KINGWELL GROUP LIMITED
京維集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1195)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2020

RESULTS

The Board (the "Board") of directors (the "Directors") of Kingwell Group Limited (the "Company" or "Kingwell") herein announces the preliminary consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 30 June 2020 (the "Year") together with the comparative figures for the corresponding year ended 30 June 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 30 June 2020

	Notes	2020 RMB'000	2019 RMB'000
REVENUE	5	**44,634**	43,179
Cost of sales		**(31,475)**	(28,584)
Gross profit		**13,159**	14,595
Other income and gains	5	**6,354**	823
Selling and distribution expenses		**(1,086)**	(406)
Administrative expenses		**(12,367)**	(16,091)
Other expenses		**(61)**	(677)
Finance costs	7	**(97)**	(83)
Share of loss of an associate	11	**–**	(2,052)
		5,902	(3,891)
Provision for impairment of intangible assets		**(26,944)**	–
LOSS BEFORE TAX	6	**(21,042)**	(3,891)
Income tax expense	8	**(6,655)**	(5,954)
LOSS FOR THE YEAR		**(27,697)**	(9,845)
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(5,272)**	3,426
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(5,272)**	3,426
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(32,969)**	(6,419)
Loss attributable to:			
Owners of the Company		**(13,235)**	(8,493)
Non-controlling interests		**(14,462)**	(1,352)
		(27,697)	(9,845)
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(15,944)**	(6,653)
Non-controlling interests		**(17,025)**	234
		(32,969)	(6,419)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

Year ended 30 June 2020

	Note	**2020**	2019
		RMB cent	*RMB cent*
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*10*		
Basic		**(0.46)**	(0.29)
Diluted		**(0.46)**	(0.29)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2020

	Notes	2020 RMB'000	2019 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,215**	1,484
Investment properties		**5,490**	6,090
Goodwill		**4,821**	4,821
Intangible assets		**42,763**	75,663
Deferred tax assets		**5,428**	5,898
Total non-current assets		**59,717**	93,956
CURRENT ASSETS			
Inventories		**35,652**	53,896
Trade receivables	*12*	**13,772**	10,434
Deposits and other receivables		**1,027**	830
Financial assets at fair value through profit or loss		**5,303**	–
Pledged deposits		**506**	504
Cash and cash equivalents		**84,596**	61,540
		140,856	127,204
Non-current asset classified as held for sale	*11*	**–**	48,208
Total current assets		**140,856**	175,412
CURRENT LIABILITIES			
Trade payables	*13*	**5,524**	25,556
Other payables and accruals		**25,618**	34,075
Contract liabilities		**4,827**	9,303
Tax payable		**9,482**	9,482
Total current liabilities		**45,451**	78,416
NET CURRENT ASSETS		**95,405**	96,996
TOTAL ASSETS LESS CURRENT LIABILITIES		**155,122**	190,952

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
30 June 2020

	Notes	**2020** **RMB'000**	2019 *RMB'000*
TOTAL ASSETS LESS CURRENT LIABILITIES		**155,122**	190,952
NON-CURRENT LIABILITIES			
Non-redeemable convertible preferred shares	*14*	**865**	738
Deferred tax liabilities		**3,381**	6,369
Total non-current liabilities		**4,246**	7,107
Net assets		**150,876**	183,845
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**252,856**	252,856
Non-redeemable convertible preferred shares	*14*	**2,252**	2,252
Other reserves		**(128,451)**	(112,507)
		126,657	142,601
Non-controlling interests		**24,219**	41,244
Total equity		**150,876**	183,845

Notes:

1. BASIS OF PREPARATION

The annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 30 June 2020 but are extracted from those financial statements.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

1. BASIS OF PREPARATION (continued)

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*
HKFRS 16	*Leases*
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Other than as explained below regarding the impact of HKFRS 16, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. HKFRS 16 did not have any significant impact on leases where the Group is the lessor.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 July 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of accumulated losses at 1 July 2019, and the comparative information for 2019 was not restated and continued to be reported under HKAS 17 and related interpretations.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 July 2019.

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for its office premises. As a lessee, the Group previously classified leases as operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less ("short-term leases") (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 July 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impact on transition

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 July 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application

- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease

As the lease terms of all the lease contracts of the Group end within 12 months, which meet the criteria for the exemptions allowed by the standard, the adoption of HKFRS 16 has had no impact on the financial statements.

For the leasehold commercial properties (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 July 2019. They continue to be measured at fair value applying HKAS 40.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has two reportable operating segments as follows:

(a) the property development, property leasing and property management services segment engages in the development of villas, apartments and commercial buildings, property leasing of self-owned properties, the sale of carpark spaces, the provision of property management services, construction services and sales agency service; and

(b) the gold mining segment engages in the production and sale of gold.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that interest income, gain on disposal of an associate, provision for impairment of intangible assets, finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, non-current asset classified as held for sale and other unallocated head office and corporate assets, as these assets are managed on a group basis.

