermarket and convenience store Audited *RMB'000*	Electrical appliance Audited *RMB'000*	Furniture Audited *RMB'000*	Consulting service Audited *RMB'000*	Property investment Audited *RMB'000*	Property development Audited *RMB'000*	Others Audited *RMB'000*	Total Audited *RMB'000*
Segment revenue at a point of time	207,605	172,630	34,625	1,986	2,236	23,478	330,118	657	773,335
Fair value gains on investment properties	—	—	—	—	—	30,490	—	—	30,490
Provision for impairment of assets (excluding provision for impairment of property, plant and equipment)	(5,771)	(1,064)	(18)	(11)	—	—	(5,840)	—	(12,704)
Share of net losses of an associate accounted for using the equity method	—	—	—	—	—	—	—	(7,262)	(7,262)
Segment result — gross profit/(loss)	201,320	57,491	10,796	1,975	1,945	47,028	43,139	(7,218)	356,476
Unallocated income — other income and other losses, net									1,860
Unallocated costs									(388,631)
Provision for impairment of property, plant and equipment									(20,228)
Finance income									2,034
Finance costs									(46,038)
Loss before income tax with land appreciation tax allocated									(94,527)
Unallocated income tax expenses									(20,644)
Loss for the year									(115,171)
Depreciation and amortisation									24,871
Provision for impairment of property, plant and equipment									20,228

Entity-wide information

The turnover of the Group is set out as follows:

	Year ended 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Sales of properties *(note (a))*	**234,374**	330,118
Direct sales of goods	**95,046**	161,235
Commission income from concessionaire sales	**133,928**	159,008
Management fee and service income from operations	**49,809**	48,755
Rental income	**94,421**	71,431
Consulting service income	**5,599**	2,236
Franchise income	**–**	552
	613,177	773,335

(a) During the year ended 31 December 2019, two subsidiaries of the Group principally engaged in property development business and delivered the properties to buyers.

4 Other income

	Year ended 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Government grants	**2,496**	3,888

5 Other gains/(losses) – net

	Year ended 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Fair value gains/(losses) on financial assets	**1,729**	(1,005)
Gains from debts exemption	**1,000**	6,861
Net foreign exchange gains	**21**	383
Losses from disposal of property, plant and equipment	**(2,924)**	–
Penalty for termination lease agreements in advance	**(3,604)**	(5,917)
Losses from disposal of assets classified as held for sale	**–**	(1,758)
Subsidy provided by a lessor	**–**	3,593
Others	**(1,119)**	(361)
	(4,897)	1,796

6 Provision for impairment of assets

	Year ended 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Provision for impairment of amounts due from related parties *(note 13)*	**146,291**	–
Provision for impairment of trade and other receivables	**122,949**	5,880
Provision for impairment of inventories	**17,239**	984
Provision for impairment of computer software	**608**	–
Provision for impairment of property, plant and equipment	**–**	20,228
Provision for impairment of completed properties held for sale	**–**	5,840
	287,087	32,932

7 Other operating expenses

	Year ended 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Utilities	**28,976**	28,259
Other taxes	**13,505**	13,671
Advertising, promotion and related expenses	**22,300**	32,095
Bank charges	**2,884**	6,709
Repairs and maintenance	**4,771**	5,176
Travelling and transportation expenses	**4,376**	4,710
Professional service expenses	**9,402**	4,628
Consumables	**3,187**	2,808
Office expenses	**3,608**	4,299
Entertainment expenses	**7,762**	8,195
Consumption cards related expenses	**1,273**	904
Insurance expenses	**886**	642
Foreign exchange (gains)/losses	**(357)**	8,025
Other expenses	**13,616**	13,213
	116,189	133,334

8 Financial income and costs

	Year ended 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Finance income		
– Interest income derived from cash in banks and other deposits	**391**	717
– Interest income derived from term deposits	**372**	1,317
Finance income	**763**	2,034
Finance costs		
– Interest expense on bonds	**(27,677)**	(12,949)
– Interest expense on bank borrowings	**(13,388)**	(13,561)
– Interest expense on other borrowings	**(35,990)**	(11,820)
– Foreign exchange losses on borrowings	**(6,457)**	(7,708)
	(83,512)	(46,038)
Amounts capitalised	**–**	–
Finance costs expensed	**(83,512)**	(46,038)
Net finance costs	**(82,749)**	(44,004)

