Prosper One International Holdings Company Limited
富 一 國 際 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1470)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2019

ANNUAL RESULTS HIGHLIGHTS

Revenue for the year ended 30 April 2019 decreased by approximately 35.9% as compared to the prior financial year.

The overall gross profit margin for the year ended 30 April 2019 increased to approximately 44.3% from approximately 33.0% in the prior financial year.

The loss attributable to owners of the Company increased by approximately 33.2% as compared to the prior financial year.

The Board does not recommend the payment of any dividend for the year ended 30 April 2019.

RESULTS

The board of directors of Prosper One International Holdings Company Limited (the "**Company**", the "**Directors**" and the "**Board**", respectively) announces the audited consolidated results of the Company and its subsidiaries (together, the "**Group**") for the year ended 30 April 2019 (the "**Year**") together with the comparative figures for the immediately preceding year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 April 2019

	Notes	**Year Ended 30/4/2019** *HK$'000*	Year Ended 30/4/2018 *HK$'000*
Revenue	*3*	**202,349**	315,501
Cost of sales		**(112,744)**	(211,409)
Gross profit		**89,605**	104,092
Other gains and losses	*5*	**1,913**	53
Selling and distribution costs		**(80,515)**	(92,349)
Administrative expenses		**(32,508)**	(26,902)
Other expense		**(1,000)**	—
Finance costs	*6*	**(128)**	(572)
Loss before tax		**(22,633)**	(15,678)
Income tax expense	*7*	**(4,260)**	(4,570)
Loss for the year attributable to owners of the Company		**(26,893)**	(20,248)
Other comprehensive expense			
Item that maybe reclassified subsequently to profit or loss			
— Exchange differences arising from translation of foreign operations		**(153)**	(17)
Total comprehensive expense for the year attributable to the owners of the Company		**(27,046)**	(20,265)
Loss per share — basic and diluted (HK cents per share)	*9*	**(3.36)**	(2.53)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2019

	Notes	30/4/2019 HK$'000	30/4/2018 HK$'000 (restated)
Non-current assets			
Property, plant and equipment		**23,536**	6,197
Rental deposits	*12*	**7,513**	1,381
Deferred tax assets		**142**	1,924
Financial asset at fair value through profit or loss	*10*	**3,856**	—
Club membership	*11*	**4,000**	—
		39,047	9,502
Current assets			
Inventories		**35,283**	51,958
Trade receivables, other receivables and prepayments	*12*	**137,615**	137,354
Tax recoverable		**587**	1,896
Cash and cash equivalents		**22,483**	54,603
		195,968	245,811
Total assets		**235,015**	255,313
Capital and reserves			
Share capital		**8,000**	8,000
Reserves		**77,788**	102,647
Total equity		**85,788**	110,647

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 April 2019

	Notes	**30/4/2019** **HK$'000**	30/4/2018 *HK$'000* *(restated)*
Non-current liabilities			
Provision for other liabilities and charges	*13*	**2,068**	793
Obligations under finance leases		**—**	342
		2,068	1,135
Current liabilities			
Trade and other payables	*13*	**137,808**	136,002
Amount due to ultimate holding company	*14*	**8,620**	—
Bank loans		**—**	5,806
Obligations under finance leases		**—**	485
Tax liabilities		**731**	1,238
		147,159	143,531
Total liabilities		**149,227**	144,666
Total equity and liabilities		**235,015**	255,313

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 April 2019

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its issued shares are listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

On 28 July 2017, Prosper One Enterprises Limited which is wholly owned by Mr. Meng Guangyin ("**Mr. Meng**"), presently the chairman of the Board (the "**Chairman**") and an executive Director, entered into a sales and purchase agreement with Tic Tac Investment Holdings Limited, a company owned by Mr. Lam Man Wah ("**Mr. Lam**") and his spouse, Ms. Chan Ka Yee, Elsa (hereinafter referred to as the "**Previous Controlling Shareholders**") for acquiring 70.625% interests of the Company. The transfer of the shares was completed on 15 August 2017. Accordingly, Mr. Meng became the new ultimate controlling shareholder of the Company.

In the opinion of the Directors, the ultimate holding company of the Company is Prosper One Enterprises Limited and its ultimate controlling party is Mr. Meng.

The Company acts as an investment holding company and the principal activities of the Company's subsidiaries are the retail and wholesale of watches in Hong Kong, and acting as agent (for financial reporting purpose) in the sales and trading of fertilisers raw materials, fertilisers products and public consumption products. The address of the principal place of business of the Company is Unit 4205, No. 1 Harbour Road, Convention Plaza Office Tower, Wan Chai, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

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

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

The Hong Kong Institute of Certified Public Accountants ("**HKICPA**") has issued the following new and amendments to HKFRSs that are first effective for the current accounting period of the Group:

HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers and the related Amendments*
HK (IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
Amendments to Hong Kong Accounting Standards ("**HKAS**") 28	*As part of the Annual Improvements to HKFRSs 2014–2016 Cycle*
Amendments to HKAS 40	*Transfers of Investment Property*

The impact of the adoption of HKFRS 9 and HKFRS 15 are discussed in notes 2a and 2b respectively. The application of the amendments to the other standards listed above in the current year has had no material effect on the Group's financial performance and positions for the current and prior year and on the disclosures set out in the consolidated financial statements.