Segment liabilities exclude tax payable, non-redeemable convertible preferred shares, deferred tax liabilities and other unallocated head office and corporate liabilities, as these liabilities are managed on a group basis.

3. OPERATING SEGMENT INFORMATION (continued)

Year ended 30 June 2020

	Property development, property leasing and property management services *RMB'000*	Gold mining *RMB'000*	Total *RMB'000*
Segment revenue:			
Sales to external customers	**44,634**	**–**	**44,634**
Other revenue	**676**	**–**	**676**
	45,310	**–**	**45,310**
Segment results	**11,195**	**(628)**	**10,567**
Reconciliation:			
Interest income			**886**
Gain on disposal of an associate			**4,792**
Provision for impairment of intangible assets			**(26,944)#**
Corporate and other unallocated expenses			**(10,246)**
Finance costs			**(97)**
Loss before tax			**(21,042)**
Segment assets	**140,378**	**49,748**	**190,126**
Corporate and other unallocated assets			**10,447**
			200,573
Segment liabilities	**32,396**	**164**	**32,560**
Reconciliation:			
Corporate and other unallocated liabilities			**17,137**
			49,697
Other segment information:			
Depreciation and amortisation	**714**	**–**	**714**
Capital expenditure	**182**	**–**	**182***

* *Capital expenditure consists of additions to property, plant and equipment.*

\# *In respect of the gold mining segment*

3. **OPERATING SEGMENT INFORMATION (continued)**

Year ended 30 June 2019

	Property development, property leasing and property management services *RMB'000*	Gold mining *RMB'000*	Total *RMB'000*
Segment revenue:			
Sales to external customers	43,179	–	43,179
Other revenue	726	–	726
	43,905	–	43,905
Segment results	11,761	(2,501)	9,260
Reconciliation:			
Interest income			97
Corporate and other unallocated expenses			(13,165)
Finance costs			(83)
Loss before tax			(3,891)
Segment assets	129,422	84,383	213,805
Reconciliation:			
Corporate and other unallocated assets			7,355
Non-current asset classified as held for sale			48,208
			269,368
Segment liabilities	54,351	290	54,641
Reconciliation:			
Corporate and other unallocated liabilities			30,882
			85,523
Other segment information:			
Share of loss of an associate	–	(2,052)	(2,052)
Depreciation and amortisation	492	–	492
Capital expenditure*	3,094	554	3,648*

* *Capital expenditure consists of additions for property, plant and equipment and intangible assets including assets from the acquisition of a business.*

3. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue of RMB44,634,000 (2019: RMB43,179,000) was derived from sales to external customers located in Mainland China.

(b) Non-current assets

	2020	2019
	RMB'000	*RMB'000*
Mainland China	**12,975**	14,259
Hong Kong	**159**	186
Russia	**41,155**	73,613
	54,289	88,058

The non-current asset information above is based on the locations of the assets, which excludes deferred tax assets.

Information about major customers

During the year, revenue of RMB19,387,000 (2019: RMB18,356,000) was derived from sales to a single customer of the property development, property leasing and property management services segment.

4. REVENUE RECOGNITION

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

4. REVENUE RECOGNITION (continued)

Revenue from contracts with customers (continued)

(a) Sale of properties and carpark spaces

Revenue from the sale of properties and carpark spaces is recognised at a point in time when the purchasers obtained the physical possession or the legal title of the properties and carpark spaces and the Group has a present right to payment and the collection of the consideration is probable.

(b) Provision of construction services

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the services, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

(c) Provision of property management services

Revenue from the provision of property management services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

(d) Sales agency service

Revenue from the provision of sales agency service is recognised at a point in time when the service is completed, being at the point that the customer obtains the control of the outcome from sales agency service and the Group has a present right to payment and collection of the consideration is probable.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

5. REVENUE, OTHER INCOME AND GAINS

	2020	2019
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sale of properties	**19,357**	15,710
Sale of carpark spaces	**1,491**	7,525
Rendering of property management services	**8,275**	6,632
Rendering of construction services	**2,842**	13,312
Rendering of sales agency service	**12,669**	–
	44,634	43,179

