新源萬恒控股有限公司
New Provenance Everlasting Holdings Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 2326)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020

FINAL RESULTS

The Board of Directors (the "Board") of New Provenance Everlasting Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2020 together with comparative figures of the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 March 2020

	Notes	**2020** ***HK$'000***	2019 *HK$'000* (restated)
Continuing operations			
Revenue	*3(a)*	**481,124**	1,113,468
Cost of sales		**(463,582)**	(1,030,963)
Gross profit		**17,542**	82,505
Other net income/(loss)	*4*	**18,860**	(67,938)
Selling and distribution costs		**(3,023)**	(10,722)
Administrative expenses		**(31,190)**	(36,174)
Other operating expenses		**(2,238)**	–
Loss from operations		**(49)**	(32,329)
Finance costs	*5(a)*	**(2,380)**	(44,632)
Loss before taxation	*5*	**(2,429)**	(76,961)
Income tax	*6*	**(3,418)**	(4,237)
Loss for the year from continuing operations		**(5,847)**	(81,198)

	Notes	2020 HK$'000	2019 HK$'000 (restated)
Discontinued operation			
(Loss)/profit for the year from discontinued operation		**(11,503)**	10,526
Loss for the year		**(17,350)**	(70,672)
Attributable to:			
Owners of the Company		**(16,898)**	(70,350)
Non-controlling interests		**(452)**	(322)
Loss for the year		**(17,350)**	(70,672)
(Loss)/profit for the year attributable to owners of the Company:			
– from continuing operations		**(5,395)**	(80,876)
– from discontinued operation		**(11,503)**	10,526
		(16,898)	(70,350)
		HK Cent	*HK Cent* (restated)
(Loss)/earnings per share	*10*		
From continuing operations			
Basic and diluted		**(0.026)**	(0.384)
From discontinued operation			
Basic and diluted		**(0.054)**	0.050
From continuing and discontinued operations			
Basic and diluted		**(0.080)**	(0.334)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2020

	2020	2019
	HK$'000	*HK$'000*
		(restated)
Loss for the year	**(17,350)**	(70,672)
Other comprehensive expenses for the year		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries	**(48,007)**	(52,398)
Other comprehensive expenses for the year (net of nil tax (2019: nil))	**(48,007)**	(52,398)
Total comprehensive expenses for the year	**(65,357)**	(123,070)
Attributable to:		
Owners of the Company	**(65,265)**	(123,107)
Non-controlling interests	**(92)**	37
	(65,357)	(123,070)
Total comprehensive expenses attributable to owners of the Company arises from:		
Continuing operations	**(40,022)**	(120,386)
Discontinued operation	**(25,243)**	(2,721)
	(65,265)	(123,107)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Notes	2020 HK$'000	2019 HK$'000
Non-current assets			
Property, plant and equipment		**36,779**	213,265
Right-of-use assets		**8,634**	–
Prepaid land lease payments		**–**	3,393
Goodwill		**–**	–
Other intangible asset		**–**	–
Deferred tax assets		**44**	47
Rental deposit		**–**	1,321
		45,457	218,026
Current assets			
Inventories		**35,479**	48,878
Trade and bills receivables	*11*	**327,523**	538,771
Prepayments, deposits and other receivables		**170,268**	140,275
Prepaid land lease payments		**–**	72
Tax recoverable		**–**	369
Cash and cash equivalents		**6,093**	92,373
		539,363	820,738
Assets held for sales	*9*	**222,060**	–
		761,423	820,738
Current liabilities			
Trade payables	*12*	**258,783**	24,651
Accruals, deposits and other payables		**22,597**	42,815
Bank advances for discounted bills		**–**	412,557
Lease liabilities		**752**	–
Tax payable		**3,982**	7,566
		286,114	487,589
Liabilities directly associated with the assets held for sale	*9*	**34,948**	–
		321,062	487,589

	Notes	**2020** ***HK$'000***	2019 *HK$'000*
Non-current liabilities			
Deferred tax liabilities		**66**	66
Net assets		**485,752**	551,109
Equity			
Equity attributable to owners of the Company			
Share capital		**4,217**	4,217
Reserves		**489,854**	555,119
		494,071	559,336
Non-controlling interests		**(8,319)**	(8,227)
Total equity		**485,752**	551,109

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 March 2020

1. BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 March 2020 comprise the Company and its subsidiaries (together referred to as the "Group").

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Hong Kong dollars, rounded to the nearest thousand except for per share data. Hong Kong dollar is the Company's functional currency and the Group's presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that derivative financial instruments are stated at their fair value.

The preparation of financial statements in conformity with Hong Kong Financial Reporting Standards ("HKFRSs") requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

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

Except for HKFRS 16, Leases, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16 Leases

HKFRS 16 replaces Hong Kong Accounting Standards ("HKAS") 17, Leases, and the related interpretations, HK(IFRIC) 4, Determining whether an arrangement contains a lease, HK(SIC) 15, Operating leases – incentives, and HK(SIC) 27, Evaluating the substance of transactions involving the legal form of a lease. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low-value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied HKFRS 16 as from 1 April 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 April 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

a. New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 April 2019. For contracts entered into before 1 April 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

b. Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment.

At the date of transition to HKFRS 16 (i.e. 1 April 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 April 2019.