2a. ***HKFRS 9 Financial Instruments***

HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

Change to classification of financial instruments

HKFRS 9 categories financial assets into three new classification categories: measured at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss ("**FVPL**"), superseding HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The measurement categories for all financial liabilities remain the same.

The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

At the date of initial application of HKFRS 9, the Group's payment for life insurance policy of HK$1,600,000 were reclassified from trade receivables, other receivables and prepayments to financial assets at FVPL as the investment cannot meet the HKFRS 9 criteria as solely payments of principal and interest on the principal amount outstanding. The difference of HK$2,187,000 between the carrying amount of the insurance policy under HKFRS 9 (represented by its fair value as at 1 May 2018 of HK$3,787,000) and the amount previously carried at amortised cost as at 30 April 2018 of HK$1,600,000 were adjusted to financial assets at FVPL and accumulated losses at 1 May 2018.

Change to impairment loss model

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the "expected credit loss" ("**ECL**") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

The Group applies the new ECL model to financial assets measured at amortised cost.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Where the effect of discounting is material, the expected cash shortfalls are discounted using the effective interest rate determined at initial recognition or an approximation thereof.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

Measurement of ECLs

ECLs are measured on either of the following basis:

— 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months

— lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowance for trade receivables is always measured at an amount equal to lifetime ECL. ECLs are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

The Group concluded that the adoption of the ECL model under HKFRS 9 has no material impact on the Group.

Transition

The Group has applied HKFRS 9 retrospectively to items that existed at 1 May 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of the initial application as an adjustment to the opening consolidated accumulated losses as at 1 May 2018. Therefore, comparative information continues to be reported under HKAS 39.

The table below illustrates the classification and measurement of financial assets under HKFRS 9 and HKAS 39 at the date of initial application, 1 May 2018.

	Carrying amounts at 30 April 2018 *HK$'000* (restated)	**Re-classification** *HK$'000*	**Re-measurement** *HK$'000*	**Carrying amounts under HKFRS 9 at 1 May 2018** *HK$'000*
Non-current assets				
Financial asset at fair value through profit or loss	—	1,600	2,187	3,787
Current assets				
Trade receivables, other receivables and prepayments	137,354	(1,600)	—	135,754
Capital and reserves				
Accumulated losses	39,798	—	(2,187)	37,611

2b. *HKFRS 15 Revenue from contracts with customers*

HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specified the accounting for construction contracts.

The initial application of HKFRS 15 has changed the recognition and measurement of revenue, the presentation of the consolidated statement of financial position and the information required to be disclosed in the notes to the consolidated financial statements, to enable users of the consolidated financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Previously, revenue arising from construction contracts and provision of services was recognised over time, whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers. HKFRS 15 introduces a five-step approach under which all revenue is recognised when the customer obtains control of the promised good or service in the contract, either at a single point in time or over time.

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before receiving the consideration or being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

The adoption of HKFRS 15 does not have a significant impact on timing and measurement of the Group's revenue recognition as at 1 May 2018. "Advance receipt" will continue to be separately disclosed in the disclosure note on "Trade and other payables", but presented therein as contract liabilities instead.

3. REVENUE

An analysis of the Group's revenue, all of which were recognised from contracts with customers, for the year is as follows:

	Year Ended 30/4/2019	Year Ended 30/4/2018
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Sales of merchandise	**178,321**	307,015
Service income	**942**	2,364
Commission income	**23,086**	6,122
	202,349	315,501

Revenue from contracts with customers

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

Sales of merchandise

The performance obligation is recognised at a point in time when control of the products is transferred to the customer, being at the point the customer purchases the goods at the store or on delivery of the merchandise for wholesale segment. Payment of the transaction price is due immediately and within 90 days at the point the customer purchases the products under the retail and wholesale segment respectively.

Service income

The Group provides services on repairing watches to customers. The performance obligation is satisfied at a point in time when the service is completed and advance payments are normally required before rendering the services. The Group's enforceable right to the payment is subject to the completion of the whole services. The services are for periods less than one year.

Commission income

The performance obligation is completed at a point in time when the services on arranging trading services are completed. Payment is generally in advance from the customers before the agency services are provided.

4. SEGMENT INFORMATION

The Group is principally engaged in the wholesale and retail of watches in Hong Kong since the date of incorporation of the Company. During the year ended 30 April 2018, the Group started engaging in agency activities in relation to sales and trading of high-end biological fertilisers, fertilisers raw materials and public consumption products (collectively referred to as "**Trading of fertilisers and other products**").

Information reported to the Group's executive directors, who are the chief operating decision makers (the "**CODM**") of the Group, for the purposes of resource allocation and assessment of performance, are focused on three main operations of the Group identified in accordance with the business nature and the size of the operations.

