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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of King International Investment Limited (the “**Company**”) hereby announces the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2024 together with comparative figures for the year ended 31 March 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	4	233,681	223,853
Cost of sales and services		<u>(195,892)</u>	<u>(211,804)</u>
Gross profit		37,789	12,049
Bank interest income		1	10
Other income and gains	6	6,450	1,743
Share of result of associates		(15)	288
Selling and distribution expenses		(1,336)	(1,252)
Administrative and other expenses		(18,819)	(43,320)
Finance costs	7	<u>(200)</u>	<u>(227)</u>
Profit/(loss) before tax		23,870	(30,709)
Income tax expense	8	<u>(8,756)</u>	<u>(1,044)</u>
Profit/(loss) for the year	9	<u>15,114</u>	<u>(31,753)</u>
Other comprehensive income/(expense):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(3,142)	(25,000)
Share of foreign currency translation reserve of an associate		(103)	(1)
Reclassification of translation reserve to profit or loss upon disposal of a subsidiary		<u>39</u>	<u>–</u>
		<u>(3,206)</u>	<u>(25,001)</u>
Total comprehensive income/(expense) for the year		<u>11,908</u>	<u>(56,754)</u>
Profit/(loss) for the year attributable to:			
Owners of the Company		15,818	(25,192)
Non-controlling interests		<u>(704)</u>	<u>(6,561)</u>
		<u>15,114</u>	<u>(31,753)</u>
Total comprehensive income/(expense) for the year attributable to:			
Owners of the Company		13,498	(51,143)
Non-controlling interests		<u>(1,590)</u>	<u>(5,611)</u>
		<u>11,908</u>	<u>(56,754)</u>
Earnings/(loss) per share	11		
<i>Basic and diluted (HK cents)</i>		<u>0.96</u>	<u>(1.71)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		138	17,750
Right-of-use assets		3,169	–
Interest in associates		1,885	2,003
Equity investment at fair value through other comprehensive income		235	248
		<u>5,427</u>	<u>20,001</u>
Current assets			
Inventories		196,605	–
Loan and interest receivables		–	3,442
Trade and other receivables	12	133,629	223,040
Bank balances and cash		473	17,786
		<u>330,707</u>	<u>244,268</u>
Current liabilities			
Trade and other payables	13	41,900	19,626
Lease liabilities		774	1,765
Contract liabilities		9,033	–
Borrowings		2,500	2,500
Tax payable		13,445	4,921
		<u>67,652</u>	<u>28,812</u>
Net current assets		<u>263,055</u>	215,456
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>268,482</u>	<u>235,457</u>
Non-current liabilities			
Lease liabilities		2,433	2,462
		<u>2,433</u>	<u>2,462</u>
NET ASSETS		<u>266,049</u>	<u>232,995</u>
Capital and reserves			
Share capital	14	92,521	77,101
Reserves		177,326	160,404
		<u>269,847</u>	<u>237,505</u>
Equity attributable to owners of the Company		<u>269,847</u>	237,505
Non-controlling interests		(3,798)	(4,510)
		<u>266,049</u>	<u>232,995</u>
TOTAL EQUITY		<u>266,049</u>	<u>232,995</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1. GENERAL INFORMATION

King International Investment Limited (the “**Company**”) is a company incorporated in the Cayman Islands as an exempted company with limited liability under Companies Law of the Cayman Islands on 12 March 2001 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as of 29 April 2002. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands and the principal place of business of the Company in Hong Kong is Suite 2001, 20/F, Two Chinachem Exchange Square, No. 338 King’s Road, North Point, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in healthcare products and services business, money lending business and sales of liquor Business.

The functional currency of the Company and the subsidiaries incorporated in Hong Kong is Hong Kong dollars (“**HK\$**”). The functional currency of the Group’s subsidiaries incorporated in the PRC is Renminbi (“**RMB**”). For the convenience of the consolidated financial statements users, the results and financial position of the Group are presented in HK\$ as the Company’s shares are listed on the Stock Exchange.

2. GOING CONCERN BASIS

The Group had current liabilities of approximately HK\$67,652,000, but the Group only had cash and cash equivalents of approximately HK\$473,000. Besides, the Group had a net operating cash outflow of approximately HK\$32,319,000 for the year ended 31 March 2024. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of approval of the consolidated financial statements, after taking into consideration of the followings:

- (i) the Group has implemented measures to speed up the collection of outstanding trade receivables;
- (ii) the Group continues to improve the operating efficiency by implementing measures to tighten cost controls over various operating expenses in order to enhance its profitability and to improve the cash flow from its operation in future;
- (iii) the Group’s liquor business recorded profit for the year and is expected to generate profit in the future; and
- (iv) the Group will actively negotiate with various financial institutions and potential lenders/investors to secure new financing arrangement to meet the Group’s working capital and financial requirements in the near future. The Group will also actively seek opportunities to carry out fund raising activities including but not limited to the placing of new shares as alternative sources of funding.