The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 5.70%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

(i) the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 March 2020;

(ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and

(iii) when measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 March 2019 as an alternative to performing an impairment review.

The following table reconciles the operating lease commitments as disclosed as at 31 March 2019 to the opening balance for lease liabilities recognised as at 1 April 2019:

	HK$'000
Operating lease commitments at 31 March 2019	24,786
Less: total future interest expenses	(1,009)
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 April 2019 and total lease liabilities recognised at 1 April 2019	23,777

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position at 31 March 2019.

So far as the impact of the adoption of HKFRS 16 on leases previously classified as finance leases is concerned, the Group is not required to make any adjustments at the date of initial application of HKFRS 16, other than changing the captions for the balances. Accordingly, instead of "obligations under finance leases", these amounts are included within "lease liabilities", and the depreciated carrying amount of the corresponding leased assets is identified as right-of-use assets. There is no impact on the opening balance of equity.

The following table summarises the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

	Carrying amount at 31 March 2019 *HK$'000*	Capitalisation of operating lease *HK$'000*	Reclassification of prepaid lease payments *HK$'000*	Carrying amount at 1 April 2019 *HK$'000*
Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16:				
Right-of-use assets	–	23,777	3,465	27,242
Prepaid land lease payment (non-current)	3,393	–	(3,393)	–
Total non-current assets	218,026	23,777	72	241,875
Prepaid land lease payment (current)	72	–	(72)	–
Total current assets	820,738	–	(72)	820,666
Lease liabilities (current)	–	(15,410)	–	(15,410)
Total current liabilities	(487,589)	(15,410)	–	(502,999)
Lease liabilities (non-current)	–	(8,367)	–	(8,367)
Total non-current liabilities	(66)	(8,367)	–	(8,433)
Net assets	551,109	–	–	551,109

c. Impact on the financial result, segment results and cash flows of the Group

After the initial recognition of the right-of-use assets and lease liabilities as at 1 April 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liabilities, and the depreciation of the right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported profit from operations in the Group's consolidated statement of profit or loss, as compared to the results if HKAS 17 had been applied during the year.

In the consolidated statement of cash flows, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element. These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under HKAS 17 were treated, rather than as operating cash outflows, as was the case for the operating leases under HKAS 17. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the consolidated statement of cash flow.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products is as follows:

	2020	2019
	HK$'000	HK$'000
		(restated)
		(Note)
Continuing operations		
Revenue from contracts with customers within the scope of HKFRS 15		
Sourcing and sale of metal minerals and related industrial materials	**350,898**	1,023,695
Production and sale of industrial products	**130,226**	89,773
	481,124	1,113,468
Disaggregated by geographical location of customers		
– Hong Kong (place of domicile)	**–**	–
– PRC except Hong Kong	**481,124**	682,939
– Other Asian countries	**–**	430,529
	481,124	1,113,468

Revenue from the above categories are recognised at point in time.

Note:

Comparative information is restated for not including any amounts for the discontinued operation (see note 8).

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

All sales contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these contracts for the remaining unsatisfied performance obligations is not disclosed.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's chief executive officer (the chief operating decision maker) for the purposes of resources allocation and performance assessment, the Group has presented the following three reportable segments.

(i) Sourcing and sale of metal minerals and related industrial materials;

(ii) Production and sale of industrial products; and

(iii) Others

Others segment represents business activities and operating segments not separately reported, including provision of logistics services.

The operation of production and sale of utilities was discontinued in the current year. The following segment information does not include any amounts for the discontinued operation, which is described in more detail in note 8.

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief executive officer monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include property, plant and equipment, right-of-use assets, prepaid land lease payments, goodwill, other intangible asset, inventories, trade and bills receivables, prepayments, deposits and other receivables, tax recoverable and deferred tax assets of each segment. Segment liabilities include lease liabilities, trade payables, accruals, deposits and other payables, bank advances for discounted bills, tax payable and deferred tax liabilities of each segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is gross profit less selling and distribution costs of each segment.

In addition to receiving segment information concerning segment profits, the chief executive officer is provided with segment information concerning revenue, depreciation, amortisation of prepaid land lease payments, finance costs, income tax expense and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to price charged to external parties for similar orders.

The accounting policies of the operating segments are the same as the Group's accounting policies.

Information regarding the Group's reportable segments as provided to the Group's chief executive officer for the purposes of resources allocation and assessment of segment performance for the years ended 31 March 2020 and 2019 are set out below:

Continuing operations

	2020			
	Sourcing and sale of metal minerals and related industrial materials	**Production and sale of industrial products**	**Others**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Reportable segment revenue from external customers	**350,898**	**130,226**	**–**	**481,124**
Reportable segment profit	**674**	**13,845**	**–**	**14,519**
Depreciation for property, plant and equipment	**–**	**(8,633)**	**–**	**(8,633)**
Depreciation for right-of-use assets	**–**	**(6,029)**	**–**	**(6,029)**
Finance costs	**(2,058)**	**(183)**	**–**	**(2,241)**
Income tax credit/(expense)	**40**	**(3,461)**	**3**	**(3,418)**
Reportable segment assets	**393,107**	**179,902**	**1,689**	**574,698**
Additions to non-current segment assets during the year	**–**	**11,683**	**–**	**11,683**
Reportable segment liabilities	**(253,679)**	**(25,084)**	**(3,592)**	**(282,355)**