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

- Retail business of watches ("**Retail**") — retail of multi brands of watches in Hong Kong
- Wholesalers business of watches ("**Wholesale**") — wholesale of multi brands of watches in Hong Kong
- Trading of fertilisers and other products ("**Trading**") — provision of agency services in relation to Trading of fertilisers and other products

There are no significant sales or other transactions among the segments, except as disclosed below.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment for the two years:

For the year ended 30 April 2019

	Retail	**Wholesale**	**Trading**	**Elimination**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Revenue					
External sales	**175,303**	**3,018**	**—**	**—**	**178,321**
External service income	**939**	**3**	**—**	**—**	**942**
External commission income	**—**	**—**	**23,086**	**—**	**23,086**
Inter-segment sales	**—**	**1,266**	**—**	**(1,266)**	**—**
	176,242	**4,287**	**23,086**	**(1,266)**	**202,349**
Segment (loss) profit	**(16,231)**	**(854)**	**7,467**	**—**	**(9,618)**
Finance costs					**(128)**
Unallocated Group expenses					**(12,887)**
Loss before tax					**(22,633)**

For the year ended 30 April 2018

	Retail	Wholesale	Trading	Elimination	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue					
External sales	304,162	2,853	—	—	307,015
External service income	2,361	3	—	—	2,364
External commission income	—	—	6,122	—	6,122
Inter-segment sales	—	2,704	—	(2,704)	—
	306,523	5,560	6,122	(2,704)	315,501
Segment (loss) profit	(6,544)	660	3,436	—	(2,448)
Finance costs					(572)
Unallocated Group expenses					(12,658)
Loss before tax					(15,678)

Sales between segments are carried out at terms mutually agreed between the parties involved in the transactions. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the consolidated statement of profit or loss and other comprehensive income.

No segment assets and liabilities information is provided as no such information is regularly provided to the CODM of the Group for the purpose of making decision for resources allocation and performance assessment.

Geographical information

During the year, the Group's operation is mainly located in the People's Republic of China (the "**PRC**") and Hong Kong. The Group's revenue by geographical location of customers, based on location of deliver of the watches or services is detailed below:

	2019	2018
	HK$'000	*HK$'000*
PRC	**23,086**	6,122
Hong Kong	**179,263**	309,379
Total	**202,349**	315,501

The Group's revenue is mainly derived from customers in the PRC and Hong Kong. 99.5% (2018: 97.8%) and 0.5% (2018:2.2%) of the non-current assets of the Group are located in Hong Kong and the PRC, respectively. There are no single external customers who contributed more than 10% of total revenue of the Group for both years.

Other disclosures

For the year ended 30 April 2019

	Retail	**Wholesale**	**Trading**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Addition to non-current assets	**32,443**	**836**	**—**	**33,279**
Depreciation of property, plant and equipment	**4,487**	**—**	**35**	**4,522**
Loss on write-off of property, plant and equipment	**382**	**—**	**—**	**382**
Net gain on disposal of property, plant and equipment	**2,099**	**—**	**—**	**2,099**
Allowance (reversal) for write-down of inventories recognised	**(6,475)**	**507**	**—**	**(5,968)**
Impairment loss on property, plant and equipment recognised	**4,404**	**—**	**—**	**4,404**
Provision for onerous operating leases recognised	**4,561**	**—**	**—**	**4,561**
Write-off of prepayment and receivables	**—**	**—**	**2,731**	**2,731**

For the year ended 30 April 2018

	Retail	Wholesale	Trading	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Addition to non-current assets	2,742	—	—	2,742
Depreciation of property, plant and equipment	2,667	—	7	2,674
Net gain on disposal of property, plant and equipment	51	—	—	51
Allowance (reversal) for write-down of inventories recognised	1,263	(143)	—	1,120
Impairment loss on property, plant and equipment recognised	85	—	—	85
Provision for onerous operating leases recognised	321	—	—	321

5. OTHER GAINS AND LOSSES

	Year Ended 30/4/2019 *HK$'000*	Year Ended 30/4/2018 *HK$'000*
Foreign exchange gain	**54**	2
Net gain on disposal of property, plant and equipment	**2,099**	51
Loss on write-off of property, plant and equipment	**(382)**	—
Interest income	**33**	—
Sundry income	**40**	—
Fair value gain on financial asset at FVPL	**69**	—
	1,913	53

6. FINANCE COSTS

	Year Ended 30/4/2019 *HK$'000*	Year Ended 30/4/2018 *HK$'000*
Interest on bank loans	**52**	543
Interest on convertible note *(Note)*	**70**	—
Finance lease charges	**6**	29
Total	**128**	572

Note: On 31 July 2018, the Company issued 0.8% convertible notes to a financial institution in the principal amount of HK$40,000,000 for a term of one year. The convertible notes were fully early redeemed on 19 October 2018. Interest is charged at 0.8% per annum for the period from the issue date to the early redemption date. A cancellation fee of HK$1,000,000 for the early redemption was paid to the convertible noteholder and included in "**Other expense**". The entire convertible note contract was designated as at FVPL upon initial recognition. No fair value gain or loss was recognised during the year as the early redemption price was the same as the issue price. Please refer to the announcements of the Company dated 31 May 2018, 20 June 2018, 4 July 2018, 11 July 2018, 26 July 2018, 31 July 2018 and 19 October 2018 for further details.

7. INCOME TAX EXPENSE

	Year Ended 30/4/2019 *HK$'000*	Year Ended 30/4/2018 *HK$'000*
Current taxation		
Hong Kong Profits Tax	**10**	372
PRC Enterprise Income Tax	**2,882**	846
	2,892	1,218
(Over)/under provision for prior years		
Hong Kong Profits Tax	**(331)**	2,287
PRC Enterprise Income Tax	**(83)**	—
	(414)	2,287
Deferred taxation	**1,782**	1,065
	4,260	4,570

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately RMB7,973,000 (2018: Nil) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 30 April 2019 and 2018, nor has any dividend been proposed since the end of the reporting year.