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 30 June 2020

	Property development, property leasing and property management services	Gold mining	Total
	RMB'000	*RMB'000*	*RMB'000*
Segments			
Type of goods or services			
Sale of properties	**19,357**	**–**	**19,357**
Sale of carpark spaces	**1,491**	**–**	**1,491**
Property management services	**8,275**	**–**	**8,275**
Construction services	**2,842**	**–**	**2,842**
Sales agency service	**12,669**	**–**	**12,669**
Total revenue from contracts with customers	**44,634**	**–**	**44,634**
Geographical market			
Mainland China	**44,634**	**–**	**44,634**
Timing of revenue recognition			
Goods transferred at a point in time	**33,517**	**–**	**33,517**
Services transferred over time	**11,117**	**–**	**11,117**
Total revenue from contracts with customers	**44,634**	**–**	**44,634**

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the year ended 30 June 2019

	Property development, property leasing and property management services	Gold mining	Total
	RMB'000	*RMB'000*	*RMB'000*
<u>Segments</u>			
Types of goods or services			
Sale of properties	15,710	–	15,710
Sale of carpark spaces	7,525	–	7,525
Property management services	6,632	–	6,632
Construction services	13,312	–	13,312
Total revenue from contracts with customers	43,179	–	43,179
Geographical market			
Mainland China	43,179	–	43,179
Timing of revenue recognition			
Goods transferred at a point in time	23,235	–	23,235
Services transferred over time	19,944	–	19,944
Total revenue from contracts with customers	43,179	–	43,179

5. **REVENUE, OTHER INCOME AND GAINS (continued)**

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2020	2019
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of properties	**4,283**	6,322
Sale of carpark spaces	**1,439**	–
Property management services	**2,253**	–
	7,975	6,322

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of properties/carpark spaces

For contracts entered into with customers on the sale of properties/carpark spaces, the Group does not have an enforceable right to payment prior to transfer of the relevant properties/carpark spaces to customers. Revenue from sale of properties/carpark spaces is therefore recognised at a point in time when the properties/carpark spaces are transferred to customers, being at the point that the customers obtain the control of the properties/carpark spaces and the Group has a present right to payment and collection of the consideration is probable.

Property management services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Property management service contracts are for periods of one year.

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 180 days from the date of billing.

Sales agency service

For contracts entered into with customers on the sales agency service, the Group does not have an enforceable right to payment prior to the completion of sales. Revenue from sales agency service is therefore recognised at a point in time when the service is completed, being at the point that the customer obtains the control of the outcome from sales agency service and the Group has a present right to payment and collection of the consideration is probable.

The amounts of transaction prices totalling RMB3,663,000 (30 June 2019: RMB12,631,000) allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2020 are expected to be recognised within one year.

5. REVENUE, OTHER INCOME AND GAINS (continued)

	2020 *RMB'000*	2019 *RMB'000*
Other income		
Bank interest income	**82**	97
Interest income from financial assets at fair value through profit or loss	**804**	–
Rental income from investment property operating leases:		
Fixed payments	**365**	395
Exchange gains, net	**–**	115
Others	**45**	105
	1,296	712
Gains		
Fair value gains on investment properties	**150**	106
Gain on disposal of an associate *(note 11)*	**4,792**	–
Gain on disposal of items of property, plant and equipment	**116**	5
	5,058	111
	6,354	823

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	2020	2019
	RMB'000	*RMB'000*
Cost of inventories sold	**17,444**	14,345
Cost of services provided	**14,031**	14,239
Depreciation	**197**	192
Amortisation	**517**	300
Minimum lease payments under operating leases	**793**	1,122
Auditor's remuneration	**2,003**	2,359
Staff costs (excluding directors' remuneration):		
Salaries and wages	**8,565**	7,575
Pension scheme contributions	**460**	457
	9,025	8,032
Foreign exchange differences, net*	**33**	–
Loss on disposal of investment properties*	**8**	129
Provision for impairment of intangible assets	**26,944**	–
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	**50**	68

* These amounts were included in "other expenses" in the consolidated statement of profit or loss and other comprehensive income.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2020	2019
	RMB'000	*RMB'000*
Interest on:		
Non-redeemable convertible preferred shares *(note 14)*	**97**	83

8. INCOME TAX

The Company is a tax exempted company registered in the Cayman Islands and conducts substantially all of its business through its subsidiaries established in Mainland China (the "PRC Subsidiaries") and Russia.

No provision for Hong Kong profits tax has been made (2019: Nil) as the Group did not generate any assessable profits in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rate of 25% (2019: 25%).