Having regard to the cash flow projection of the Group, which are prepared assuming that the above measures are successful, the directors are of the opinion that, in the light of the measures taken to-date, together with the expected results of the other measures in progress, the Group will have sufficient funding resources to satisfy its future working capital and other financing requirements. The directors believe that the aforementioned measures will be successful, based on the continuous efforts by the management of the Group.

However, should the above measures not be able to implement successfully, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities, respectively, and to provide for any further liabilities which might arise.

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

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 April 2023. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies and amounts reported for the current year and prior years.

4. REVENUE

Revenue represents the amounts received and receivable for services provided by the Group to outside customers during the year.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers		
– Healthcare services	–	2,866
– Healthcare products	113,783	220,795
– Sales of liquor	119,844	–
Loan interest income	54	192
	<u>233,681</u>	<u>223,853</u>

Disaggregation of revenue from contracts with customers:

Geographical markets

For the year ended 2024, HK\$106,301,000 from healthcare services and trading of healthcare products were recognised in PRC and HK\$7,482,000 were recognised in Hong Kong (2023: HK\$179,978,000 from healthcare services and trading of healthcare products were recognised in PRC and HK\$43,683,000 were recognised in Hong Kong). All revenue from sales of liquor were recognised in PRC.

Timing of revenue recognition

For the years ended 31 March 2024 and 2023, all revenues from healthcare products and services and sales of liquor were recognised at a point in time.

Healthcare services

The service income is recognised when the services are rendered, the amount for which can be reliably estimated and it is probable that the income will be received.

A receivable is recognised when the services are rendered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Healthcare products

Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products. Sales to customers are normally made with credit period within 365 days.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sales of liquor

Revenue from sales of liquor is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

5. SEGMENT INFORMATION

Information was reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focusing on types of goods or services delivered or provided. This is also the basis upon which the Group is organised.

For the year ended 31 March 2024, the Group has three (2023: two) operating and reportable segments, namely (i) healthcare products and services business; (ii) money lending business; and (iii) sales of liquor.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss/profit represents the loss/profit of each segment without allocation of bank interest income, other income and gains, share of result of associates and central administration costs. This is the measure reported to the Group's CODM for the purposes of resource allocation and performance assessment.

For the purposes of monitoring segment performances and allocating resources among segments, all assets and liabilities are allocated to operating segments on the basis of the revenue earned by individual reportable segment. Segment assets exclude interest in associates, equity investment at fair value through other comprehensive income, prepayment and unallocated corporate assets while segment liabilities exclude tax payable and unallocated corporate liabilities. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Segment revenue and results

For the year ended 31 March 2024

	Healthcare products and services business <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Sales of liquor business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>113,783</u>	<u>54</u>	<u>119,844</u>	<u>233,681</u>
Segment (loss)/profit	<u>(3,170)</u>	<u>(94)</u>	<u>28,037</u>	24,773
Bank interest income				1
Other income and gains				6,450
Share of result of associates				(15)
Unallocated expenses				<u>(7,339)</u>
Profit before tax				<u>23,870</u>

For the year ended 31 March 2023

	Healthcare products and services business <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Sales of liquor business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue	<u>223,661</u>	<u>192</u>	<u>–</u>	<u>223,853</u>
Segment (loss)/profit	<u>(16,115)</u>	<u>5</u>	<u>–</u>	(16,110)
Bank interest income				10
Other income and gains				1,743
Share of result of associates				288
Unallocated expenses				<u>(16,640)</u>
Loss before tax				<u>(30,709)</u>

Segment assets and liabilities

As at 31 March 2024

	Healthcare products and services business <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Sales of liquor <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	<u>36,060</u>	<u>9</u>	<u>285,509</u>	321,578
Interest in associates				1,885
Equity investments at fair value through other comprehensive income				235
Unallocated corporate assets				<u>12,436</u>
Consolidated total assets				<u>336,134</u>
Segment liabilities	<u>16,801</u>	<u>15</u>	<u>30,533</u>	47,349
Tax payable				13,445
Unallocated corporate liabilities				<u>9,291</u>
Consolidated total liabilities				<u>70,085</u>

As at 31 March 2023

	Healthcare products and services business <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Sales of liquor <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	<u>257,222</u>	<u>3,451</u>	<u>–</u>	260,673
Interest in associates				2,003
Equity investments at fair value through other comprehensive income				248
Unallocated corporate assets				<u>1,345</u>
Consolidated total assets				<u>264,269</u>
Segment liabilities	<u>15,837</u>	<u>15</u>	<u>–</u>	15,852
Tax payable				4,921
Unallocated corporate liabilities				<u>10,501</u>
Consolidated total liabilities				<u>31,274</u>