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Year Ended 30/4/2019	Year Ended 30/4/2018
Loss for the year attributable to owners of the Company (HK$'000)	**(26,893)**	(20,248)
Weighted average number of ordinary shares in issue *(note)*	**800,000,000**	800,000,000
Basic and diluted loss per share (HK cents per share)	**(3.36)**	(2.53)

Note: The computation of diluted loss per share for the year ended 30 April 2019 does not assume the conversion of the Company's convertible notes which were issued and redeemed during the year since their assumed conversion as at the date of issuance would result in a decrease in loss per share. No diluted loss per share is presented for the year ended 30 April 2018 as there was no potential ordinary shares in issue for that year.

10. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	30/4/2019
	HK$'000
Financial asset mandatorily measured at FVPL:	
Life insurance policy	3,856

As at 30 April 2019, the Group has one life insurance policy with insurance company to insure a director of a subsidiary of the Company. Under the policy, the group entity is the beneficiary and policy holder and the total insured sum is US$1,274,438 (equivalent to approximately HK$9,941,000). The Group is required to pay a single premium of US$514,800 (equivalent to HK$4,000,000) at inception. The Group can, at any time, withdraw cash based on the account value of the policy (the "**Account Value**") at the date of withdrawal, which is determined by the gross premium paid plus accumulated guaranteed interest earned and minus any charges made in accordance with the terms and conditions of the policy. If withdrawal is made between the 1st to 15th policy years, there is a specified amount of surrender charge deducted from the Account Value. The insurance company will pay the Group variable return per annum afterwards (with minimum guaranteed interest rate of 2.25% per annum) during the effective period of the policies.

At the date of initial application of HKFRS 9 on 1 May 2018, the Group reclassified the life insurance policy previously grouped under "Trade receivables, other receivables and prepayments" to financial asset at FVPL.

11. CLUB MEMBERSHIP

	30/4/2019	30/4/2018
Cost	***HK$'000***	*HK$'000*
Acquired on acquisition of a subsidiary	**4,000**	—

Club membership is stated at cost less any identified impairment loss. For the purpose of impairment testing on club membership, the recoverable amount has been determined based on fair value less costs to sell which represents the second-hand market price less cost of disposal.

12. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	30/4/2019	30/4/2018
	HK$'000	*HK$'000*
		(restated)
Trade receivables		
— third parties	**2,947**	4,420
— a related company	**—**	6
	2,947	4,426
Rental and utilities deposits	**10,020**	18,355
Other receivables		
— third parties	**613**	150
— a related company	**116**	—
Bills receivables *(Note)*	**42,152**	39,980
Prepayments	**89,280**	75,824
Total trade receivables, other receivables and prepayments	**145,128**	138,735
Less: non-current portion — rental deposits	**(7,513)**	(1,381)
	137,615	137,354

Note: As at 30 April 2019, bills receivables amounting to HK$42,060,000 (2018: HK$37,734,000) were endorsed to suppliers as prepayments for merchandises. As the Group has not transferred the significant risks and rewards because the bills were endorsed on a full recourse basis, the Group continued to recognise these endorsed bills under bills receivables and recognise corresponding obligations arising from endorsement of bills included in other payables set out in note 13. These arrangements relate to the agency services activities undertaken by the Group in the Trading operating segment.

The trade receivables mainly comprise receivables from credit card companies for retail sales and wholesale customers. There was no specific credit terms granted to those credit card companies. The receivables due from credit card companies were usually settled within 7 days. The Group's credit terms granted to wholesale customers, including a related party customer, generally ranged from 30 to 90 days from the invoice date.

The following is an aging analysis of trade receivables presented based on the invoice dates.

	30/4/2019	30/4/2018
	HK\$'000	*HK\$'000*
Within 30 days	**2,843**	4,240
31 to 60 days	**73**	141
61 to 90 days	**31**	45
	2,947	4,426

13. PROVISION FOR OTHER LIABILITIES AND CHARGES, TRADE AND OTHER PAYABLES

	30/4/2019	30/4/2018
	HK\$'000	*HK\$'000*
		(restated)
Trade payables		
— third parties	**17,600**	18,815
— a related company	**—**	46
	17,600	18,861
Rent payable	**—**	1,269
Accrued employee benefit expenses	**699**	2,739
Provision for reinstatement costs	**1,206**	1,796
Provision for onerous operating leases	**4,561**	2,115
Other accruals and payables		
— endorsement of bills	**42,060**	37,734
— third parties	**3,533**	4,484
— a related company	**5,554**	—
Amount due to a director of a subsidiary	**2,134**	—
Contract liabilities	**62,529**	—
Advance receipt	**—**	67,797
	139,876	136,795
Less: non-current portion	**(2,068)**	(793)
Current portion	**137,808**	136,002

Contract liabilities include short-term advances received from purchasers to arrange for the fertilisers and other products to be provided by the suppliers to the purchasers ("**Trading of fertilisers**"). The decrease in contract liabilities in 2019 was mainly due to the decrease in short-term advances received from customers in relation to the provision of services on the Trading of fertilisers at the end of the year.

The following is an aging analysis of trade payables presented based on the invoice dates.