	2019 (restated)			
	Sourcing and sale of metal minerals and related industrial materials	Production and sale of industrial products	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment revenue from external customers	1,023,695	89,773	–	1,113,468
Reportable segment profit	48,749	23,034	–	71,783
Depreciation for property, plant and equipment	–	(8,413)	(2)	(8,415)
Amortisation of prepaid land lease payments	–	(72)	–	(72)
Finance costs	(44,632)	–	–	(44,632)
Income tax credit/(expense)	258	(4,420)	(75)	(4,237)
Reportable segment assets	520,571	145,809	1,470	667,850
Additions to non-current segment assets during the year	–	8,361	–	8,361
Reportable segment liabilities	(431,118)	(13,005)	(3,906)	(448,029)

There are no inter-segment sales during the years ended 31 March 2020 and 2019.

Geographic information

The following is an analysis of geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, right-of-use assets, prepaid land lease payments, goodwill, other intangible asset and non-current rental deposit. The geographical location of customers is based on the location at which the products were delivered. The geographical locations of property, plant and equipment, right-of-use assets, prepaid land lease payments and non-current rental deposit is based on the physical location of the assets under consideration. In the case of goodwill and other intangible asset, it is based on the location of the operation to which they are allocated.

	Revenue from external customers		**Non-current assets**	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(restated)		(restated)
Continuing operations				
Other Asian countries	**–**	430,529	**–**	–
Hong Kong (place of domicile)	**–**	–	**2,024**	4,657
PRC except Hong Kong	**481,124**	682,939	**43,389**	38,602
	481,124	1,113,468	**45,413**	43,259

Information about major customers

Revenue from customers contributing 10% or more of the total sales of the Group are as follows:

	2020	2019
	HK$'000	*HK$'000*
		(restated)
		(Note (iv))
Continuing operations		
Customer A *(note (i))*	**130,226**	520,252
Customer B *(note (ii))*	**N/A**	398,942
Customer C *(note (iii))*	**305,712**	N/A

Notes:

i) Revenue from the above customer arose from the businesses of production and sale of industrial products, sourcing and sale of metal minerals and related industrial materials for the years ended 31 March 2020 and 2019.

ii) Revenue from the above customer arose from the business of sourcing and sale of metal minerals and related industrial materials for the year ended 31 March 2019. There is no revenue arose from the above customer for the year ended 31 March 2020.

iii) Revenue from the above customer arose from the business of sourcing and sale of metal minerals and related industrial materials for the year ended 31 March 2020 (2019: the corresponding revenue did not contribute 10% or more of the Group's total revenue during the year).

iv) Comparative information is restated for not including any amounts for the discontinued operation (see note 8).

4. OTHER NET INCOME/(LOSS)

	2020	2019
	HK$'000	*HK$'000*
		(restated)
		(Note)
Continuing operations		
Interest income on bank deposits	**115**	216
Interest income on loan receivable	**336**	320
Total interest income on financial assets measured at amortised cost	**451**	536
Sundry income	**24**	10
Net foreign exchange gain/(loss)	**16,413**	(69,329)
Fair value gain on derivative financial instruments		
– forward foreign exchange contracts	**1,896**	845
Gain on disposal of property, plant and equipment	**76**	–
	18,860	(67,938)

Note:

Comparative information is restated for not including any amounts for the discontinued operation (see note 8).

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting) the followings:

	2020	2019
	HK$'000	*HK$'000*
		(restated)
		(Note)
Continuing operations		
(a) Finance costs		
Bills discount charges	**2,058**	44,632
Interest on lease liabilities	**322**	–
Total interest expense on financial liabilities not at fair value through profit or loss	**2,380**	44,632
(b) Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	**29,365**	36,098
Contributions to defined contribution retirement plans	**3,012**	4,156
	32,377	40,254
(c) Other items		
Cost of inventories#	**463,582**	1,030,963
Auditors' remuneration	**1,040**	1,200
Amortisation of prepaid land lease payments	**–**	72
Depreciation for property, plant and equipment	**10,707**	9,869
Depreciation of right-of-use assets	**10,594**	–
Operating lease charges: minimum lease payments	**–**	11,635
Loss on deregistration of a subsidiary	**278**	–
Written off of property, plant and equipment	**–**	1,918
Loss allowance on trade receivables	**1,022**	–
Loss allowance on other receivables	**314**	–
Impairment loss on non-controlling interests	**624**	–
Gain on disposal of property, plant and equipment	**(76)**	–

\# Cost of inventories, being the carrying amount of inventories sold, included HK$28,439,000 (2019 (restated): HK$31,495,000) relating to staff costs, depreciation and operating lease charges for the years ended 31 March 2020 and 2019 which amounts were also included in the respective total amounts disclosed separately in notes 5(b) and 5(c) for each of these types of expenses.

Note:

Comparative information is restated for not including any amounts for the discontinued operation (see note 8).

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Income tax in the consolidated statement of profit or loss represents:

	2020	2019
	HK$'000	*HK$'000*
		(restated)
		(Note (iv))
Continuing operations		
Current tax		
– Hong Kong Profits Tax *(note (i))*	**–**	73
– PRC Enterprise Income Tax ("EIT") *(note (ii))*	**3,461**	4,420
	3,461	4,493
Over-provision of prior year		
– Hong Kong Profits Tax	**(40)**	(258)
– PRC EIT	**–**	–
Deferred tax		
Origination and reversal of temporary differences	**(3)**	2
Total	**3,418**	4,237

Notes:

(i) No Hong Kong Profits Tax has been provided as the Group has no assessable profits for the year ended 31 March 2020.