Other segment information

For the year ended 31 March 2024	Healthcare products and services business <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Sales of liquor <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Depreciation of property, plant and equipment	3,155	-	-	-	3,155
Depreciation of right-of-use assets	-	-	350	98	448
Impairment of trade receivables	218	-	4,959	40	5,217
Impairment of prepayments, deposits and other receivables	102	-	762	79	943
	<u>102</u>	<u>-</u>	<u>762</u>	<u>79</u>	<u>943</u>
For the year ended 31 March 2023	Healthcare products and services business <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Sales of liquor <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Depreciation of property, plant and equipment	2,644	-	-	34	2,678
Depreciation of right-of-use assets	189	-	-	1,179	1,368
Impairment of trade receivables	841	-	-	-	841
Impairment of prepayments, deposits and other receivables	16,375	-	-	2,432	18,807
Impairment loss of right of use assets	-	-	-	4,163	4,163
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,163</u>	<u>4,163</u>

Geographical information

Healthcare services, trading of healthcare products and sales of liquor revenue for the years ended 31 March 2024 and 2023, were revenue derived from contracts with customers, the geographical information of revenue could be referred to note 4.

For the year ended 31 March 2024, loan interest income derived from Hong Kong was approximately HK\$54,000 (2023: HK\$192,000).

Information about the Group's non-current assets by geographical location of the assets are detailed below:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
PRC	5,314	19,828
Hong Kong	113	173
	<u>5,427</u>	<u>20,001</u>

Information about major customers

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Healthcare products and services business		
Customer A	33,784	– [#]
Customer B	– [*]	43,678
Customer C	– [*]	63,563
Customer D	– [*]	113,382
	<u> </u>	<u> </u>

* No revenue was generated from this customer for the year ended 31 March 2024.

No revenue was generated from this customer for the year ended 31 March 2023.

6. OTHER INCOME AND GAINS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Exchange (loss)/gain, net	–	(998)
Compensation income	–	1,178
Gain on disposal of a subsidiary	2,116	–
Gain on lease termination	3,355	–
Sundry income	979	1,563
	<u> </u>	<u> </u>
	<u>6,450</u>	<u>1,743</u>

7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loan interest expenses	24	63
Lease interest	176	164
	<u> </u>	<u> </u>
	<u>200</u>	<u>227</u>

8. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong Profits Tax:		
– Current year	40	1,044
PRC Enterprise income tax (the “EIT”)		
– Current year	8,716	–
	<u>8,756</u>	<u>1,044</u>

For the year ended 31 March 2024 and 2023, Hong Kong Profits Tax is calculated under two-tier profits tax system where the first HK\$2 million of estimated assessable profits is taxed at a rate of 8.25% and remaining estimated assessable profits is taxed at 16.5%. The Group should elect one of the Hong Kong subsidiaries to apply the two-tier profits tax rate.

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% from 1 January 2008 onwards.

9. PROFIT/(LOSS) FOR THE YEAR

The Group’s profit/(loss) for the year is stated after charging/(crediting) the following:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor’s remuneration	1,300	1,800
Cost of inventories sold	195,892	211,804
Depreciation of property, plant and equipment	3,155	2,678
Depreciation of right-of-use assets	448	1,368
Expenses related to short-term lease	144	1,211
Impairment of trade receivables	5,217	841
Impairment of prepayments, deposits and other receivables	943	18,807
Impairment of right-of-use assets	–	4,163
Directors’ remuneration	1,637	2,646
Other staff costs	2,650	4,854
Retirement benefits scheme contributions, excluding directors	148	199
Total staff costs	<u>4,435</u>	<u>7,699</u>

10. DIVIDENDS

The Directors do not recommend the payment of any dividend for the years ended 31 March 2024 and 2023.

11. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the loss for the year of approximately HK\$15,818,000 (2023: approximately HK\$25,192,000) attributable to owners of the Company and the weighted average number of approximately 1,641,256,000 (2023: approximately 1,475,135,000).

Diluted earnings/(loss) per share

The computation of diluted earnings per share loss not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares for the year ended 31 March 2024.

The effects of all potential ordinary shares are anti-dilutive for the years ended 31 March 2023.

12. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	79,654	118,305
Less: allowance for trade receivables	<u>(6,094)</u>	<u>(972)</u>
	<u>73,560</u>	<u>117,333</u>
Prepayments and deposits	59,315	119,184
Less: allowance for prepayments and deposits	<u>(16,860)</u>	<u>(17,628)</u>
	<u>42,455</u>	<u>101,556</u>
Other receivables	18,550	4,151
Less: allowance for other receivables	<u>(936)</u>	<u>–</u>
	<u>17,614</u>	<u>4,151</u>
	<u><u>133,629</u></u>	<u><u>223,040</u></u>

Included in prepayments and deposit are mainly advances to suppliers for purchases of goods amounting to HK\$56,166,000 net of impairment provision of HK\$16,860,000 (2023: HK\$100,980,000 net of impairment provision of HK\$17,628,000).