	30/4/2019	30/4/2018
	HK$'000	*HK$'000*
Within 30 days	**3,506**	18,720
31 to 60 days	**1,212**	—
Over 60 days	**12,882**	141
	17,600	18,861

14. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

Amount due to ultimate holding company is unsecured, non-interest bearing and repayable on demand.

15. COMPARATIVE BALANCE

Certain comparative balances in relation to other accruals and payables and trade receivables, other receivables and prepayments have been reclassified to conform with current year's presentation in the consolidated statement of financial position and in notes 12 and 13. In the current year, the Group recognises the amounts prepaid by the Group by endorsing bills receivables to the suppliers of fertiliser raw materials and fertiliser products as prepayments and continues to recognise the bills receivables as the bills are endorsed on a full-recourse basis. Other payables are recognised upon the endorsing of the bills, to reflect the Group's obligations under the recourse terms. Comparative figures are restated, including in notes 12 and 13, accordingly.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Year, though the sustained expansion in inbound tourism and the largely stable local labour market which provided support to retail sales business, retail sales as well as watches retail remained weak in Hong Kong. The moderation in watches retail was partly due to the depreciation of the Renminbi leading to the weakening purchasing power of the tourists from the Mainland China, and partly due to the more cautious consumption sentiment because of the trade tensions between China and the United States and moderating global economic growth. The franchise licences of the Group's two major watches brands expired during the Year, further affecting the performance of this segment, especially in the second half of the Year when all the above-mentioned single brand shops had either been closed or were being handed over to the brand owners.

In March 2018, the Group had commenced its new businesses of trading of fertiliser raw materials and fertiliser products. The trading businesses continued to record profits during the Year, which slightly offset the downtrend impact of watches retail business. As a result of the foregoing, the Group's net loss for the Year increased to HK$26.9 million, representing an increase of approximately HK$6.7 million as compared to a net loss of approximately HK$20.2 million for the year ended 30 April 2018.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Year was approximately HK$202.3 million, representing a decrease of approximately HK$113.2 million or 35.9% from approximately HK$315.5 million for the year ended 30 April 2018. Revenue derived from watches business decreased by approximately HK$130.1 million or 42.0% from approximately HK$309.4 million for the year ended 30 April 2018 to approximately HK$179.3 million for the Year. The decrease in revenue derived from watches business was mainly due to the expiry of the franchise licences of the Group's two major watches brands during the Year. In addition, the weakening purchasing power of the tourists from the Mainland China and the cautious consumption sentiment adversely affected the performance of this segment. Due to the commencement of the trading of fertilisers businesses in March 2018, revenue from it has slightly offset the decrease in revenue of watches retail business.

Cost of sales

Our cost of sales primarily consists of cost of inventories sold and reversal of provision or provision for slow-moving inventories. Our cost of sales decreased by approximately HK$98.7 million or 46.7% from approximately HK$211.4 million for the year ended 30 April 2018 to approximately HK$112.7 million for the Year. During the Year, the Group recorded a reversal of provision for slow-moving inventories of approximately HK$6.0 million (2018: provision of approximately HK$1.1 million) to profit or loss. The provision for slow-moving inventories as at 30 April 2019 amounted to approximately HK$17.8 million (As at 30 April 2018: approximately HK$23.8 million).

After eliminating the effect of reversal of provision or provision for slow-moving inventories, cost of sales decreased by approximately HK$91.6 million or 43.6% from approximately HK$210.3 million for the year ended 30 April 2018 to approximately HK$118.7 million for the Year. The decrease was mainly due to the decline in sales of watches and in line with the decrease in revenue of watches retail business for the Year.

Gross profit and gross profit margin

The overall gross profit decreased by approximately HK$14.5 million or 13.9% from approximately HK$104.1 million for the year ended 30 April 2018 to approximately HK$89.6 million for the Year. Our gross profit of the watches business decreased by approximately HK$31.4 million or 32.0% from approximately HK$98.0 million for the year ended 30 April 2018 to approximately HK$66.6 million for the Year. Our gross profit margin of the watches business increased from approximately 31.7% for the year ended 30 April 2018 to approximately 37.1% for the Year. The increase was mainly attributable to the reversal of provision for slow-moving inventories during the Year and the higher gross profit margin of the new single brand shops opened in the Year.

After eliminating the effect of reversal of provision or provision for slow-moving inventories, the gross profit margin of the watches business increased from approximately 32.0% for the year ended 30 April 2018 to approximately 33.8% for the Year.

Selling and distribution costs

Our selling and distribution costs decreased by approximately HK$11.8 million or 12.8% from approximately HK$92.3 million for the year ended 30 April 2018 to approximately HK$80.5 million for the Year. The decrease was primarily attributable to the decreases of operating lease expenses of retail outlets, sales staff's salaries and allowances, bank charges and insurance premiums. This decrease was partially offset by the increases in depreciation, freight, repairs and maintenance, provision for onerous operating leases recognised and impairment loss on property, plant and equipment recognised. The decrease in operating lease expenses of retail outlets was mainly related to better rental rates negotiated on our lease renewals and the decrease in the number of retails outlets.

Administrative expenses

Our administrative expenses increased by approximately HK$5.6 million or 20.8% from approximately HK$26.9 million for the year ended 30 April 2018 to approximately HK$32.5 million for the Year. The increase was primarily attributable to the increases in the operating lease expenses of office premises, consulting fee, administrative staff's salaries, allowances and other employee benefits and write-off of prepayment and receivables. This increase was partially offset by the decrease in auditors' remuneration, Directors' emoluments and legal and professional expenses during the Year.