The provision for Hong Kong Profits Tax for 2020 is calculated at 16.5% of estimated assessable profits for the year.

(ii) PRC subsidiaries are subject to PRC EIT at 25% (2019: 25%).

According to a joint circular of the Ministry of Finance and State Administration of Taxation, Cai Shui 2008 No. 1, only the profits earned by foreign-investment enterprise prior to 1 January 2008, when distributed to foreign investors, can be grandfathered and exempted from withholding tax. Dividend distributed out of the profits generated thereafter shall be subject to the EIT at 5% or 10% and withheld by PRC entities.

(iii) The Group is not subject to any taxation under the jurisdiction of Bermuda, Samoa, Cayman Islands and the British Virgin Islands for the years ended 31 March 2020 and 2019.

(iv) Comparative information is restated for not including any amounts for the discontinued operation (see note 8).

7. DIVIDENDS

The Board does not recommend the payment of any dividend for the years ended 31 March 2020 and 2019.

8. DISCONTINUED OPERATION

Disposal of operation of production and sale of utilities

On 11 September 2019, the Group entered into a sale agreement to dispose of entire equity interests in Ningxia Tianyuan Power Generation Company Limited ("Power Company"), a wholly-owned subsidiary of the Company, which carried out all of the Group's operation of production and sale of utilities, at a consideration of RMB169,000,000. The disposal was completed in June 2020 and the Group has received the first part of the consideration as stated in the sale agreement on 16 June 2020. It was expected that the financial performance and the liquidity of the Group will be improved after the disposal of Power Company.

The results of the discontinued operation included in the (loss)/profit for the year are set out below. The comparative consolidated statement of profit or loss has been restated to show the discontinued operation separately from continuing operations.

	2020	2019
	HK$'000	*HK$'000*
		(restated)
Revenue	**155,218**	182,567
Cost of sales	**(172,931)**	(165,772)
Gross (loss)/profit	**(17,713)**	16,795
Other net income	**1,443**	53
Administrative expenses	**(545)**	(809)
Other operating expenses	**(32)**	–
(Loss)/profit from operation	**(16,847)**	16,039
Finance costs	**(471)**	–
(Loss)/profit before taxation	**(17,318)**	16,039
Income tax credit/(expense)	**5,815**	(5,513)
(Loss)/profit for the year from discontinued operation and attributable to owners of the Company	**(11,503)**	10,526

(Loss)/profit for the year from discontinued operation includes the following:

	2020 *HK$'000*	2019 *HK$'000* (restated)
Interest income on bank deposits	**1**	2
Sundry income	**1,442**	51
Interest on lease liabilities	**471**	–
Salaries, wages and other benefits	**11,744**	12,175
Contributions to defined contribution retirement plans	**3,821**	3,703
Staff costs	**15,565**	15,878
Cost of inventories #	**172,931**	165,772
Depreciation for property, plant and equipment	**21,506**	17,943
Depreciation for right-of-use assets	**4,748**	–
	26,254	17,943
Loss allowance on trade receivables	**32**	–
Operating lease charges: minimum lease payments	**–**	5,225

Cost of inventories, being the carrying amount of inventories sold, included HK$41,334,000 (2019 (restated): HK$38,412,000) relating to staff costs, depreciation and operating lease charges for the years ended 31 March 2020 and 2019 which amounts were also included in the respective total amounts disclosed separately for each of these types of expenses.

	2020 *HK$'000*	2019 *HK$'000* (restated)
Cash flows from discontinued operation		
Net cash generated from/(used in) operating activities	**4,569**	(64,337)
Net cash used in investing activities	**(170)**	(9,372)
Net cash used in financing activities	**(4,597)**	–
Net cash outflows	**(198)**	(73,709)
(Loss)/earnings per share		
Basic and diluted, from discontinued operation *(HK cent per share)*	**(0.054)**	0.050

The calculations of basic and diluted (loss)/earnings per share from discontinued operation are based on:

	2020	2019 (restated)
(Loss)/profit attributable to owners of the Company from discontinued operation *(HK$'000)*	**(11,503)**	10,526
Weighted average number of ordinary shares in issue during the year used in the basic and diluted (loss)/profit per share calculation	**21,084,072,140**	21,084,072,140

9. DISPOSAL GROUP HELD FOR SALE

As at 31 March 2020, the Group's management was committed to a plan to sell Power Company. Accordingly, Power Company is presented as a disposal group held for sale. Efforts to sell the disposal group have commenced and the disposal was completed in June 2020.

At 31 March 2020, the disposal group comprised the following assets and liabilities.

	2020 ***HK$'000***
Property, plant and equipment	**142,369**
Right-of-use assets	**4,632**
Inventories	**295**
Trade receivables	**50,675**
Prepayments, deposits and other receivables	**24,075**
Cash and cash equivalents	**14**
Assets held for sale	**222,060**
Trade payables	**8,514**
Accruals, deposits and other payables	**21,656**
Lease liabilities	**4,778**
Liabilities directly associated with the assets held for sale	**34,948**

Cumulative income or expenses included in other comprehensive income

Cumulative expense of HK$17,638,000 being exchange differences relating to the disposal group classified as held for sale has been recognised in other comprehensive income and included in equity.