For the year ended 31 March 2024, for the receivables from healthcare services and trading of healthcare products, the Group allows a credit period 0 – 365 days (2023: 0 – 365 days) to corporate customers. For the receivables from sale of liquor, the Group allows a credit period 0 – 180 days to corporate customers.

Allowance for trade receivables

The movements in allowance for trade receivables are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At beginning of the reporting period	972	139
Allowance for the year	5,217	841
Exchange adjustments	(95)	(8)
	<u>6,094</u>	<u>972</u>

Aged analysis of trade receivables is presented based on the invoice dates at the end of the reporting period, which approximate the respective revenue recognition dates, are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 90 days	53,685	–
91 – 180 days	19,151	110,208
Over 181 days	724	7,125
	<u>73,560</u>	<u>117,333</u>

13. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	28,380	2,079
Accruals and other payables (<i>note</i>)	13,520	17,547
	<u>41,900</u>	<u>19,626</u>

Note:

The amounts included provision for litigation of RMB3,957,000 (equivalent to approximately HK\$4,289,000) (2023: RMB3,957,000 (equivalent to approximately HK\$4,520,000)) in relation to a legal claim brought against the Group by an intermediary for trading of healthcare products. The provision is made based on a PRC court's decision. The Group is currently seeking legal advice for a further appeal on the claim.

The following is an aged analysis of trade payables presented based on the invoice dates at the end of reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 90 days	26,407	–
91 – 180 days	–	–
181 days to 1 year	–	–
Over 1 year	1,973	2,079
	<u>28,380</u>	<u>2,079</u>

The credit period granted by suppliers is normally within 90 days as at 31 March 2024 (2023: within 90 days).

14. SHARE CAPITAL

	<i>Notes</i>	Number of shares <i>'000</i>	<i>HK\$'000</i>
Authorised:			
Ordinary shares of HK\$0.05 each at 1 April 2022 and 31 March 2023 and 31 March 2024		10,000,000	500,000
Issued and fully paid:			
Ordinary shares of HK\$0.05 each at 1 April 2022		1,285,025	64,251
Issue of shares upon share placing	<i>(a)</i>	257,000	12,850
Ordinary shares of HK\$0.05 each at 31 March 2023		1,542,025	77,101
Issue of shares upon share placing	<i>(b)</i>	160,480	8,024
Issue of shares upon share subscription	<i>(c)</i>	147,920	7,396
Ordinary shares of HK\$0.05 each at 31 March 2024		1,850,425	92,521

Notes:

- (a) On 14 June 2022, the Company entered into a placing agreement with a placing agent in respect of the placement of 257,000,000 ordinary shares of HK\$0.05 each to independent investors at a price of HK\$0.105 per share. The placement was completed on 5 July 2022 and the premium on the issue of shares, amounting to approximately HK\$13,515,000, after net of share issue expenses of approximately HK\$620,000, was credited to the Company's share premium account.
- (b) On 3 November 2023, the Company entered into the placing agreement with the placing agent, pursuant to which the Company has conditionally agreed to place, through the placing agent, on a best efforts basis, up to 308,400,000 placing shares to placee(s) at the placing price of HK\$0.06 per placing share. The completion of the placing took place on 29 November 2023. An aggregate of 160,480,000 placing shares have been successfully placed by the placing agent at the placing price of HK\$0.06 per placing share. The gross proceeds from the placing will be approximately HK\$9,629,000, the premium on the issue of shares, amounting to approximately HK\$1,304,800, after net of share issue expenses of approximately HK\$300,000, was credited to the Company's share premium account.

- (c) On 29 November 2023, the Company and each of the subscribers entered into separate subscription agreements, pursuant to which the subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 147,920,000 subscription shares at the subscription price of HK\$0.065 per share subject to the terms and conditions set out in the subscription agreements. The completion of the subscription took place on 12 December 2023. The gross proceeds from the placing will be approximately HK\$9,615,000, the premium on the issue of shares, amounting to approximately HK\$2,119,000, after net of share issue expenses of approximately HK\$100,000, was credited to the Company's share premium account.

15. CAPITAL COMMITMENT

The Group did not have any capital commitment as at 31 March 2024 and 2023.

16. PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

The Group has no pledge of assets and contingent liabilities as at 31 March 2024 and 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2024, the Group recorded a revenue of approximately HK\$233.68 million (year ended 31 March 2023: approximately HK\$223.85 million), representing an increase of approximately 4.39% as compared with the corresponding period last year.