Other expense

Other expense was the break fee paid to Macquarie Bank Limited (the "**Subscriber**") for early redemption of 0.8% convertible notes due 2019 issued by the Company on 31 July 2018.

Finance costs

Our finance costs decreased by approximately HK$0.5 million or 83.3% from approximately HK$0.6 million for the year ended 30 April 2018 to approximately HK$0.1 million for the Year. The decrease was primarily attributable to a decrease in the level of borrowings during the Year.

Loss before tax and loss attributable to owners of the Company

As a result of the foregoing, our loss before income tax increased by approximately HK$6.9 million or 43.9% from approximately HK$15.7 million for the year ended 30 April 2018 to approximately HK$22.6 million for the Year.

The loss attributable to owners of the Company increased by approximately HK$6.7 million or 33.2% from approximately HK$20.2 million for the year ended 30 April 2018 to approximately HK$26.9 million for the Year.

FINANCIAL POSITION

The Group's primary source of funds were cash inflows from operating activities and bank borrowings.

As at 30 April 2019, the Group's total cash and cash equivalents were approximately HK$22.5 million (30 April 2018: approximately HK$54.6 million), most of which were denominated in Hong Kong dollars ("**HK$**") and Renminbi ("**RMB**"). The current ratio (calculated by dividing current assets by current liabilities) of the Group decreased from approximately 1.7 times as at 30 April 2018 to approximately 1.3 times as at 30 April 2019. The gearing ratio (calculated by dividing net debt by total equity) was not applicable as the Group maintained at a net cash position as at 30 April 2019 and 30 April 2018.

USE OF NET PROCEEDS FROM THE LISTING

The net proceeds from the listing of the Company's shares on 12 May 2015 (the "**Listing Date**", the "**Shares**" and the "**Listing**", respectively) (after deducting the underwriting fees and related expenses) amounted to approximately HK$107.5 million, which have been intended to be applied in the manner as disclosed in the prospectus of the Company dated 28 April 2015.

During the period from the Listing Date to 30 April 2019, the Group has applied the net proceeds from the Listing as follows:

	Amount utilised as at 30 April 2019	Amount unutilised as at 30 April 2019
	HK$'000	*HK$'000*
Expand our retail and sales network	33,640	3,973
Improve our same-store sales growth and profit margin	12,896	—
Improve our supplier network and enhance the knowledge of our sales	1,381	2,918
Increase our marketing effort	7,227	296
Repay a short-term bank loan with interest	37,613	—
Working capital and other general corporate purposes	6,940	582
Total	99,697	7,769

The unutilised net proceeds from the Listing are placed as deposits with licensed banks in Hong Kong.

EARLY REDEMPTION OF CONVERTIBLE NOTES

On 31 May 2018, the Company and the Subscriber entered into a conditional subscription agreement (as supplemented by an amendment agreement dated 20 June 2018 and the second amendment agreement dated 4 July 2018) (collectively, the "**Subscription Agreements**"), pursuant to which the Company had conditionally agreed to issue, and the Subscriber had conditionally agreed to subscribe for, the 0.8% convertible notes in a principal amount of up to HK$80,000,000 due 2019 (the "**Notes**") under a specific mandate granted by the shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting held on 26 July 2018. The Notes comprised two tranches. Each tranche would be in an aggregate principal amount of HK$40,000,000. Based on the Floor Price of HK$0.80 (as defined in the Subscription Agreements), the maximum total number of ordinary shares of the Company to be issued pursuant to the exercise of conversion rights attached to the Notes (the "**New Shares**") would be 100,000,000. The Floor Price was subject to adjustment.

Each Note entitled the holder of the Note to convert the Note into New Shares at any time during the Conversion Period (as defined in the Subscription Agreements) at the Conversion Price (as defined in the Subscription Agreements), provided that no Conversion Right (as defined in the Subscription Agreements) might be exercised at a Conversion Price lower than the Floor Price.

All the conditions precedent set out in the Subscription Agreements have been fulfilled and completion of issue of the first tranche of the Notes to the Subscriber in the principal amount of HK$40,000,000 took place on 31 July 2018 in accordance with the terms of the Subscription Agreements. On 19

October 2018, the Company early redeemed the first tranche of the Notes in the principal amount of HK$40,000,000, and the Notes have been fully redeemed. As at the date of redemption, the net proceeds from the issue of the first tranche of the Notes have not been utilized.

For further details, please refer to the announcements of the Company dated 31 May, 20 June, 4 July, 26 July, 31 July and 19 October 2018 and its circular dated 11 July 2018.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 26 April 2019, Treasure Ascent International Limited ("**Treasure Ascent**"), an indirect wholly-owned subsidiary of the Company, entered into the sale and purchase of shares agreement with Mr. Lam, the sole director of Treasure Ascent, pursuant to which Treasure Ascent has agreed to purchase and Mr. Lam has agreed to sell 100% equity interests in Fulham Corporation Limited at a consideration of HK$4 million. Completion of the share transfer took place on the same date. For further details, please refer to the announcement of the Company dated 23 July 2019.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 April 2019, the Group had a total of 118 (2018: 140) employees including independent non-executive Directors (the "**INEDs**"). The total remuneration costs incurred by the Group for the Year were approximately HK$35.4 million (2018: approximately HK$36.5 million). We review the performance of our employees annually and use the results of such review in our annual salary review and promotion appraisal, in order to attract and retain valuable employees. Remuneration packages are generally structured by reference to market norms, individual qualifications, relevant experience and performance.