10. (LOSS)/EARNINGS PER SHARE

a) Basic (loss)/earnings per share

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

	2020	2019 (restated)
Continuing operations		
Loss		
Loss for the year attributable to owners of the Company *(HK$'000)*	**(5,395)**	(80,876)
Number of shares		
Weighted average number of ordinary shares in issue	**21,084,072,140**	21,084,072,140
Basic loss per share *(HK cent per share)*	**(0.026)**	(0.384)
Discontinued operation		
(Loss)/earnings		
(Loss)/profit for the year attributable to owners of the Company *(HK$'000)*	**(11,503)**	10,526
Number of shares		
Weighted average number of ordinary shares in issue	**21,084,072,140**	21,084,072,140
Basic (loss)/earnings per share *(HK cent per share)*	**(0.054)**	0.050
Continuing and discontinued operations		
Loss		
Loss for the year attributable to owners of the Company *(HK$'000)*	**(16,898)**	(70,350)
Number of shares		
Weighted average number of ordinary shares in issue	**21,084,072,140**	21,084,072,140
Basic loss per share *(HK cent per share)*	**(0.080)**	(0.334)

b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share for the years ended 31 March 2020 and 2019 is the same as the basic (loss)/earnings per share as there is no potential ordinary shares outstanding during the years.

11. TRADE AND BILLS RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Trade receivables	**328,618**	122,729
Bills receivables	**–**	416,115
Less: Loss allowance	**(1,095)**	(73)
	327,523	538,771

All of the trade and bills receivables are expected to be recovered within one year.

Notes:

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables based on the invoice date or shipment date and net of loss allowance is as follows:

	2020	2019
	HK$'000	*HK$'000*
0 – 60 days	**26,819**	79,551
61 – 120 days	**16,047**	42,288
121 – 180 days	**87,588**	–
181 – 360 days	**197,069**	–
Over 360 days	**–**	817
	327,523	122,656

As of the end of the reporting period, the ageing analysis of bills receivables based on the shipment date and net of loss allowance is as follows:

	2020	2019
	HK$'000	*HK$'000*
0 – 60 days	**–**	–
61 – 120 days	**–**	–
121 – 180 days	**–**	–
181 – 360 days	**–**	405,970
Over 360 days *(remark)*	**–**	10,145
	–	416,115

Trade and bills receivables are usually due within 360 days (2019: 360 days) from the date of billing, shipment date or bills issue date.

Remark:

The amount of bills receivables with ageing over 360 days represented bills with 360 days maturity day and were received by the banks within one to two months after the shipment date. These bills were fully settled before year end of 31 March 2020.

(b) Transferred receivables

During the year, the Group discounted bills receivables to banks for cash proceeds. If the bills receivables are not paid at maturity, the banks have the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to these bills receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the discounting as secured bank advances. The Group considers the held to collect business model to remain appropriate for these receivables and hence continues measuring them at amortised cost.

At the end of 31 March 2019, the carrying amount of the bills receivables that have been discounted but have not been derecognised amounted to HK$416,115,000 and the carrying amount of the associated liability is HK$412,557,000.

12. TRADE PAYABLES

	2020	2019
	HK$'000	*HK$'000*
Trade payables	**258,783**	24,651

Notes:

(a) Trade payables are expected to be settled within one year.

(b) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade payables based on the invoice date or shipment date is as follows:

	2020	2019
	HK$'000	*HK$'000*
0 – 60 days	**2,026**	16,893
61 – 120 days	**419**	482
121 – 180 days	**70,658**	896
181 – 360 days	**181,631**	231
Over 360 days	**4,049**	6,149
	258,783	24,651

13. COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 at 1 April 2019 using the modified retrospective approach. Under this approach, comparative information is not restated.

14. EVENTS AFTER REPORTING PERIOD

a) From late January 2020, the outbreak of Coronavirus Disease 2019 (the "COVID-19 outbreak") was rapidly evolving globally. Since then, the economic and financial markets have been significantly impacted. During the year ended 31 March 2020, the COVID-19 outbreak had no material impacts on the financial performance of the Group. The Group will continue to pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the consolidated financial statements and operation results.

b) On 11 September 2019, the Group entered into a sale agreement to dispose of entire equity interests in Ningxia Tianyuan Power Generation Company Limited ("Power Company"), a wholly-owned subsidiary of the Company, which carried out all of the Group's operation of production and sale of utilities, at a consideration of RMB169,000,000. The disposal was completed in June 2020 and the Group has received the first part of the consideration as stated in the sale agreement on 16 June 2020. The directors of the Group expected that the financial performance and the liquidity of the Group will be improved after the disposal of Power Company. The directors of the Group considered that the financial effect of the disposal of Power Company is not material to the Group as the net assets value of Power Company was approximate to the amount of consideration.

OPERATIONS REVIEW

Continuing operations

For the year ended 31 March 2020 ("year under review"), the Group was principally engaged in sourcing and sale of metal minerals and related industrial materials and the production and sale of industrial products. The production and sale of utilities business under 寧夏天元發電有限公司 (literally translated as Ningxia Tianyuan Power Generation Company Limited) (the "Power Company") was successfully disposed after the end of the reporting period and the details of the disposal of Power Company during the year are set out under the heading "Material Disposal" below.