	2020	2019
	RMB'000	*RMB'000*
Current – Hong Kong	**–**	–
Current – Mainland China		
Provision for corporate income tax	**6,218**	4,072
Provision for land appreciation taxes (''LAT'')	**2,955**	2,255
Deferred	**(2,518)**	(373)
Total tax charge for the year	**6,655**	5,954

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rate for Mainland China in which the major subsidiaries of the Company are domiciled to the tax expense at the effective tax rate is as follows:

	2020	2019
	RMB'000	*RMB'000*
Loss before tax	**(21,042)**	(3,891)
Tax at the Mainland China statutory income tax rate of 25%	**(5,260)**	(973)
Lower tax rates on profits arising elsewhere	**2,532**	3,289
Expenses not deductible for tax	**117**	29
Effect of withholding tax at 10% on the distributable profits of the Group's PRC subsidiaries	**1,523**	1,316
Loss attributable to an associate	**–**	513
Tax losses not recognised	**5,540**	105
Tax losses utilised from previous years	**(13)**	(16)
Provision for LAT	**2,955**	2,255
Tax effect of LAT	**(739)**	(564)
Tax charge at the Group's effective rate	**6,655**	5,954

9. DIVIDENDS

No final dividends were proposed for the years ended 30 June 2020 and 2019.

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company of RMB13,235,000 (2019: RMB8,493,000), and the weighted average number of ordinary shares of 2,884,091,737 (2019: 2,884,091,737) in issue during the year.

The calculation of the diluted loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic loss per share amounts presented for the years ended 30 June 2020 and 2019 in respect of a dilution as the impact of the share options and non-redeemable convertible preferred shares outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

11. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

	2020	2019
	RMB'000	*RMB'000*
Non-current asset classified as held for sale		
Investment in an associate	**–**	48,208

11. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE (continued)

Particulars of the associate are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activities
Port First	Ordinary shares of US$1.00 each	British Virgin Islands ("BVI")	35	Investment holding

Port First Limited ("Port First") is an investment holding company and its subsidiaries, Longkou Jinxin Gold Co., Ltd. (“龍口市金鑫黃金有限公司", "Longkou Jinxin") and Longkou Jinhui Gold Co., Ltd. (“龍口市金匯黃金有限責任公司", "Longkou Jinhui"), are engaged in the mining, processing, refining and sale of gold bars in Mainland China.

On 21 June 2019, the Company and Mr. Wu Fong Shing ("Mr. Wu") entered into the sale and purchase agreement (the "Sale and Purchase Agreement"), pursuant to which the Company conditionally agreed to sell and Mr. Wu conditionally agreed to acquire 35% equity interests in Port First at the cash consideration of RMB53,000,000 (the "Disposal"). The Disposal is subject to fulfilment of the conditions precedent under the Sale and Purchase Agreement and is due to be completed by 30 June 2020. On 28 June 2019, the Group received the first instalment of RMB10,600,000. The Disposal was in progress and the investment in Port First was reclassified from an investment in an associate to a non-current asset classified as held for sale on 30 June 2019. On 9 May 2020, the Group received the remaining instalment of RMB42,400,000 and the Disposal was completed. As a result of the Disposal, the Group recorded a gain of RMB4,792,000 (note 5).

Details of the Disposal are set out in the announcements of the Company dated 21 June 2019, 7 August 2019 and 9 September 2019, and the circular of the Company dated 18 September 2019.

Port First which is considered a material associate of the Group, is a strategic partner of the Group engaged in the gold mining business and is accounted for using the equity method prior to the reclassification to a non-current asset classified as held for sale on 30 June 2019.

12. TRADE RECEIVABLES

	2020	2019
	RMB'000	*RMB'000*
Trade receivables	**13,772**	10,434
Impairment	**–**	–
	13,772	10,434

The Group's trade receivables arise from the sale of properties and the provision of property management services, construction services and sales agency service. Considerations in respect of the properties sold are payable by the buyers in accordance with the terms of the related sale and purchase agreements. A credit period of generally 6 months is granted to the property developer for whom the Group provides property management services, construction services and sales agency service. Advanced payment is normally required for the property owners for whom the Group provides property management services. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Within one month	**754**	8,554
One to two months	**2,464**	618
Two to three months	**9,544**	163
Over three months	**1,010**	1,099
	13,772	10,434

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. As the Group did not have any historical credit loss, the Group expects the lifetime ECL to be minimal. There has not been any significant change in the gross amounts of trade receivables that has affected the estimation of the loss allowance during the year.

13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Within 1 month	**928**	4,885
1 to 3 months	**1,102**	9,524
3 months to 1 year	**2,203**	9,530
Over 1 year	**1,291**	1,617
	5,524	25,556

The trade payables are non-interest-bearing and are normally settled on 180–day terms.

14. NON-REDEEMABLE CONVERTIBLE PREFERRED SHARES

The Company allotted and issued 93,000,000 non-redeemable convertible preferred shares ("CPS") at HK$1.00 per CPS on 3 May 2011. The holder of the CPS has the right to convert the CPS into a total of 310,000,000 ordinary shares at a price of HK$0.30 per share on any business day after the issue date. A non-cumulative dividend of 2% per annum on the face value is payable by the Company annually in arrears on each anniversary date of the issue date, subject to sufficient reserves permissible by laws from time to time. In prior years, 90,000,000 CPS has been converted into ordinary shares. At the end of the reporting period, the Company had 3,000,000 (2019: 3,000,000) CPS outstanding.