For the year ended 31 March 2024, the Group recorded gross profit of approximately HK\$37.79 million (year ended 31 March 2023: approximately HK\$12.05 million). The Group's overall gross profit margin was 16.17% (year ended 31 March 2023: 5.38%). During the year ended 31 March 2024 and 2023, the Group's overall gross profit was primarily attributable to the sales of liquor which is with higher gross profit margin. This year approximately 51.29% of sales generated from sales of liquor (year ended 31 March 2023: nil).

The profit for the year ended 31 March 2024 was approximately HK\$15.11 million (year ended 31 March 2023: loss of approximately HK\$31.75 million). The profit was mainly attributable to the new sales of liquor segment, which generated a segment profit of approximately HK\$28.04 million and the decrease in administrative and other expenses of approximately HK\$24.51 million.

Basic and diluted earnings per share for the year ended 31 March 2024 was approximately HK0.96 cents (year ended 31 March 2023: basic and diluted loss per share of approximately HK1.71 cents).

BUSINESS REVIEW AND PROSPECTS

Healthcare products and services business

Over the years, the Group has built up its experience in the operation of and understanding in the business environment of the healthcare industry in the PRC and, as such, the healthcare business became an important contributor to the Group's revenue. Due to the allocation of resources for the new business of the Group, the segment revenue of the healthcare business has dropped by approximately 49.13% to HK\$113.78 million as compared to that of last year.

The Group's genetic testing business and other health products and services business are complimentary to each other and create synergy for the Group's healthcare businesses as a whole. The customers and business partners of these businesses are local governments, national institutions and organizations, hospitals and doctors and other overlapping customers, the Company can expand its sales network and cross-sell products in all its businesses, thereby achieving economies of scale and enrich customer structure. For the year ended 31 March 2024, this segment recorded a turnover of HK\$113.78 million (year ended 31 March 2023: HK\$223.66 million) and segment loss of HK\$3.17 million during the year ended 31 March 2024 (year ended 31 March 2023: loss HK\$16.12 million). The decrease in segment loss was primarily attributable to the reduction in revenue generated from healthcare services business during the year.

Money lending business

During the year ended 31 March 2024, money lending business recorded a turnover of interest income of HK\$0.05 million (year ended 31 March 2023: HK\$0.19 million). Gross profit is 100% for both periods since no cost of finance were required under the money lending business. The source of funding is primarily from share capital which is a definite advantage for this business. The segment result covers internal cost allocation from central management and administrative costs. However, the money lending business is competitive and challenging and the relevant compliance work is demanding. The Group will leverage on the existing clients portfolio and referrals by customers and business associates to access to new customers and opportunities in money lending business.

Sales of liquor business

Reference is made to the announcements of the Company dated 11 August 2023, 13 September 2023, 21 September 2023, 22 November 2023 and 26 January 2024.

In order to create value and bring higher returns to the shareholders of the Company, the Board has been actively exploring new business opportunities suitable for the Company. During the year, the Company started to engage in the sales of liquor business to ride on the potential growth in demand for wine in the PRC associated with a higher living standard in the PRC. It is expected that this new business segment will help generate stable cashflows and will be a good opportunity for the Group to diversify its business and income streams which will ultimately improve the financial performance and profitability of the Group.

In September 2023, the Group obtained the exclusive sub-licence to use the trademark and brand of “Diwangchi” (帝王池) liquor in the PRC, and commenced the sales of Maotai-flavor liquor under the “Diwangchi” brand. For the year ended 31 March 2024, this segment recorded a turnover of HK\$119.84 million and a segment profit of HK\$28.04 million during the year ended 31 March 2024.

With consumption upgrading and the continued prosperity of the liquor market, the market for Maotai-flavor liquor has broad prospects. As a leader in the industry, the Maotai-flavor liquor under the “Diwangchi” brand is expected to gradually become one of the mainstream brands in the market with its excellent quality, exquisite brewing technology and exquisite packaging design.

In terms of quality, the Maotai-flavor liquor under the “Diwangchi” brand follows family secret brewing, adheres to the pure grain solid-state fermentation process, and maintains the typical style of “Diwangchi”. Its excellent quality and innovative marketing model have received widespread attention from the industry.

With its advantages of high quality, exquisite craftsmanship, innovative marketing and celebrity effect, the Maotai-flavor liquor under the “Diwangchi” brand is gradually emerging in the liquor market and is expected to become an important member of the industry in the future. In addition, the Group has huge reserve of aged Kunsha base wine which is the foundation of high quality for production of the Maotai-flavor liquor under the “Diwangchi” brand, resulting in a strong foundation for the promotion and sales of the Maotai-flavor liquor under the “Diwangchi” brand. Therefore, sales of the Maotai-flavor liquor under the “Diwangchi” brand will become a significant part of the Group’s revenue.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract from audited financial report of the Company prepared by ZHONGHUI ANDA CPA Limited (“ZHONGHUI”), the auditor of the Company, for the year ended 31 March 2024.