9 Income tax (credits)/expenses

This note provides an analysis of the Group's income tax (credits)/expenses, shows how the tax (credits)/expenses are affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

(a) Income tax (credits)/expenses

	Year ended 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Current income tax		
– PRC Corporate income tax ("**CIT**")	**4,096**	17,090
– PRC land appreciation tax	**12,147**	11,133
Total current tax expense	**16,243**	28,223
Deferred income tax		
– PRC CIT	**(52,126)**	3,554
– PRC land appreciation tax	**(8,969)**	(19,541)
Total deferred tax expense	**(61,095)**	(15,987)
Income tax (credits)/expenses	**(44,852)**	12,236

(i) The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 of Cayman Islands. Accordingly, it is exempted from Cayman Islands income tax.

(ii) Hong Kong profits tax is calculated at 16.5% (2018: 16.5%) of the estimated assessable profit.

(iii) CIT is provided on the assessable income of entities within the Group incorporated in the PRC. Pursuant to PRC CIT Law, the CIT is unified at 25% for normal entities. For the companies qualified as the Small and Micro Enterprise, the taxable profit less than RMB1 million applied a reduced CIT rate of 5%, the taxable profit between RMB1 million and RMB3 million applied a reduced CIT rate of 10% for the year ended 31 December 2019.

According to the CIT law, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding companies established outside PRC when their PRC subsidiaries declare dividends out of their profits earned after 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign immediate holding companies.

(iv) Certain PRC subsidiaries are also subject to the PRC land appreciation tax which is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including costs of land use rights and development and construction expenditures.

10 Losses per share

(a) Basic losses per share

Basic losses per share is calculated by dividing the loss for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Loss attributable to owners of the Company	**(583,096)**	(117,386)
Weighted average number of ordinary shares in issue (thousand shares)	**1,003,159**	1,003,159
Basic losses per share (expressed in RMB per share)	**(0.5813)**	(0.1170)

(b) Diluted losses per share

As there were no potential dilutive ordinary shares during the year ended 31 December 2019 and 2018, diluted losses per share was equal to basic losses per share.

11 Dividend

No dividend in respect of the year ended 31 December 2019 is to be proposed at the annual general meeting (2018: nil).

12 Trade receivables, prepayments and other receivables

	As at 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Trade receivables	**48,342**	30,088
Other receivables	**520,701**	114,026
Rental and other deposits	**14,019**	37,537
Prepayments	**29,291**	13,240
Prepaid taxes	**6,157**	7,540
Total trade and other receivables	**618,510**	202,431
Less: provision for impairment	**(65,299)**	(5,880)
Less: non-current portion of prepayments and other receivables	**(701)**	(7,425)
	552,510	189,216

(a) The carrying amounts of the Group's trade and other receivables as at 31 December 2019 and 2018 approximate their fair values.

(b) As at 31 December 2019 and 2018, the ageing analysis of trade receivables based on invoice date is as follows:

	As at 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Trade receivables		
– Within 2 months	**23,944**	22,251
– Over 2 months	**24,398**	7,837
	48,342	30,088

13 Amounts due from related parties

	As at 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Companies controlled by Mr. Chen Daren	**59,780**	83,283
Companies jointly controlled by Mr. Chen Daren and third parties	**30,545**	15,687
An associate of the Group	**145,440**	51,707
Total amounts due from related parties	**235,765**	150,677
Less: impairment charge	**(146,291)**	–
	89,474	150,677

The amounts due from related parties as at 31 December 2019 included trade receivables, prepaid rental and prepaid deposits, which are all denominated in RMB.

As at 31 December 2019 and 2018, the ageing of trade receivables due from related parties based on invoice date, amounting RMB1,385,000 (31 December 2018: RMB1,509,000), are as follows:

	As at 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Trade receivables due from related parties		
— Within 2 months	**1,116**	773
— Over 2 months	**269**	736
	1,385	1,509

The balance of trade receivables mainly represents sales of goods to related parties, the credit terms of which are generally 30 to 60 days. As at 31 December 2019, trade receivables due from related parties of approximately RMB269,000 (31 December 2018: RMB736,000) were past due but not impaired since there is no recent history of default. The fair value of such trade receivables approximated to their fair value.

As at 31 December 2019, a provision for impairment of other receivables due from related parties was made at RMB146,291,000 as a result of operating performance below expectation of some related companies (2018: nil).