Initial recognition of the CPS recognised at the issuance date was calculated as follows:

	RMB'000
Fair value of the CPS	77,820
Equity component of the CPS	(69,801)
Liability component of the CPS	8,019

14. NON-REDEEMABLE CONVERTIBLE PREFERRED SHARES (continued)

The Black-Scholes model was used to measure the fair value of the CPS. The inputs to the model were as follows:

Valuation date	3 May 2011
Share price	HK$0.32
Exercise price	HK$0.30
Risk-free rate	0.169%
Expected volatility	35.577%
Expected dividend yield	–

The liability component represents the Company's contractual obligation of interest payment to the holders of the CPS. For the fair value of the liability component of the CPS at initial recognition, the effective interest rate method is adopted in the valuation. The effective interest rate used in the valuation is 12.867%.

The carrying amount of the liability component of the CPS during the year were calculated as follows:

	2020	2019
	RMB'000	*RMB'000*
Beginning of the year	**738**	627
Interest expense *(note 7)*	**97**	83
Exchange realignment	**30**	28
End of the year	**865**	738

15. OPERATING LEASE COMMITMENTS AS AT 30 JUNE 2019

The Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2019
	RMB'000
Within one year	581

The Group is the lessee in respect of its office premises under leases which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. In addition, the Group has applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application in accordance with the policies set out in the note 2 to the financial statements.

16. LEASES

(a) The Group as a lessee

The Group has lease contracts for its office premises. The lease terms of all the lease contracts end within 12 months and the Group applies the short-term lease exemption upon adoption of HKFRS 16. An expense relating to the short-term lease of RMB793,000 was included in administrative expenses during the year.

(b) The Group as a lessor

The Group leases its investment properties consisting of certain commercial properties in Mainland China under operating lease arrangements. The terms of the leases generally also require the tenants to pay security deposits and fixed rent. Rental income recognised by the Group during the year was RMB365,000 (2019: RMB395,000) (note 5).

At 30 June 2020 and 2019, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2020	2019
	RMB'000	*RMB'000*
Within one year	**333**	335
In the second to fifth years, inclusive	**397**	766
	730	1,101

17. EVENTS AFTER THE REPORTING PERIOD

On 14 August 2020, an indirectly wholly-owned subsidiary of the Company and Xuzhou Zhongwei Real Estate Co., Ltd. ("Xuzhou Zhongwei") entered into a sale and purchase agreement (the "Sale and Purchase Agreement"), pursuant to which the subsidiary of the Company conditionally agreed to acquire and Xuzhou Zhongwei conditionally agreed to sell the 3 blocks of 3-storey commercial buildings, which comprise Block 10, Block 11 and Block 12 in the Xuzhou Yueqiao Flower Garden Project, at the cash consideration of RMB40,000,000 (the "Acquisition"). The Acquisition is subject to fulfilment of the conditions precedent under the Sale and Purchase Agreement.

Details of the Acquisition are set out in the announcements of the Company dated 14 and 27 August 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the Year, revenue of the Group amounted to approximately RMB44,634,000 (2019: RMB43,179,000), representing an increase of approximately 3.4% as compared with last year. The increase in revenue was mainly due to the contribution of sales agency service.

During the Year, the Group recorded a gross profit of approximately RMB13,159,000 (2019: RMB14,595,000) and loss before tax of approximately RMB21,042,000 (2019: RMB3,891,000) respectively. The decrease in gross profit was mainly due to decrease in gross profit from the property management services business. The increase in loss before tax was mainly due to the provision for impairment of intangible assets.

The loss attributable to owners of the Company for the Year was approximately RMB13,235,000 (2019: RMB8,493,000). Basic loss per share during the Year was RMB0.46 cent (2019: RMB0.29 cent).

Business Review

Property Development, Property Leasing and Property Management Services Business

The property development project "Anlu Taihe Paradise" at Liang Ji Bei Road, Anlu Economic Development District in Anlu city, Hubei province in the PRC (Postal code 432600), is developed by the Anlu Taihe Real Estate Development Company* (the "Anlu Taihe") ("安陸泰合房地產開發有限公司") and is wholly owned by the Group and is having positive contribution to the Group. The project comprises three phases, constructions were completed in 2007, 2009 and 2011 respectively, with a total gross floor area of approximately 272,568 square meters and are approved for residential and commercial composite uses. The land use rights of the properties have been granted for a term expiring on 22 August 2065. The issued share capital of the Anlu Taihe was RMB30 million and 100% owned by the Group. The Group wholly owned RMB2 million (100%) share capital of Xuzhou Taihua Property Service Co., Ltd.* (the "Xuzhou Taihua") ("徐州泰華物業管理有限公司") and started the property management business in Xuzhou.