Qualified Opinion

We have audited the consolidated financial statements of King International Investment Limited (formerly known as Life Healthcare Group Limited) (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including of material accounting policy information.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

1. *Interest in associates*

- (a) The Group acquired 30% equity interest in Guangzhou Manrui Biotech Company Limited (“**Manrui Biotech**”) on 5 August 2016. Manrui Biotech specialises in research and development of genetic testing technologies, and in particular non-invasive cancer screening and diagnosis. At the time of the acquisition, there is an agreement procuring the Group to exclusively utilize Manrui Biotech’s genetic testing and related technologies (without monetary consideration). The cost of the investment was approximately HK\$65,129,000. The Group obtained a valuation price allocation of Manrui Biotech on 5 August 2016 and the investment is recorded as interest in an associate since the acquisition.

Manrui Biotech’s genetic testing and related technologies had not generated any income in its financial statements since the Group’s acquisition, nor contributed to the Group’s revenue. The Group has fully impaired the investment in Manrui Biotech during the year ended 31 March 2022.

We were unable to obtain the financial information to support the basis and assumptions adopted in the valuation of the purchase price allocation of the associate, as well as in the valuation in the subsequent year end dates which were used for impairment assessment of the Group's interests in Manrui Biotech. Such basis and assumptions included the forecast of Manrui Biotech, the growth rates and the discount rates adopted in the valuation. As such, the value of the genetic testing technologies cannot be reliably determined.

We have not yet obtained sufficient and appropriate audit evidence to satisfy ourselves as to whether the balance of translation reserve of that associate of HK\$2,163,000 (Credit) were properly recorded as at 31 March 2024 and 2023.

- (b) During the year ended 31 March 2022, the Group invested RMB30,000,000 (equivalent to approximately HK\$36,990,000) and RMB25,000,000 (equivalent to approximately HK\$30,824,000) in two associates, namely 億雲力蓮合(北京)健康管理有限公司 and 山東蓮合耀奇醫療器械有限公司, respectively. The Group holds 25% equity interests in each of these two associates. These two associates engaged in healthcare services in the People's Republic of China (the "PRC"). We were unable to perform audit works on the financial statements of the two associates, specifically arrangement of bank confirmations to confirm the material bank balances of the associates as at 31 March 2022.

The two associates were de-registered during the year ended 31 March 2023 and the Group obtained full refund of the investment costs of RMB30,000,000 (equivalent to approximately HK\$34,270,000) and RMB25,000,000 (equivalent to approximately HK\$28,558,000) from the two associates.

We have not yet obtained sufficient and appropriate audit evidence to satisfy ourselves as to the gain/(loss) of HK\$Nil on deregistration of the two associates for the year ended 31 March 2023.

2. Other receivables

Prepayments for healthcare supplies and vehicle remodelling services

As at 31 March 2023, the Group recorded prepayments for purchases of approximately HK\$98,454,000 to two materials suppliers (say, suppliers A and B) for purchases of disinfectant materials, and prepayments of approximately HK\$8,081,000 to a supplier (supplier C) for provision of vehicle remodelling services.

Up to 31 March 2023, the Group has not yet received the disinfectant materials from both suppliers A & B. In April 2023, the Group entered into cancellation agreement with Supplier A and Supplier A was deregistered in the same month. The Group has requested for full refund of the amounts prepaid of approximately HK\$28,889,000. Up to the date of issuing the consolidated financial statements for the year ended 31 March 2023, the Group received refund of approximately HK\$23,333,000 and the remaining outstanding balance of approximately HK\$5,556,000 were impaired. We were unable to obtain sufficient and appropriate audit evidence about the details of the suppliers and the reasons for the transaction.

For supplier B, up to 31 March 2023, the Group has not yet received the disinfectant materials from this supplier. We were unable to obtain sufficient and appropriate audit evidence about the reason that no products were received, and whether the prepayments of approximately HK\$69,565,000 can be recoverable. During the year ended 31 March 2024, the Group received the disinfectant materials amounted to approximately HK\$69,565,000 from Supplier B.

For supplier C, up to 31 March 2023, no vehicle remodelling services were received by the Group. We were unable to obtain sufficient and appropriate audit evidence that whether the remodelling services will be carried out as planned, and the recoverability of the amounts of approximately HK\$8,081,000 prepaid. During the year ended 31 March 2024, the Group disposed of the subsidiary which held the prepayment for the vehicle remodelling services and recorded a gain on disposal of approximately HK\$2,116,000.

In respect of the abovementioned transactions, we were unable to obtain sufficient appropriate audit evidence or satisfactory management explanations to ascertain the nature of the prepayment of approximately HK\$28,889,000 and HK\$8,081,000 to Supplier A and Supplier C, respectively as at 31 March 2023.