Revenue and Gross Profit

During the year under review, the Group recorded a decrease in revenue, from HK$1,113,468,000 (restated) for the year ended 31 March 2019 to HK$481,124,000 for the year ended 31 March 2020, representing a decrease of approximately 56.8% as compared to last financial year. The Group's gross profit also decreased by approximately 78.7% from HK$82,505,000 (restated) for the year ended 31 March 2019 to HK$17,542,000 for the year ended 31 March 2020.

The decrease in revenue and gross profit was mainly attributable to the decrease in demand of the customers of our sourcing and sale of metal minerals and related industrial materials business during the year under review. The persistent uncertainty of global economy together with the sustainable volatility of the exchange rate of RMB against various currencies, had a certain impact on the Group's customers and in turn lead to a deterioration in the Group's gross profit for the year under review. For the sourcing and sale of metal minerals and related industrial materials business, the Group recorded a segment revenue of HK$350,898,000 (Year ended 31 March 2019: HK$1,023,695,000) and a segment profit of HK$674,000 for the year ended 31 March 2020 (Year ended 31 March 2019: segment profit of HK$48,749,000), representing a decrease of approximately 65.7% and 98.6% respectively when compared to last financial year.

For the production and sale of industrial products business under 寧夏華夏環保資源綜合利用有限公司 (literally translated as Ningxia Huaxia Integrated Waste Recycling Company Limited) (the "Waste Recycling Company"), the Group recorded a segment revenue of HK$130,226,000 for the year ended 31 March 2020 (Year ended 31 March 2019: HK$89,773,000), representing an increase of approximately 45.1% as compared to last financial year. This segment reported a decrease in its segment profit by approximately 39.9%, from HK$23,034,000 for the year ended 31 March 2019 to HK$13,845,000 for the year ended 31 March 2020. The decrease in segment profit was mainly attributable to the increase of sale of an industrial product with higher costs during the year under review.

Other Net Income/(Loss)

For the year ended 31 March 2020, the Group recorded an other net income of HK$18,860,000 (Year ended 31 March 2019 (restated): other net loss of HK$67,938,000), and the turnaround was mainly attributable to the fluctuation of exchange rate of various foreign currencies, mainly related to RMB and USD. The net foreign exchange loss recorded for the year ended 31 March 2019 was mainly due to the deteriorated effects arose from purchase transactions conducted with overseas suppliers in foreign currencies and sales transactions with mainland customers in RMB, and the sustainable depreciation in RMB against USD was the main challenge to the business of the Group there.

Administrative Expenses

Administrative expenses primarily include staff costs, general administrative expenses and depreciation. For the year ended 31 March 2020, the Group recorded administrative expenses of HK$31,190,000 (Year ended 31 March 2019 (restated): HK$36,174,000), representing a decrease of approximately 13.8% as compared to last financial year. The decrease in administrative expenses was mainly due to the cost control measures implemented by the management of the Group during the year under review.

Other Operating Expenses

Other operating expenses of HK$2,238,000 (Year ended 31 March 2019: nil) are mainly represented by the loss allowance on trade receivables and other receivables made during the year under review.

Finance Costs

Finance costs decreased by HK$42,252,000, or approximately 94.7% from HK$44,632,000 for the year ended 31 March 2019 to HK$2,380,000 for the year ended 31 March 2020. The decrease was due to the decrease in bills discount charge as a result of the reduced use of bills receivables discounting arrangement by the Group in its sourcing and sale of metal minerals and related industrial materials business during the year under review. The Group will make the discounting of bills receivables to maintain certain level of cash flows if appropriate and necessary. The Group's management is continuously and carefully monitoring the Group capital structure in order to utilize the financial resources to meet its ongoing operational requirements and business expansion.

Loss for the year

Continuing operations

During the year under review, the Group recorded a loss for the year from continuing operations of HK$5,847,000 (Year ended 31 March 2019 (restated): HK$81,198,000). The decrease in loss was mainly attributable to several reasons including:

(a) the foreign exchange gain for the year ended 31 March 2020 arising from exposure to foreign exchange risk mainly related to RMB and the USD as compared to foreign exchange loss for the year ended 31 March 2019;

(b) the decrease in finance costs due to the decrease in bills discount charge as a result of the reduced use of bills receivables discounting arrangement by the Group in its sourcing and sale of metal minerals and related industrial materials business during the year under review;

(c) the decrease in administrative expenses and selling and distribution costs due to the cost control measures implemented by the management of the Group during the year under review; and offset by:

(d) the decrease in gross profit of (i) the sourcing and sale of metal minerals and related industrial materials business owing to the unfavorable global economic conditions; and (ii) the production and sale of industrial products business owing to the increase in the cost of production during the year under review.

Discontinued operation

During the year under review, the Group recorded a loss for the year from discontinued operation of HK$11,503,000 (Year ended 31 March 2019 (restated): profit of HK$10,526,000). The turnaround result was mainly due to the increase in the cost of production of utilities business during the year under review.