14 Trade and other payables

	As at 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Trade payables	**55,604**	55,088
Notes payable	**–**	8,680
Staff salaries, bonuses and welfare payables	**14,960**	12,348
Payables to concessionaires and lessees	**201,661**	210,168
Other taxes and surcharges payable	**5,304**	22,514
Rental and other deposits	**75,971**	55,225
Payables for construction costs	**107,150**	167,068
Unpaid cash consideration for completed acquisitions	**45,912**	45,912
Payables to former shareholders of an aqcuired subsidiary	**29,437**	29,437
Deemed acquisition cost of land use right	**11,960**	45,895
Deposits received on sale of properties	**42,206**	82,296
Others	**192,154**	177,712
	782,319	912,343
Less: non-current portion of other payables	**–**	(57,141)
	782,319	855,202

(a) The fair value of trade and other payables approximated their carrying amounts.

(b) As at 31 December 2019 and 2018, the ageing analysis of trade payables based on invoice date is as follows:

	As at 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Trade payables		
– Within 3 months	**40,130**	48,209
– Over 3 months	**15,474**	6,879
	55,604	55,088

15 Amounts due to related parties

	As at 31 December	
	2019	2018
	Unaudited	Audited
	RMB'000	*RMB'000*
Companies controlled by Mr. Chen Daren	**112,233**	10,431
Companies jointly controlled by Mr. Chen Daren and third parties	**19,647**	3,372
	131,880	13,803

16 Events after the consolidated balance sheet date

Save as disclosed elsewhere in this announcement, the following significant events took place subsequent to 31 December 2019:

(a) Following the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across China, including extension of the Chinese New Year holiday nationwide, postponement of work resumption after the Chinese New Year holiday in some regions, certain level of restrictions and controls over the travelling of people and traffic arrangements, quarantine of certain residents, heightening of hygiene and epidemic prevention requirements in factories and offices and encouraged social distancing, etc.

In January 2020, certain related parties of the Group leased shopping malls to the Group, and the Group has sub-leased these shopping malls to tenants, and granted waivers to tenants. The waivers include payments for rent, management fee (and the commission income arising from shop sales) for the period from 25 January 2020 to 8 February 2020 of approximately RMB2 million.

In addition, in light of the negative impact brought upon by the COVID-19 outbreak in the short term, it may lead to early termination, breach or renewal of certain existing lease contracts and also affect the signing of new contracts, and thus affecting the rental income in the coming periods. The Group will pay close attention to the development of the COVID-19 outbreak and its impact on the leasing market, and will continue to perform relevant assessments and take proactive measures.

The Group applies the fair value model to measure its investment properties. As at 31 December 2019, the total fair value of the investment properties amounted to RMB346,700,000. In 2020, fair value of the Group's investment properties may be subject to fluctuation due to the COVID-19 outbreak, the impact of which is still under assessment. The Group will continue to communicate with external valuers to further understand the impacts of the COVID-19 outbreak to the valuation of investment properties.

Following the COVID-19 outbreak, the Group is experiencing longer accounts receivable turnover time and some have become overdue, which led to an increase in the expected credit loss ratios on accounts receivables. Up to the date on which this set of financial statements were authorised for issue, the impacts of the COVID-19 outbreak on the Group's customers' financial positions and the macro-economic conditions as a whole are still uncertain, the Group is unable to quantify the related financial effects. The Group will pay close attention to the development of the COVID-19 outbreak, perform further assessment of its impact and take relevant measures.

(b) On 11 June 2019, an individual filed a lawsuit against the Company's delay repayment for principal of RMB50.8 million and relative interests of RMB6.7 million in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "**HK High Court**").

On 9 December 2019, Head & Shoulders Securities Limited ("**H&S**") filed a petition against the Company (the "**Petition**") for delaying in repayment of principal of RMB4.5 million and relative interests of RMB0.05 million in the HK High Court.

On 26 December 2019, a bank filed a lawsuit against the Company's delay repayment for principal of RMB12.0 million and relative interests of RMB0.06 million in the HK High Court. The bank has applied to freeze equity interest of RMB12.0 million of a PRC subsidiary of the Company, and certain bank accounts of the Company.

On 19 March 2020, an individual filed a petition against the Company for delaying in repayment of principal of RMB9.5 million and relative interests of RMB0.6 million in the HK High Court.