The property development, property leasing and property management services business segment are holding the unsold villas, shops, apartments and carpark spaces as inventories.

Some of the properties are held by the Group as investment purpose (as shops and kindergarten) to generate rental income. Properties held by the Group for investment purpose are classified as investment properties and stated at fair value as at 30 June 2020, which are listed as below:

Shop Nos. 114-116 of Block 4, Shop Nos. 101-114 and 201 of Block 25, and Shop Nos. 117-118 of Block 53 in Anlu Taihe Paradise.

During the Year, the PRC property market condition was more difficult as compared with the last year, but the sales of properties and rendering of property management and sales agency service business in Xuzhou City, Jiangsu Province, the PRC, contributed positive cashflow to the Group.

During the Year, the property development, property leasing and property management services segment recorded a profit of approximately RMB11,195,000 as compared to a profit of approximately RMB11,761,000 in 2019. As at 30 June 2020, the property development, property leasing and property management services business had segment assets of approximately RMB140,378,000 (2019: RMB129,422,000) and segment liabilities of approximately RMB32,396,000 (2019: RMB54,351,000). The property development, property leasing and property management services shared 70% of the Group's total assets.

Gold Mining Business

The Group owned 34,229 shares ("51% equity interests") of Commerce Prosper Limited and investment costs was US$13 million (RMB81.7 million). Commerce Prosper Limited owned 100% equity interests of Zolotoy Standart Limited (the "Gold Mining Company"). The Gold Mining Company is a company established under the laws of Russian Federation with limited liability and currently operates and owns the legal and beneficial interest in a mining project related to the mine. With an aggregate mining area of about 309.3 square kilometres, the mine is operated by the Gold Mining Company and located in Molchan river, Zeyskiy region, Amur area, the Russian Federation. The Group has exploration and exploitation rights on the same area (BLG02398BR) with an expiry date on 31 December 2027.

Since the mining area is too large and the rock composition in the northern Molchan region is complex, the Gold Mining Company planned to conduct small scale production prior to large scale exploitation, which is common for all the mining exercise. The Gold Mining Company had submitted the plan of exploitation to the local government in October 2017. However, due to the increase in number of wildfire and environmental destruction incidents caused by mining activities during 2017, the Russian authority raised the environmental protection requirements on exploitation applications at the beginning of 2018. As the Group signed an outsourcing contract with a third party which modified the original submitted plan, the Group was required to re-submit a new plan of exploitation which satisfies the tightened regulation. The Group has filed the reschedules in November 2018 and obtained the exploitation approval within the year of 2020. According to the new legal requirements in Russia, it is very difficult to get the working visa for the PRC workers. In this case, the outsourcing contractor had employed the local Russian worker for this project. Due to the Covid-19, the Group has changed the exploitation plan and postponed the normal production of the Russia gold mine to protect our staff and outsourcing contractor staff. The Group expects the Russia gold mine will only maintain the minimum operation by the outsourcing contractor in 2020 and 2021. It will lower the expected future performance as compared with previous years. As a results, the Group had made an impairment provision for the intangible assets of the Russia gold mine for the amounts of approximately RMB26,944,000.

During the Year, the gold mining segment recorded a loss of approximately RMB628,000 as compared to a loss of approximately RMB2,501,000 in 2019. As at 30 June 2020, the gold mining business had segment assets of approximately RMB49,748,000 (2019: RMB84,383,000) and segment liabilities of approximately RMB164,000 (2019: RMB290,000). The gold mining segment shared 25% of the Group's total assets. There was no dividend income from the gold mining segment during the Year.

Geographic Information

Revenue from operations of RMB44,634,000 (2019: RMB43,179,000) was derived from sales to external customers located in Mainland China.

Business Prospects

In order to sustain the continuous growth of the Group and meet the coming challenges, the Group developed its property development and property leasing business in Anlu City, Hubei Province in the PRC. The real estate project is comprising various types of properties including villas, apartments and commercial buildings. The Anlu Taihe's daily operations are being significant affected by the Covid-19 in Hubei Province. The Group are implementing the precautionary measures against Covid-19 to protect our staff and customers. These situation will affect the sales income in the future. Although the property market is under great pressure, the Directors expect that the Anlu Taihe will continue to generate positive cashflow.

The property management business in Xuzhou City, Jiangsu Province, the PRC, will enhance the Group's expertise in the daily management of properties in the PRC, enabling the Group to improve the quality of the property management at the Group's property development project. The property management business in Xuzhou City are implementing the precautionary measures against Covid-19 to protect our staff and customers. The Group will enhance the management services and provide the tailor-made services to our customers in Xuzhou. Also, the Group will expand the sales agency service in Xuzhou to assist the property developer to sell its inventories. The Directors expect that the property management business will continue contributing positive cashflow to the Group.

