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King International Investment Limited

帝王國際投資有限公司

(Formerly known as Life Healthcare Group Limited 蓮和醫療健康集團有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 928)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

Reference is made to the annual report of King International Investment Limited (the “**Company**”) for the year ended 31 March 2023 (the “**Annual Report 2023**”). Capitalised terms used in this announcement shall have the same meaning as those defined in the Annual Report 2023 unless the context requires otherwise.

The Company would like to provide additional information to the shareholders of the Company and potential investors on the money lending business of the Company disclosed in the section headed “Management and Discussion and Analysis” in the Annual Report 2023 as follows:

LOAN IMPAIRMENT ASSESSMENT

Our Group has developed policies and procedures to appropriately assess and measure the expected credit loss (“**ECL**”) in accordance with impairment requirements of HKFRS 9. Details of the ECL policy and measurement are disclosed in Note 3 – “Loss allowances for expected credit losses”, Note 5 (c) to the consolidated financial statements for the year ended 31 March 2023, and the followings:

ECL measurement

HKFRS 9 outlines a “three-stage” model for impairment based on changes in credit quality since initial recognition as summarised below:

Stage 1: A financial instrument that is not credit-impaired on initial recognition;

Stage 2: If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired; and

Stage 3: If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3.

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime

expected credit losses that result from default events possible within the next 12 months. Investment in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. A pervasive concept in measuring ECL in accordance with HKFRS 9 is that it should consider forward-looking information. The key judgements and assumptions adopted by the Group in addressing the requirements of the standard are discussed below.

Significant increase in credit risk

The Group considers a financial instrument to have experienced a significant increase in credit risk when the following criteria has been met:

- The borrower is more than 30 days past due on its contractual payments.

The assessment of significant increase in credit risk is performed on a monthly basis for all loans and interest receivables held by the Group. The criteria used to identify significant increase in credit risk are monitored and reviewed periodically for appropriateness by the directors and the credit team. The Group has not used the low credit risk exemption for any financial instruments in the year ended 31 March 2023.

Definition of default and credit-impaired assets

The Group defines a loan as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- The borrower is more than 60 days past due on its contractual payments.
- The borrower is deceased.
- The borrower is insolvent.
- It is becoming probable that the borrower will enter bankruptcy.

The criteria above have been applied to all loans held by the Group and are consistent with the definition of default used for internal credit risk management purposes.

Credit risk exposure

The following contains an analysis of the credit risk exposure of loans and interest receivables for which an ECL allowance is recognised.

As at 31 March 2023, the total outstanding loan receivables were HK\$3,400,000 which was receivable from one corporate borrower. The loan falls in Stage 1.

No impairment on loan receivables was made in the year ended 31 March 2023.

Shareholders of the Company and potential investors are also advised to refer to the paragraph headed “Business Review - Money lending business” in the Annual Report 2023 for details of the money lending business of the Company

By order of the Board
King International Investment Limited
Wang Mengyao
Co-Chairman and Executive Director

Hong Kong, 11 January 2024

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Wang Mengyao (*Co-Chairman*)
Mr. Liu Mingqing (*Co-Chairman and Chief
Executive Officer*)
Mr. Pang Zhen
Mr. Man Wai Lun
Mr. Long Jinbo

Independent non-executive Directors:

Mr. Gu Jianguo
Ms. Yang Xilin
Ms. Yan Ming
Mr. Lou Tao