Judicial proceedings for litigations listed above are being undertaken, with the hearing of the litigations be adjourned to dates to be fixed in view of public health consideration as announced by the Judiciary of Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

During 2019, China's gross domestic product growth slowed down from 6.6% in 2018 to 6.1%. The overall consumer price index was up by 2.9% compared to 2018. Total retail sales of consumer goods in China recorded a growth of 8.0% year on year. Although the growth speed is slowing down, it still enjoys high single-digit growth.

The expectation of consumers on product quality and service standard has been increasingly higher in recent years. In 2019, the Group continued to push forward the upgrade of stores in order to create a better consumption sentiment. To cater for the increased consumption demand, the Group also expanded its product range by adding food and beverages and sports apparel on top of conventional merchandises. The Group believed that these moves would bring stable income to the Group.

In 2019, the Group closed three underperforming store and focused the resources on the development of other stores with greater efficiency.

Amid uncertainties in the macroeconomic environment. The Group will continue to focus on optimising the operation enhancement of core business while seizing the opportunities arising from consumption upgrade in the course of transformation and strengthening the development of new business so as to strengthen its resilience.

BUSINESS REVIEW

For the year ended 31 December 2019, the Group's revenue was approximately RMB613.2 million, representing a decrease of approximately 20.7% over the last year. Gross profit (revenue less purchases of and changes in inventories and constructions of and changes in completed properties held for sale) was approximately RMB328.2 million, representing a decrease of 7.4% over the last year. Operating loss was approximately RMB508.7 million, representing an increase of 883.9% over the last year. Loss attributable to owners of the Company was approximately RMB583.1 million, representing an increase of 396.7% over the last year.

OUTLOOK

In 2020, it is an exceptionally challenging year. The economy of China will face even more complicated and severe pressure from the external and internal environment in 2020 over that of 2019. In addition, the global economy in early 2020 have been adversely affected by concerns over the outbreak of Coronavirus Disease 2019 ("**the COVID-19 outbreak**"). This crisis would have great impact on the consumer confidence, and may have a material impact on the Group's financial results and the development plans.

The Group will adopt a prudent approach on the business development, being to concentrate on those profitable stores and further improve the profitability of the stores, and would close down for those underperforming stores. The Group will continue to focus on its core business and manage to stabilize its business through adopting a prudent finance management approach with proactive implementation of cost control initiatives improving the operating performances.

FINANCIAL REVIEW

RESULTS OF OPERATION

Revenue

For the year ended 31 December 2019, the Group recorded a revenue of approximately RMB613.2 million, representing a decrease of approximately 20.7% or approximately RMB160.1 million year on year.

The following table sets forth a breakdown of the Group's revenue for the two years ended 31 December 2019 and 2018.

	Year ended 31 December																	
	2019									2018								
	Department store	Supermarket and convenience store	Electrical appliances	Furniture	Consulting service	Property investment	Property development	Others	Total	Department store	Supermarket and convenience store	Electrical appliances	Furniture	Consulting service	Property investment	Property development	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Direct sales of goods	**756**	**82,730**	**11,099**	**-**	**-**	**-**	**-**	**461**	**95,046**	48	135,515	25,015	–	–	–	–	657	161,235
Commission income from concessionaire sales	**118,392**	**10,324**	**5,212**	**-**	**-**	**-**	**-**	**-**	**133,928**	138,711	14,140	6,157	–	–	–	–	–	159,008
Management fee and service income from operations	**39,204**	**7,861**	**2,611**	**133**	**-**	**-**	**-**	**-**	**49,809**	36,328	9,306	3,121	–	–	–	–	–	48,755
Rental income	**43,322**	**10,942**	**802**	**1,304**	**-**	**38,051**	**-**	**-**	**94,421**	32,518	13,117	332	1,986	–	23,478	–	–	71,431
Consulting service income	**-**	**-**	**-**	**-**	**5,599**	**-**	**-**	**-**	**5,599**	–	–	–	–	2,236	–	–	–	2,236
Sales of properties	**-**	**-**	**-**	**-**	**-**	**-**	**234,374**	**-**	**234,374**	–	–	–	–	–	–	330,118	–	330,118
Franchise income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	–	552	–	–	–	–	–	–	552
	201,674	**111,857**	**19,724**	**1,437**	**5,599**	**38,051**	**234,374**	**461**	**613,177**	207,605	172,630	34,625	1,986	2,236	23,478	330,118	657	773,335

Direct sales of goods

For the year ended 31 December 2019, the revenue from direct sales was approximately RMB95.0 million, representing a decrease of approximately RMB66.2 million or approximately 41.1%, from approximately RMB161.2 million for the year ended 31 December 2018.