In addition, the Group has completed the acquisition of 700 carpark spaces in Xuzhou City, the PRC. This acquisition is a good opportunity to expand the Group's participation in the PRC property market. However, the carpark selling activities are being suspended due to the Covid-19 in China and it will affect the carpark sales situation in Xuzhou City.

The Group would like to further expand its property related business segment in PRC. On 14 August 2020, the Group had entered into the sale and purchase agreement with the Vendor, pursuant to which the Group conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the 3 blocks of 3-storey commercial buildings, which comprises of Block 10, Block 11 and Block 12 in the Xuzhou Yueqiao Flower Garden Project*（徐州月橋花院項目）developed by the Vendor. The Acquisition is subject to fulfilment of the conditions precedent under the Sale and Purchase Agreement and due to be completed by 31 August 2021. In which, the Group would place more resources in property related business to enhance the core business in the future.

As for the gold mining business, since the mining area is too large and the rock composition in the northern Molchan region is complex, the Russia Gold Mining Company planned to conduct small scale production prior to large scale exploitation, which is common for all the mining exercise. The Gold Mining Company submitted the plan of exploitation to the local government in October 2017. However, due to the increase in number of wildfire and environmental destruction incidents caused by mining activities in 2017, the Russian authority raised the environment protection requirements on exploitation applications at the beginning of 2018. As the Group signed an outsourcing contract with a third party which modified the original submitted plan, the Group was required to re-submit a new plan of exploitation which satisfies the tightened regulation. The Group has filed the reschedules in November 2018 and obtained the exploitation approval within the year of 2020. According to the new legal requirements in Russia, it is very difficult to get the working visa for the PRC workers. In this case, the outsourcing contractor had employed the local Russian workers for this project. Due to the Covid-19, the Group has changed the exploitation plan and postponed the normal production of the Russia Gold mine to protect our staff and outsourcing contractor staff. The Group expects the Russia gold mine will only maintain the minimum operation by the outsourcing contractor in 2020 and 2021. In the coming years, the Group will continue to sign the contract with the outsourcing contractor. Also, the Group will also invite and negotiate with the other outsourcing contractors. The Group would like to obtain the better terms with outsourcing contractors. Due to the Covid-19, most of the Russia workers refused to go out to do the mining work. Also, the heavy raining and flooding in the Molchan region will also affect the mining work. In this case, the Group do not expect the Russia gold mine will provide positive income in 2020 and 2021.It will lower the expected future performance as compared with previous years.

Due to the outbreak of the Covid-19 epidemic in January 2020, the Group will closely monitor the impact on the Group's operations.

Looking ahead, the Group will continue to implement its diversified development strategy and proactively search for potential property related investment opportunities.

Liquidity and Financial Resources and Capital Structure

For the year ended 30 June 2020, the Group's working capital requirement was principally financed by its internal resources.

As at 30 June 2020, the Group had cash and cash equivalents, net current assets and total assets less current liabilities of approximately RMB84,596,000 (2019: RMB61,540,000), RMB95,405,000 (2019: RMB96,996,000) and RMB155,122,000 (2019: RMB190,952,000), respectively.

As at 30 June 2020, the Group had no interest-bearing borrowings (2019: Nil).

Total equity attributable to owners of the Company as at 30 June 2020 decreased by approximately RMB15,944,000 to approximately RMB126,657,000 (2019: RMB142,601,000). The gearing ratio (calculated as the ratio of net debt: capital and net debt) of the Group as at 30 June 2020 was in a net cash position (2019: net cash position).

Significant Investments

Save as disclosed above, the Group held no significant investment during the Year.

Major Transaction in relation to the Disposal of 35% Equity Interests in the Port First Limited

On 21 June 2019, the Group and Mr. Wu Fong Shing ("Mr. Wu") entered into the sale and purchase agreement (the "Sale and Purchase Agreement"), pursuant to which the Group conditionally agreed to sell and Mr. Wu conditionally agreed to acquire the 17,500 shares (the "Disposal"), representing 35% equity interests in Port First Limited (the "Target Company"), at the consideration payable by Mr. Wu of RMB53.0 million (equivalent to approximately HK$60.4 million) (the "Consideration").

The Target Company were acquired by the Company on 30 January 2015 at consideration of RMB150 million, however, performance of the Target Company had not been satisfactory. As a result, the Group had continued share of losses and no dividend income from the Target Company. The Group had also recorded an impairment loss of approximately RMB73.1 million for the year ended 30 June 2017.