3. *Equity investment at fair value through other comprehensive income*

The equity investment at fair value through other comprehensive income relates to Beijing Life Healthcare Zhongcheng Medical Technologies Co., Ltd (北京蓮和眾成醫療科技有限公司) (the “Investee”), with principal activities such as research and development of medical technology innovations of genomics, cell therapy and their application in the field of human health and precision medicine. As at 26 June 2020, the Group has entered into a joint venture agreement pursuant to which the Group has contributed RMB30,000,000 in the Investee, represented 15% of its share capital.

During the year ended 31 March 2022, we have not obtained sufficient financial information of the Investee, which form the basis for assessing the underlying assumptions and calculation of the fair value of the Investee. The equity investment at fair value through other comprehensive income was disposed during the year ended 31 March 2023.

We were unable to obtain sufficient and appropriate audit evidence to satisfy ourselves as to whether the fair value loss on equity investment at fair value through other comprehensive income of approximately HK\$Nil was properly recorded for the year ended 31 March 2023.

Any adjustments to the figures as described above might have a consequential effect on the Group’s financial performance and cash flows for the years ended 31 March 2024 and 2023 and the financial positions of the Group as at 31 March 2023, and the related disclosures thereof in the consolidated financial statements.

Material Uncertainty Related To Going Concern

The Group had current liabilities of approximately HK\$67,652,000, but the Group only had cash and cash equivalents of approximately HK\$473,000. Besides, the Group had a net operating cash outflow of approximately HK\$32,319,000 for the year ended 31 March 2024. These conditions indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The Company and the Audit Committee's View on the Qualified Opinion of the Independent Auditor's Report

1. Interest in associates

- (a) The full impairment had been made on the investment in Manrui Biotech, an associate of the Company for the year ended 31 March 2022.

There is no qualification in respect of Manrui Biotech on the consolidated statement of financial position as at 31 March 2024 and the consolidated statement of profit or loss for the year ended 31 March 2024. The qualification on the balance of translation reserve will be removed upon disposal of Manrui Biotech and the Company is looking for potential purchaser to sell its equity interest in Manrui Biotech.

The Audit Committee concurs to the treatment on Manrui Biotech.

- (b) The two associates were de-registered during the year ended 31 March 2023 and the Group obtained full refund of the investment costs of RMB30,000,000 (equivalent to approximately HK\$34,270,000) and RMB25,000,000 (equivalent to approximately HK\$28,558,000) from the two associates.

The qualification was related to the opening balance presented under comparative column of the Group's statement of financial position as at 31 March 2023 and any possible gain/loss on the de-registration of the two associates for the year ended 31 March 2023 since the opening balance was qualified. There was no qualification in respect of these two associates for the Group's consolidated statement of financial position as at 31 March 2024 and 2023.

The Audit Committee concurs to the treatments on the investments in these two associates.

2. *Other receivable*

Prepayments for healthcare supplies and vehicle remodelling services

The Group has prepaid HK\$28,889,000 to Supplier A to purchase disinfectant products. Subsequently, the Group came across the Supplier B who is the manufacturer of the disinfectant products we ordered from Supplier A. Supplier B was able to provide us the products in cheaper cost with more varieties. In April 2023, the Group has entered into a cancellation agreement with Supplier A and requested for the refund of HK\$28,889,000. The Group then made the prepayment of HK\$69,565,000 to purchase disinfectant products from Supplier B.

The Company discussed with the auditor that the Group received a refund of HK\$23,333,000 from Supplier A up to the date of this report. The remaining balance of HK\$5,556,000 was impaired for year ended 31 March 2023.

There will not be any qualification in respect of the prepayment to Supplier A for the year ending 31 March 2024.

The Audit Committee concurs to the treatment on the prepayment to Supplier A.

The Company and the auditor has conducted an interview with Supplier B and visited its production lines in the factory. A product delivery instruction has been given to Supplier B in June 2023. During the year ended 31 March 2024, the Group received the disinfectant products from Supplier B.

There will not be any qualification in respect of the prepayment to Supplier B for the year ending 31 March 2024 if the products are delivered as planned.

The Audit Committee concurs to the treatment on the prepayment to Supplier B.

The Group has acquired 126 new energy vehicles from Supplier C and planned to carry out vehicle conversion to initiate basic public health examination program for the elderly which has been included in the construction of national basic public health services sponsored by the government. Owing to the outbreak and prolonged proliferation of COVID-19 pandemic in PRC, the vehicle registration process of the 126 vehicles had been taken almost one year. During the year ended 31 March 2024, the Group disposed of the subsidiary which held the prepayment for the vehicle remodelling services and recorded a gain on the disposal.

There will not be any qualification in respect of the prepayment to Supplier C for the year ending 31 March 2024 if the vehicle conversion services are carried out as planned.

The Audit Committee concurs to the treatment on the prepayment to Supplier C.