The decrease was mainly due to the decrease in revenue in supermarket segment and electrical appliances segment by 39.0% and 55.6%, respectively. The decrease in both segments was mainly due to the shift of business model from self-operation to lease the areas to the suppliers.

Commission income from concessionaire sales

For the year ended 31 December 2019, the revenue from concessionaire sales was approximately RMB133.9 million, representing a decrease of approximately RMB25.1 million, or approximately 15.8%, from approximately RMB159.0 million for the year ended 31 December 2018. The decrease was mainly due to a gradual transformation of operation model, which resulted in an increase in proportion of fixed rental income received from leasing out counter areas to tenants.

Management fee and service income from operations

For the year ended 31 December 2019, the management fee and service income from operations were approximately RMB49.8 million, representing a slightly increase of approximately RMB1.0 million, or approximately 2.0%, from approximately RMB48.8 million for the year ended 31 December 2018.

Rental income

For the year ended 31 December 2019, our revenue from rental income was approximately RMB94.4 million, representing an increase of approximately RMB23.0 million, or approximately 32.2%, from approximately RMB71.4 million for the year ended 31 December 2018. The increase was mainly attributable to (i) the transformation of self-operation business to fixed rental income; and (ii) the rental income generated from the investment properties.

Consulting service income

For the year ended 31 December 2019, the Group has entered agreements with one independent commercial complex operator and a related party, recording a revenue of RMB5.6 million for the service provided, representing an increase of approximately RMB3.4 million, or approximately 154.5%, from approximately RMB2.2 million for the year ended 31 December 2018.

Gross profit and gross profit margin

For the year ended 31 December 2019, our total gross profit were approximately RMB328.2 million, a decrease of approximately RMB26.3 million, or approximately 7.4%, from approximately RMB354.5 million for the year ended 31 December 2018. The gross profit margin for the years ended 31 December 2019 and 2018 was approximately 53.5% and approximately 45.8%, respectively, represented an increase of approximately 7.7%. The increase in the gross profit margin was partly due to the increase in the rental income derived from the investment properties.

Other income

For the year ended 31 December 2019, the other income was approximately RMB2.5 million, a decrease of approximately RMB1.4 million, from approximately RMB3.9 million for the year ended 31 December 2018. The amount represents the one-off government grant received or receivable and amortisation of government grant related to assets.

Fair value (losses)/gains on investment properties

Due to the COVID-19 outbreak in January 2020, the progress for the valuation of the investment properties for the year ended 31 December 2019 was affected and the final valuation outcome will be published with the audited financial statements in the second quarter 2020. A fair value loss on investment properties with an amount of RMB113.1 million, mainly as a result of disposal of a subsidiary, was incurred based on the valuation outcome upon disposal in late November 2019. A fair value gain on investment properties with an amount of RMB30.5 million was recognised for the year ended 31 December 2018.

Loss on disposal of subsidiaries

For the year ended 31 December 2019, the Group recorded a loss on disposal of subsidiaries with an amount of approximately RMB49.74 million.

Other (losses)/gains – net

For the year ended 31 December 2019, the other losses were approximately RMB4.9 million, while recorded other gains of approximately RMB1.8 million for the year ended 31 December 2018.

Purchases of and changes in inventories

For the year ended 31 December 2019, the purchases of and changes in inventories was approximately RMB79.6 million, representing a decrease of approximately RMB59.7 million, or approximately 42.9%, from approximately RMB139.3 million for the year ended 31 December 2018. The decrease was in line with the decrease in direct sales of goods.

Constructions of and changes in completed properties held for sale

For the year ended 31 December 2019, the constructions of and changes in completed properties held for sale was approximately RMB205.4 million, representing a decrease of approximately RMB74.1 million, or approximately 26.5% from approximately RMB279.5 million for the year ended 31 December 2018.

Employee benefit expenses

For the year ended 31 December 2019, the employee benefit expenses were approximately RMB86.6 million, a decrease of approximately RMB9.0 million, or approximately 9.4%, from approximately RMB95.6 million for the year ended 31 December 2018. The decrease was due to the decrease of number of employees as a result of the streamline of stores.