The Company has adopted a share option scheme (the "**Share Option Scheme**") to enable the Board to grant share options to eligible participants with an opportunity to have a personnel stake in the Company. As at the date of this announcement, there was no outstanding share option granted under the Share Option Scheme.

DEBTS AND CHARGE ON ASSETS

The Group had no borrowings as at 30 April 2019 whereas those as at 30 April 2018 were approximately HK$6.6 million. Borrowings of approximately HK$0.8 million as at 30 April 2018 were fixed at interest rates from 2.90% to 3.09% per annum.

The carrying amounts of the Group's borrowings were denominated in HK$ and unsecured and approximated to their fair values.

As at 30 April 2019, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives.

As at 30 April 2019, the Group had aggregate banking facilities of approximately HK$24.0 million (As at 30 April 2018: approximately HK$23.5 million) for overdrafts and loans. Unused facilities as at the same date amounted to approximately HK$24.0 million (As at 30 April 2018: approximately HK$17.7 million). The banking facilities were granted to the subsidiaries of the Company and were subject to an annual review and guaranteed by unlimited guarantees from certain of its subsidiaries.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

On 13 June 2018, the Company entered into a non-legally binding memorandum of understanding with Lithium Chile Inc. (the "**MOU**") in relation to the Equity Investment (as defined in the MOU) and the Norte Program (as defined in the MOU). Due to the less than satisfactory progress in the negotiations between the parties, the Equity Investment and the Norte Program had been terminated and hence the investments will not materialize.

The Group did not have any plans for material investments and capital assets.

SIGNIFICANT INVESTMENT HELD

The Group did not hold any significant investment in equity interest in any other company as at 30 April 2019.

CAPITAL COMMITMENTS

The Group had no capital commitments as at 30 April 2019 (As at 30 April 2018: Nil).

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 April 2019 and 2018.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of any final dividend for the Year (2018: Nil).

PROSPECTS

Due to the continuous integration of fertilizers industry and elimination of backward capacity, China's fertilizer industry showed signs of recovery during the Year. Under the background of capacity structure adjustment, the over-capacity situation in the fertilizers industry has been alleviated, which provided certain support to the fertilizer price with the support of growing demand in agricultural and industrial usages. It is expected that the overall fertilizers industry will see further improvement in the coming year. The Group will dedicate to the promotion of product diversification and the assurance of product quality, so as to strengthen the relationship with key customers and diversify our customer base, aiming to gain more business opportunities and further expand our operations into huge market.

As regards the retail of watches, the Group will remain cautious in controlling its expenses in particular the rental expense as it still comprises a major part of the Group's operating expenses. Inventory level has been monitored to ensure a stable and healthy financial position. Under-performed shops will either be closed or relocated to another location with much cost effectiveness. On the other hand, the Group will take initiative move to promote and boost its sales through advertising on television, better liaison with brand owners and also practising more online marketing by placing advertisements on major social media platforms such as Facebook and Wechat.

As usual, we shall grasp opportunities to proactively expand our businesses by seeking target-oriented acquisitions. It is believed that all of our management and staff continue working cohesively and marking concerted effort under the strong leadership of the Board to create better returns for the Shareholders. By leveraging on our core competitiveness, we can create a promising future.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the "**2019 AGM**") is scheduled to be held on Friday, 18 October 2019. A notice convening the 2019 AGM will be issued and dispatched to the Shareholders in due course in the manner required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of the Shareholders to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Tuesday, 15 October 2019 to Friday, 18 October 2019 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the 2019 AGM, the non-registered Shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. on Monday, 14 October 2019.

EVENTS AFTER THE FINANCIAL YEAR

The Group did not have any other material subsequent event after the reporting year and up to the date of this announcement.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its own code of conduct governing the Directors' transactions of the listed securities of the Company. Following a specific enquiry made by the Company with each of the Directors, all Directors confirmed that they had complied with the standards as set out in the Model Code during the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, the Company did not redeem any of its securities listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such securities.

PUBLIC FLOAT

Save as disclosed above, based on the information that is publicly available to the Company and within the knowledge of the Directors, during the Year and thereafter up to the date of this annual results announcement, the Company has maintained a sufficient public float (i.e. as least 25% of the issued Shares in public hands) for the issued Shares as required under the Listing Rules.

COMPLIANCE WITH THE LISTING RULES/CODE PROVISIONS

Immediately following the resignation of Mr. Hu Jinrui as an INED on 1 August 2018, the Company had only two INEDs, hence failing to meet the requirements of having (i) at least three INEDs on the Board under Rule 3.10(1) of the Listing Rules; (ii) INEDs who represent at least one-third of the Board under Rule 3.10A of the Listing Rules; (iii) the minimum number of non-executive Directors for the formation of the Audit Committee under Rule 3.21 of the Listing Rules; and (iv) a majority of INEDs for the Nomination Committee under code provision A.5.1 of the Corporate Governance Code contained in Appendix 14 of the Listing Rules (the "**CG Code**"). On 22 August 2018, the Company appointed Mr. Gao Jizhong ("**Mr. Gao**") as an INED and fulfilled the aforesaid requirements of the Listing Rules and the above code provision.