The loss attributable to owners of the Company for the year ended 31 March 2020 amounted to HK$16,898,000 whereas a loss of HK$70,350,000 was recorded in last financial year. This represented a basic loss per share of HK0.080 cent for the year ended 31 March 2020, whereas the basic loss per share of HK0.334 cent was recorded in last financial year.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group financed its operations mainly by cash generated from its business activities and credit facilities provided by banks. As at 31 March 2020, the Group had current assets of HK$761,423,000 (Year ended 31 March 2019: HK$820,738,000), comprising cash and bank balances of HK$6,093,000 (Year ended 31 March 2019: HK$92,373,000).

The Group's current ratio, calculated based on current assets of HK$761,423,000 (Year ended 31 March 2019: HK$820,738,000) over current liabilities of HK$321,062,000 (Year ended 31 March 2019: HK$487,589,000), was at a healthy level of 2.37, which was higher than the corresponding ratio as at 31 March 2019 (Year ended 31 March 2019: 1.68).

As at 31 March 2020, the Group's trade payables amounted to HK$258,783,000 (Year ended 31 March 2019: HK$24,651,000); trade receivables and bills receivables amounted to HK$327,523,000 and HK$nil respectively (Year ended 31 March 2019: HK$122,656,000 and HK$416,115,000).

As at 31 March 2020, the Group's equity attributable to owners of the Company decreased to HK$494,071,000 (Year ended 31 March 2019: HK$559,336,000). The decrease in equity attributable to owners of the Company was mainly due to the total comprehensive expenses recorded by the Group during the year under review.

The Group's gearing ratio, calculated based on total borrowings of HK$nil (Year ended 31 March 2019: HK$412,557,000) divided by equity attributable to owners of the Company plus total borrowings of HK$494,071,000 (Year ended 31 March 2019: HK$971,893,000), was nil (Year ended 31 March 2019: 42%), as all outstanding borrowings were repaid during the year ended 31 March 2020.

During the year under review, the Group continued to implement a prudent financial management policy to protect the shareholders' interest of the Group. The management will keep on exploring the feasibility of carrying out certain financing activities, with the support from financial and securities institutions and professional advisors, to meet its ongoing operational requirements and business expansions requirements.

Material Disposal

On 11 September 2019, the Group entered into a disposal agreement with an independent third party for the disposal of 100% equity interests in the Power Company at a total consideration of RMB169,000,000. The Power Company is an indirect wholly owned subsidiary of the Group which operates a waste heat power generation plant with an installed capacity of 36 megawatts in the Ningxia Hui Autonomous Region of the PRC. The transaction was categorized as a major transaction under the Listing Rules. On 31 October 2019, the transaction was duly passed as an ordinary resolution by the Shareholders.

For details, please refer to the announcement of the Company dated 11 September 2019 and the circular of the Company dated 16 October 2019 for the disposal of Power Company. For the poll results announcement, please refer to the announcement of the Company dated 31 October 2019. The disposal was completed in June 2020.

Save for the aforementioned, no other plans were authorised by the Board for any material investments, additions of capital assets or disposal as at the date of this announcement.

Foreign Currency Management

The monetary assets and liabilities as well as business transactions of the Group are mainly carried out and conducted in HK$, RMB and USD. The Group maintains a strategy in its foreign currency risk management, primarily by including the estimated exchange differences on currency exposure in our pricing of metal minerals trade to minimize the impact of foreign exchange risk on the Group's profit. The Group will enter into forward foreign exchange contracts to hedge against the Group's currency exposure if appropriate and necessary. The management thus believes the current level of bank balances, certain receivables and payables denominated in RMB and USD expose the Group to a manageable foreign currency risk. The management is paying vigilant attention to the fluctuation of RMB and is constantly and closely monitoring the foreign currency exposure. The Group will further consider using any appropriate financial derivatives to hedge against the Group's currency risk and manage its exposure.

Borrowings and Pledge of Assets

As at 31 March 2020, the Group did not have bank advances for discounted bills (Year ended 31 March 2019: HK$412,557,000) which were secured by the Group's certain bills receivables.

Capital Commitment

As at 31 March 2020, the Group had capital commitments of RMB1,840,000 (equivalent to approximately HK$2,009,000) (Year ended 31 March 2019: RMB1,120,000, equivalent to approximately HK$1,309,000) mainly for acquisition of machineries, equipment and related installation works for the Power Company.

Contingent Liabilities

As at 31 March 2020, the Group had no material contingent liabilities (Year ended 31 March 2019: nil).

Event After The Reporting Period

a) From late January 2020, the outbreak of Coronavirus Disease 2019 (the "COVID-19 outbreak") was rapidly evolving globally. Since then, the economic and financial markets have been significantly impacted. During the year ended 31 March 2020, the COVID-19 outbreak had no material impacts on the financial performance of the Group. The Group will continue to pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the consolidated financial statements and operation results.

b) On 11 September 2019, the Group entered into a sale agreement to dispose of entire equity interests in Power Company, a wholly-owned subsidiary of the Company, which carried out all of the Group's operation of production and sale of utilities, at a consideration of RMB169,000,000. The disposal was completed in June 2020 and the Group has received the first part of the consideration as stated in the sale agreement on 16 June 2020. The directors of the Group expected that the financial performance and the liquidity of the Group will be improved after the disposal of Power Company. The directors of the Group considered that the financial effect of the disposal of Power Company is not material to the Group as the net assets value of Power Company was approximate to the amount of consideration.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2020, the Group had a total of about 263 employees and directors (Year ended 31 March 2019: 308). The Group's staff costs, including directors' remuneration, amounted to HK$47,942,000 (Year ended 31 March 2019: HK$56,132,000).