Depreciation and amortisation

For the year ended 31 December 2019, the depreciation and amortisation were approximately RMB23.0 million, a decrease of approximately RMB1.9 million, or approximately 7.6%, from approximately RMB24.9 million for the year ended 31 December 2018.

Provision for impairment of assets

For the year ended 31 December 2019, the provision for impairment of assets were approximately RMB287.1 million, an increase of approximately RMB254.2 million, or approximately 772.6%, from approximately RMB32.9 million for the year ended 31 December 2018. The provision for impairment of assets mainly represented the provision for amounts due from related parties, the provision for trade and other receivables and the provision for the game console products.

Operating lease rental expenses and property management fee

For the year ended 31 December 2019, the operating lease rental expenses and property management fee was approximately RMB158.7 million, an increase of approximately RMB6.9 million, or approximately 4.5%, from approximately RMB151.8 million for the year ended 31 December 2018.

Other operating expenses

For the year ended 31 December 2019, the other operating expenses were approximately RMB116.2 million, a decrease of approximately RMB17.1 million, or approximately 12.8%, from approximately RMB133.3 million for the year ended 31 December 2018.

The decrease was mainly attributable to: (i) the foreign exchange gains of approximately RMB0.4 million for the year ended 31 December 2019, as compared to a foreign exchange losses of approximately RMB8.0 million for the year ended 31 December 2018; and (ii) advertising and promotion expenses decreased by approximately RMB9.8 million, which was due to the decrease in sales activities of properties.

Finance expenses – net

For the year ended 31 December 2019, the net finance expenses was approximately RMB82.7 million, an increase of approximately RMB38.7 million, or approximately 88.0%, from approximately RMB44.0 million for the year ended 31 December 2018. The increase was mainly attributable to the increase in borrowings during the year ended 31 December 2019.

Share of losses of an associate

For the year ended 31 December 2019, the share of losses of an associate was approximately RMB34.3 million, an increase of approximately RMB27.0 million, or approximately 369.9%, from approximately RMB7.3 million for the year ended 31 December 2018.

Income tax credits/(expenses)

For the year ended 31 December 2019, the income tax credits were approximately RMB44.9 million as compared to an income tax expenses of approximately RMB12.2 million for the year ended 31 December 2018.

Loss for the year

For the year ended 31 December 2019, the loss for the year was approximately RMB580.9 million, an increase of approximately RMB465.7 million, or approximately 404.3%, from approximately RMB115.2 million for the year ended 31 December 2018.

Loss attributable to owners of the Company

For the year ended 31 December 2019, the loss attributable to owners of the Company was approximately RMB583.1 million, an increase of approximately RMB465.7 million, or approximately 396.7%, from approximately RMB117.4 million for the year ended 31 December 2018.

LIQUIDITY AND FINANCIAL RESOURCES

The Group mainly relies on two sources of liquidity, which are (i) cash flow generated from its operating activities as a primary source of liquidity; and (ii) standby general banking facilities.

The Group's cash and cash equivalents and the near cash instruments (including restricted cash and term deposits) stood at approximately RMB83.2 million and approximately RMB216.1 million as at 31 December 2019 and 2018, respectively. The outstanding borrowings of the Group amounted to approximately RMB655.7 million as at 31 December 2019.

As at 31 December 2019 and 2018, total current assets of the Group amounted to approximately RMB1,154.5 million and approximately RMB1,124.3 million, respectively, whereas total current liabilities amounted to approximately RMB2,019.2 million and approximately RMB1,513.3 million, respectively, which resulted in a net current liabilities position of approximately RMB864.7 million and approximately RMB389.0 million, respectively as at 31 December 2019 and 2018.

Gearing ratio

As at 31 December 2019 and 2018, the gearing ratios were approximately 125.5% and 92.7%, respectively. The gearing ratio is calculated as total liabilities divided by total assets as at the balance sheet dates.

Pledge of assets

As at 31 December 2019, certain investment properties, properties under development and completed properties held for sale of the Group with an aggregate carrying amount of RMB104.6 million (31 December 2018: RMB475.0 million) were pledged as collateral for the Group's borrowings.

Employees

As at 31 December 2019, total number of employees for the Group was 904 (31 December 2018: 1,160). The Group ensures that all levels of employees are paid competitively within the standard in the market and employees are rewarded on performance related basis within the framework of the Group's salary, incentives and bonus scheme.