3. *Equity Investment at fair value through comprehensive income*

The Group received the consideration of RMB30,000,000 on disposal of its 15% equity interest in Beijing Life Healthcare Zhongcheng Medical Technologies Co., Ltd (北京蓮和眾成醫療科技有限公司) as at August 2022. The opening balance and the profit and loss figures is qualified for the year ended 31 March 2022 as presented under the comparative figures of the Group's profit and loss account for the year ended 31 March 2023.

The qualification was related to the opening balance presented under comparative column of the Group's consolidated statement of financial position as at 31 March 2023 and any possible gain/loss on the disposal of this investment for the year ended 31 March 2023 since the opening balance was qualified. There was no qualification in respect of this investment for the Group's consolidated statement of financial position as at 31 March 2023 and 2024.

The Audit Committee concurs to the treatment on this investment.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2024 (year ended 31 March 2023: nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The management and control of the Group's financial and capital management are centralized at its headquarter in Hong Kong. The Group adheres to the principle of prudent financial management to minimise financial and operational risks. The Group mainly relies upon internally generated funds and proceeds from fund raising activities to finance its operations and expansion.

As of 31 March 2024, the Group's net current assets were approximately HK\$263.06 million including cash and cash equivalents of approximately HK\$0.47 million (31 March 2023: net current assets of approximately HK\$215.46 million including cash and cash equivalents of approximately HK\$17.79 million).

The gearing ratio of the Group, calculated as total borrowings divided by total share capital reserves was approximately 0.94% as at 31 March 2024 (2023: 1.07%).

MATERIAL ACQUISITION AND DISPOSAL

On 18 December 2023, the vendor, a wholly-owned subsidiary of the Company, entered into the disposal agreement with the purchaser pursuant to which the vendor agreed to sell, and the purchaser agreed to acquire, the 65% equity interest in Beijing Lian He Health Management Co., Ltd.* (北京蓮合健康管理有限公司) held by the Vendor for a consideration of RMB23,600,000. For details, please refer to the Company's announcement dated 22 December 2023.

CAPITAL EXPENDITURE COMMITMENTS

As of 31 March 2024, the Group had no capital commitments to acquire property, plant and equipment (31 March 2023: HK\$Nil).

* *For identification purpose only*

PLEDGE OF ASSETS

As of 31 March 2024 and 2023, the Group had not pledged any of its assets.

CONTINGENT LIABILITIES

As of 31 March 2024 and 2023, the Group had no significant contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

The Group recognises most of its revenue and incurs most of the expenditures in RMB or HK\$. The Directors consider that the Group's foreign currency exchange risk is insignificant as the majority of the Group's transactions are denominated in functional currency of each individual group entity. The Group currently does not have a foreign currency hedging policy. However, the Group's management will continue to monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

EMPLOYEES AND REMUNERATION POLICIES

As of 31 March 2024, the Group had 13 full-time employees and 0 part-time employee excluding Directors (2023: 13 full-time employees and 1 part-time employee). The decrease in the number of employees was attributed to the marketing strategy to focus on distributor sales. The Group remunerates its employees based on their performance, working experience and prevailing market standards. Employee benefits include medical insurance coverage, mandatory provident fund for Hong Kong employees, state-managed retirement benefits scheme for PRC employees and share option scheme.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises of three independent non-executive Directors, namely Ms. Yang Xilin (Chairman of the Audit Committee), Mr. Zheng Yu, Mr. Wang Zhenyu.

The Company's annual results for the year ended 31 March 2024 have been reviewed by the Audit Committee.

SCOPE OF WORK OF ZHONGHUI

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 ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditors, ZHONGHUI, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2024. The work performed by ZHONGHUI in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2024.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) during the year ended 31 March 2024.

The Board will continue to review and implement steps/measures as appropriate in a timely manner in order to comply with the requirements of the CG Code and enhance the corporate governance practices of the Group.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the standard for securities transactions by Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors' securities transactions for the year ended 31 March 2024.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.lifehealthcare.com). The Group's Annual Report 2024 will be despatched to the shareholders of the Company and available on the above websites in due course.

APPRECIATION

Taking this opportunity, on behalf of the Board, I would like to express my appreciation to our shareholders for their continuous support and the Company's management and employees for their dedication and hard work.

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

Hong Kong, 28 June 2024

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

Executive Directors:

Mr. Wang Mengyao (*Chairman*)
Mr. Liu Mingqing (*Co-Chairman and
Chief Executive Officer*)
Mr. Lu Xingwu
Mr. Gu Jiangao
Mr. Man Wai Lun
Mr. Pang Zhen
Ms. Yan Ming

Independent Non-executive Directors:

Ms. Yang Xilin
Mr. Lou Tao
Mr. Zheng Yu
Mr. Wang Zhenyu