The Group remunerates its employees based on their competence, performance, experience and prevailing market rate. Other employee benefits included provident fund scheme, medical insurance, subsidised training programme, share option scheme as well as discretionary bonus.

The determination of emoluments of the Directors had taken into consideration of their respective responsibilities and contribution to the Company with reference to market conditions.

PROSPECTS

Ongoing tariff disputes and economic conflict between the PRC and United States which began in 2018 has been negatively impacting the global trading business players and creating an uncertain environment for the manufacturers. When United States and the PRC signed a preliminary agreement in January 2020 that aimed at resolving the arguments on bilateral trade activities between two countries, it seemed that there was light at the end of the tunnel. However the outbreak of the coronavirus has drastically changed the whole economy outlook this year. Nevertheless, being a competent and responsible management, the management always devote its best effort in figuring out the right direction for the Group to move on and maximize the return of the Company's shareholders.

As mentioned in the "Material Disposal" session, the Group has entered into a disposal agreement with an independent third party for the disposal of 100% equity interests in the Power Company. The disposal of the Power Company represents a prosperous timing and opportunity for the Group to (i) realize its investments before the declining operation environment together with the expected continuous declining profitability of the power generation industry; (ii) focus its resources on the sourcing and sale of metal minerals and related industrial materials business by exploring opportunities to deal in high demand minerals and metal products from third parties; and (iii) strengthen its liquidity for future investment opportunities and efficiency and diversifying our source of revenue by investing in auxiliary services in relation to metal minerals and related industrial materials business.

Both the Group and the capital market as a whole have encountered various challenges over the last few years, yet the Group is still able to get through them. The Directors take it as a good opportunity to review management efficiency, revitalize the Group's business and rethink the Group's development strategy. The management of the Group have implemented various measurements on controlling the operation cost, so as to reserve the sufficient resources and capital to capture the future opportunities coming forward. The management of the Group will be carefully monitoring the Group's asset and liability status, and by leveraging the financing capability as a listed company, the Group will strive to expand in opportunities with potential and sustainable development. The Directors will keep improving the profitability and reducing the operational risk of the Group, to ensure its sustainable development and maximize returns for the shareholders of the Company.

FINAL DIVIDEND

The Board has resolved not to declare a final dividend for the year ended 31 March 2020 (Year ended 31 March 2019: Nil).

CORPORATE GOVERNANCE CODE

Pursuant to Code Provision A.2.1 of the Corporate Governance Code and Corporate Governance Report ("CG Code") contained in Appendix 14 to the Listing Rules, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Sin Lik Man, an executive director of the Company, has been appointed as chief executive officer and acting chairman of the Company on 31 July 2018 and was re-designated as the chairman of the Company on 14 September 2018. Since then, Mr. Sin Lik Man has been serving as both the chairman and chief executive officer of the Company.

Although for the year ended 31 March 2020, the positions of chairman and chief executive officer were not separated, the responsibilities between the two positions were clearly separated. The Board believes that such structure helps to provide consistent leadership, facilitates effective business planning and implementation of long-term business strategies.

In addition, all major decisions of the Company are made only after discussion among Board members and appropriate members of the Board committees and the heads of departments. The power and authority are not concentrated in one individual. Moreover, the Board is composed of experienced members who are not involved in the day to day management of the Company. They are in a position to and do provide independent opinions effectively. The Board considers that in the circumstances having the roles of the chairman and chief executive officer played by the same individual would not impair the balance of power and authority between the Board and the management of the Company.

The Directors will review the Company's corporate governance policies and compliance with the CG Code from time to time.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all the Directors, all of them confirmed that they have complied with the required standards set out in the Model Code for the year ended 31 March 2020.

AUDIT COMMITTEE

The Audit Committee has specific written terms of reference that is in compliance with the CG Code. As at 31 March 2020, the Audit Committee comprises three Independent Non-executive Directors, namely Dr. Ng Tze Kin, David (Chairman), Mr. Cheung Ngai Lam (appointed on 1 February 2020) and Mr. Wang Ye (appointed on 1 February 2020).

The audited consolidated financial information of the Group for the year ended 31 March 2020, including the accounting principles and policies adopted by the Group, had been reviewed by the Audit Committee before they are duly approved by the Board under the recommendation of the Audit Committee.

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

During the year ended 31 March 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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

This results announcement is published on the Stock Exchange's website (http://www.hkex.com.hk) and the Company's website (http://www.npegroup.com.hk) respectively. The relevant annual report of the Company will be despatched to the shareholders of the Company and available on the same websites in due course.

By Order of the Board
Sin Lik Man
Chairman and Chief Executive Officer

Hong Kong, 26 June 2020

As at the date of this announcement, the Board comprises Mr. Sin Lik Man (Chairman and Chief Executive Officer) and Ms. Sun Le as Executive Directors, Ms. Sun Di as Non-Executive Director, and Dr. Ng Tze Kin, David, Mr. Cheung Ngai Lam and Mr. Wang Ye as Independent Non-executive Directors.