Immediately following the retirement of Mr. Gao as an INED on 25 October 2018, the Company had only two INEDs, hence failing to meet the requirements of having (i) at least three INEDs on the Board under Rule 3.10(1) of the Listing Rules; (ii) INEDs who represent at least one-third of the Board under Rule 3.10A of the Listing Rules; (iii) the minimum number of non-executive Directors for the formation of the Audit Committee under Rule 3.21 of the Listing Rules; and (iv) a majority of INEDs for the Nomination Committee under code provision A.5.1 of the CG Code. On 14 December 2018, the Company appointed Mr. Lee Chun Keung as an INED and fulfilled the aforesaid requirements of the Listing Rules and the above code provision.

CORPORATE GOVERNANCE PRACTICES

The Board recognises the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

The Company has applied the principles and code provisions as set out in the CG Code contained in Appendix 14 to the Listing Rules. The Company complied with all the code provisions of the CG Code, except for code provision A.5.1 of the CG Code as disclosed in the section of Compliance with the Listing Rules/Code Provisions above, the following code provision A.1.1, A.2.1 and E.1.2 of the CG Code during the Year and up to the date of this announcement.

The Board

Code provision of A.1.1 of the CG Code provides the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the Year, two regular full Board meetings have been held and the Board has made resolutions by circulation of written resolutions for all the Directors' execution from time to time. In view of the simplicity of the Group's businesses, regular Board meetings have not been held quarterly during the Year. The Group's audited consolidated annual results for the year ended 30 April 2018 and unaudited consolidated interim results for the six months ended 31 October 2018 together with all corporate transactions made during the Year have been reviewed and discussed amongst the Directors at the full board meetings held in the Year. Together with the circulation of written materials to keep the Board informed throughout the Year, sufficient measures had been taken to ensure that there was efficient communication among the Directors.

Chairman and Chief Executive

Code provision of A.2.1 of the CG Code provides that the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. During the Year and up to the date of this announcement, Mr. Meng acts as the Chairman and the chief executive officer of the Company. The Board is of the opinion that it is appropriate and in the best interests of the Group to have Mr. Meng taking up both roles for effective management and business development. Therefore, the Board considers that the deviation from code provision A.2.1 of the CG Code is appropriate in such circumstances. Nevertheless, the Company will look for suitable candidates and make necessary arrangement pursuant to the requirement under A.2.1 of the CG Code as and when necessary.

Communication with Shareholders

Code provision of E.1.2 of the CG Code provides that, among others, the chairman of the board should attend the annual general meetings (the "**AGMs**"). Mr. Meng, the Chairman, did not attend the Company's AGM held on 25 October 2018 (the "**2018 AGM**") due to other essential business engagements. In order to ensure an effective communication with the Shareholders, the Chairman authorized and the Directors attending the 2018 AGM elected Mr. Liu Guoqing, an executive Director, to chair the meeting on behalf of the Chairman. The respective chairmen and/or members of the Board's audit committee (the "**Audit Committee**"), remuneration committee and nomination committee and a representative of the independent auditor of the Company were present at the 2018 AGM to answer relevant questions from the Shareholders present thereat. To mitigate the above, future AGMs will be scheduled earlier to avoid the timetable clashes.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee was established on 21 April 2015 with specific written terms of reference in compliance with Rule 3.22 of the Listing Rules and code provision C.3 of the CG Code. The written terms of reference were revised on 1 January 2019 to conform with the requirements under the CG Code and the Listing Rules.

The Audit Committee has reviewed the Group's audited consolidated financial statements and annual results for the Year. The Audit Committee is of the view that such financial statements have been prepared in accordance with the applicable accounting standards and in compliance with the Listing Rules and relevant statutory provisions, and is satisfied that sufficient disclosure has been made.

SCOPE OF WORK OF MESSRS. FAN, CHAN & CO. LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this preliminary announcement have been agreed by the Group's independent auditor, Messrs. Fan, Chan & Co. Limited ("**Fan, Chan**"), to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Fan, Chan in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently, no assurance has been expressed by Fan, Chan on this preliminary announcement.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend my heartfelt gratitude to the Board members, management and employees for their wholehearted contributions that enable the Group to face the challenges during the Year. Last but not least, I wish to express my sincere thanks to our Shareholders, customers and other business partners for their ongoing trust and support.

PUBLICATION OF FINANCIAL INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The Company's annual report for the Year containing all applicable information required by the Listing Rules will be despatched to the Shareholders and published on the Stock Exchange's website *(http://www.hkexnews.hk)* and on the Company's website *(www.prosperoneintl.com)* in the manner as required by the Listing Rules in due course.

By order of the Board of
Prosper One International Holdings Company Limited
Meng Guangyin
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 30 July 2019

As at the date of this announcement, the Board comprises Mr. Meng Guangyin (chairman and chief executive officer), Mr. Liu Guoqing (chief financial officer) and Mr. Liu Jiaqiang as the executive Directors; and Mr. Tian Zhiyuan, Mr. Lee Chun Keung and Mr. Wang Luping as the INEDs.