Contingent liabilities

On 5 September 2016, the Company provided a financial guarantee in favour of AMD. Pursuant to which the Company agreed to guarantee in favour of AMD, in proportion to the equity interests in the JV Company held by the Group, certain payment obligations of the JV Company under an agreement entered into by the JV Company and AMD on the same day, with a maximum of US$10 million (equivalent to approximately RMB65.3 million).

Foreign exchange exposure

The Group conducted its business operations in the PRC and its revenues and expenses were denominated in RMB. Except for certain cash and bank balances, other receivables, other payables and borrowings denominated in Hong Kong dollar or United States dollar or Australian dollar, there is limited exposure for the foreign exchange risk.

Material Acquisition, Disposal and Significant Investment

During the year ended 31 December 2019, the Group disposed the entire equity interest in Enping Kangsheng Hotel Management Company Limited with the consideration up to RMB80 million. Details of the disposal was set out in the announcement of the Company dated 25 November 2019 and 10 December 2019 respectively.

Save as disclosed above, the Group did not have any other significant investments and disposals during the year ended 31 December 2019.

REVIEW OF UNAUDITED ANNUAL RESULTS AND DELAY IN DESPATCH OF THE ANNUAL REPORT

Due to the combat of COVID-19 outbreak, some restrictions are imposed by China and Hong Kong, the reporting of the Group's financial statements for the year ended 31 December 2019 has been disrupted and the auditing process for the annual results for the year ended 31 December 2019 has not been completed. The unaudited annual results contained herein have not been agreed by the Group's auditor.

Following the completion of the auditing process, the Company will issue further announcement(s) in relating to (i) the audited results for the year ended 31 December 2019 as agreed by the Group's auditor and the material differences (if any) as compared with the unaudited annual results contained herein; and (ii) circumstances arising from the audit of the Group or financial statements which constitute price sensitive information. In addition, the annual report will be despatched in due course and not later than mid of May 2020.

The financial information contained herein in respect of the annual results of the Group have not been audited and have not been agreed with the auditor, and subject to possible adjustments. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

REVIEW OF FINANCIAL STATEMENTS BY THE AUDIT COMMITTEE

The Audit Committee is currently composed of the three independent non-executive Directors, namely Mr. Zeng Zhiyi (chairman), Mr Tong I Tony and Mr. Huang Jianhang. Following the resignation of Mr. Wong Kwok Wai, Albert on 31 January 2020, the Company has failed to meet the requirement under Rule 3.21 of the Listing Rules that at least one of the members of the Audit Committee is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2). The Company is in the course of identifying a suitable candidate with a view to complying with the requirements set out in Rule 3.21 of the Listing Rules within three months as of the announcement dated on 31 January 2020.

The unaudited annual results of the Group for the year ended 31 December 2019 has been reviewed by the Audit Committee.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2019, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to enhancing corporate governance and transparency of the Group by applying the principles in the code provisions of the Code on Corporate Governance Practices (the "**Code**") set out in Appendix 14 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange. The Company has complied with the code provisions in the Code throughout the year ended 31 December 2019.

COMPLIANCE WITH THE MODEL CODE BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "**Model Code**") as the code of practice for carrying out securities transactions by the Directors. After specific enquiry with all Directors, the Company confirmed that all Directors have fully complied with the relevant standards stipulated in the Model Code throughout the year ended 31 December 2019.

PUBLICATION OF THE UNAUDITED ANNUAL RESULTS AND ANNUAL REPORT

The electronic version of the unaudited annual results will be published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.yihua.com.cn). The annual report of the Company for the year ended 31 December 2019 containing all the information required by Appendix 16 to the Listing Rules will be despatched to the Shareholders and published on the aforementioned websites in due course.

APPRECIATION

On behalf of the Board, I would like to extend my gratitude to our management team, our customers, our business associates and all of our fellow staff members for their continued support and dedication to the Group. The Group will respond to the future challenges with flexibility so as to maximise the return on investment for shareholders.

By Order of the Board
Yi Hua Holdings Limited
Chen Jianren
Chairman

Hong Kong, 31 March 2020

As at the date of this announcement, the executive Directors are Mr. Chen Jianren, Mr. Fan Xinpei, Mr. Leung Wai Kwan, Mr. Wei Chaoling, Mr. Tse Wing York and Mr. Deng Zhipeng; the non-executive Director is Mr. Chen Daren; and the independent non-executive Directors are Mr. Zeng Zhiyi, Mr. Tong I Tony, Mr. Chong Ning and Mr. Huang Jianhang.