The Disposal was completed. As a result of the Disposal, the Group recorded a gain of approximately RMB4.8 million which represents the difference between the Consideration of RMB53.0 million and the proportion of equity interest in the Target Company of approximately RMB48.2 million.

Major transaction in relation to the acquisition of the commercial buildings

On 14 August 2020, the Group had entered into the sale and purchase agreement with the Vendor, pursuant to which the Group conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the 3 blocks of 3-storey commercial buildings, which comprises of Block 10, Block 11 and Block 12 in the Xuzhou Yueqiao Flower Garden Project*（徐州月橋花院項目）developed by the Vendor. The Acquisition is subject to fulfilment of the conditions precedent under the Sale and Purchase Agreement and due to be completed by 31 August 2021.

Details of the Acquisition are set out in the announcements of the Company dated 14 and 27 August 2020.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed above, the Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Year.

Employee Information

As at 30 June 2020, the Group employed a total of 87 (2019: 77) employees. It is a policy of the Group to review its employees' pay levels and performance bonus system regularly to ensure that the remuneration policy is competitive within the relevant industry. During the Year, the employment cost (including Directors' emoluments) amounted to approximately RMB9,830,000 (2019: RMB9,303,000). In order to align the interests of staff, Directors and consultants with the Group, share options may be granted to staff, Directors and consultants under the Company's 2019 share option scheme (the "2019 Share Option Scheme"). As at the date of this announcement, no option has been granted under the 2019 Share Option Scheme.

Charges on Group Assets

As at 30 June 2020, no Group's assets were pledged to secure general banking facilities to the Group (2019: Nil).

Future Plans for Material Investments and Expected Sources of Funding

In the future, the Group will continue to implement its diversified development strategy and proactively search for potential investment opportunities.

The Group had no future plans for material investments and expected sources of funding as at 30 June 2020.

Exposure to Fluctuations in Exchange Rates

The Group has foreign currency risk as certain financial assets and liabilities are denominated in foreign currencies, principally in Hong Kong dollars and Russian ruble. The Group does not expect any appreciation or depreciation of the Renminbi against foreign currency which might materially affect the Group's result of operations. The Group did not employ any financial instruments for hedging purposes.

Capital Commitments

As at 30 June 2020, the Group had no capital commitments (2019: Nil).

Contingent Liabilities

As at 30 June 2020, the banking facilities of RMB2,480,000 were granted to buyers of certain properties developed by the Group (2019: RMB3,000,000).

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2020 (2019: Nil).

CORPORATE GOVERNANCE

The Group is committed to statutory and regulatory corporate governance standards and adherence to the principles of corporate governance emphasising accountability, transparency, independence, fairness and responsibility.

The Group has complied with the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the Year, except the following deviation:

Code Provision A.2.1

Under the code provision A.2.1 of the CG Code states that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Being aware of the said deviation from code provision A.2.1, but in view of the current rapid development of the Group, the Board believes that with the support of the management, vesting the roles of both chairman and chief executive officer of the Company by Mr. Mu Dongsheng can facilitate execution of the Group's business strategies and boost effectiveness of its operation. In addition, under the supervision by the Board which consists of three independent non-executive Directors, the interests of the shareholders will be adequately and fairly represented. The Company will seek to re-comply with code provision A.2.1 by identifying and appointing a suitable and qualified candidate to the position of the chief executive officer of the Company in future.

Audit Committee

The Company established an audit committee (the "Audit Committee") in May 2001 with written terms of reference revised to be substantially the same as the provisions as set out in the CG Code. The Audit Committee acts as an important link between the Board and the Company's auditors in matters within the scope of the Group's audit. The duties of the Audit Committee are to review and discuss on the effectiveness of the external audit and risk evaluation of the Company, as well as the Company's annual report and interim report and to provide advice and comments to the Board. The Audit Committee is also responsible for reviewing and supervising the Group's financial reporting, risk management and internal control systems. The Audit Committee has reviewed these annual results with management and agreed these annual results with external auditor of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

IMPORTANT EVENTS AFTER THE YEAR

Save as disclosed under the section headed "Business Prospects" above, no important events affecting the Group has occurred since the end of the Year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The results announcement of the Group for the year ended 30 June 2020 is available for viewing on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at http://kingwell.todayir.com. The annual report will be despatched to the shareholders of the Company and will also be available for viewing at the aforesaid websites in due course.

By Order of the Board
KINGWELL GROUP LIMITED
Mu Dongsheng
Chairman

Hong Kong, 29 September 2020

As at the date of this announcement, the Board comprises Mr. Mu Dongsheng and Mr. Du Yun as executive Directors, and Mr. Cheung Chuen, Mr. Ling Aiwen and Mr. Lu Lin as independent non-executive Directors.

* *For identification purpose only*