HOPE LIFE INTERNATIONAL HOLDINGS LIMITED
曠逸國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1683)

FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

The board (the "Board") of directors (the "Directors") of Hope Life International Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2019 (the "FY2019"), together with the audited figures for the year ended 31 December 2018 (the "FY 2018") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	**2019** ***HK$'000***	2018 *HK$'000* (Restated)
Continuing operations			
Revenue	*3*	**93,950**	150,832
Cost of sales		**(66,511)**	(114,320)
Gross profit		**27,439**	36,512
Other revenue and other gains	*4*	**1,575**	1,393
Other operating expenses		**(1,169)**	(1,167)
Allowance for expected credit losses, net		**(923)**	(217)
Administrative expenses		**(30,200)**	(51,821)
Finance costs	*5*	**(131)**	–
Loss before taxation from continuing operations	*6*	**(3,409)**	(15,300)
Taxation	*7*	**(742)**	(2,202)
Loss for the year from continuing operations		**(4,151)**	(17,502)
Discontinued operation			
Profit for the year from discontinued operation, net of income tax		**12,356**	876
Profit/(loss) for the year		**8,205**	(16,626)
Other comprehensive income/(loss) for the year, net of income tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating of financial statements of foreign operations			
Items that were reclassified to profit or loss:		**3**	(6)
Reclassification adjustment from exchange reserve upon disposal a subsidiary		**5**	–
Other comprehensive income/(loss) for the year		**8**	(6)
Total comprehensive income/(loss) for the year		**8,213**	(16,632)

	Notes	2019 HK$'000	2018 HK$'000 (Restated)
Profit/(loss) for the year attributable to:			
Owners of the Company			
– from continuing operations		**(4,151)**	(17,502)
– from discontinued operation		**12,356**	129
Non-controlling interests			
– from continuing operations		**–**	–
– from discontinued operation		**–**	747
		8,205	(16,626)
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company			
– from continuing operations		**(4,148)**	(17,502)
– from discontinued operation		**12,361**	123
Non-controlling interests			
– from continuing operations		**–**	–
– from discontinued operation		**–**	747
		8,213	(16,632)
Earnings/(loss) per share:			
Basic and diluted (HK cents)	*9*		
– from continuing operations		**(0.83)**	(3.50)
– from discontinued operation		**2.47**	0.03
– from continuing and discontinued operations		**1.64**	(3.47)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	**2019** **HK$'000**	2018 HK$'000
Non-current assets			
Property, plant and equipment		**1,431**	3,688
Right-of-use assets		**5,142**	–
Trading licence		**–**	10,000
		6,573	13,688
Current assets			
Inventories		**2,471**	–
Loan receivables	*10*	**86,129**	–
Trade receivables	*11*	**15,992**	14,780
Contract assets		**2,415**	3,964
Deposits, prepayments and other receivables		**7,544**	21,613
Income tax recoverable		**178**	177
Cash and bank balances		**33,158**	105,783
		147,887	146,317
Current liabilities			
Trade payables	*12*	**3,584**	16,021
Contract liabilities		**432**	873
Lease liabilities		**3,821**	–
Accrued expenses and other payables		**5,947**	12,401
Amount due to related party		**90**	–
Amount due to a director		**282**	–
		14,156	29,295
Net current assets		**133,731**	117,022
Total assets less current liabilities		**140,304**	130,710
Non-current liability			
Lease liabilities		**1,381**	–
		1,381	–
Net assets		**138,923**	130,710
Capital and reserves attributable to owners of the Company			
Share capital		**5,000**	5,000
Reserves		**133,923**	125,710
Total equity		**138,923**	130,710

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. GENERAL INFORMATION

Hope Life International Holdings Limited (formerly known as Royal China International Holdings Limited) (the "Company") was incorporated in Cayman Islands on 19 January 2015 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Flat 1703, 17th Floor, Wanchai Commercial Centre, Nos. 194-204 Johnston Road, Hong Kong.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 8 September 2015. The substantial shareholders of the Company are Starcross Group Limited (incorporated in the British Virgin Islands ("BVI")) and Ample Platinum Enterprises Limited (incorporated in the BVI) respectively. Starcross Group Limited ("SGL") is the registered holder of 225,100,000 shares of the Company (each a "Share"), representing approximately 45.02% of the issued share capital of the Company. The issued share capital of SGL is owned as to 75% by Mr. LEONG Hing Loong Rudoff ("Mr. Leong"). Ample Platinum Enterprises Limited ("APEL") is registered holder of 149,900,000 Shares, representing approximately 29.98% of the issued share capital of the Company and 70% of the issued shares capital of APEL was owned by Ms. SHEN Jie ("Ms. Shen"). Both Ms. Shen and Mr. Leong are Executive Directors of the Company.

Pursuant to a special resolution passed on 26 August 2019, the English name of the Company changed from "Royal China International Holdings Limited" to "Hope Life International Holdings Limited" and the dual foreign name in Chinese of the Company has changed from "皇中國際控股有限公司" to "曠逸國際控股有限公司".

The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 16 September 2019 confirming the registration of the new name of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The Company is an investment holding company. The Company and its subsidiaries (collectively referred hereafter as the "Group") are principally engaged in construction and ancillary services which include design, fitting-out, decoration, alteration and addition, construction and other related businesses, financial business and health business.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise stated.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

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

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

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 Leases ("HKAS 17"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessor

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have an impact on leases where the Group is the lessor. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

(i) excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

(ii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment;

(iii) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options; and

(iv) relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The incremental borrowing rates applied by the relevant group entities range from 2.79% to 6.72%.

	HK$'000
Operating lease commitment as at 31 December 2018	2,809
Less: total future interest expenses	(12)
Present value of remaining lease payments, discounted using the incremental borrowing rate and lease liabilities recognised as at 1 January 2019	2,797
Less: short-term leases not recognized as liability	(600)
Lease liabilities as at 1 January 2019	2,197
Analysis as:	
Current lease liabilities	2,197
Non-current lease liabilities	–
	2,197

The carrying amount of right-of-use assets for own use as at 1 January 2019 comprises the following:

	HK$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	2,197

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of consolidated financial position at 31 December 2018.

The following table summarizes the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	At 31 December 2018 *HK$'000*	Recognition of lease *HK$'000*	**At 1 January 2019** ***HK$'000***
Asset			
Right-of-use assets *(Note)*	–	2,197	**2,197**
Liabilities			
Lease liabilities	–	2,197	**2,197**

Note:

The application of HKFRS 16 to leases previously classified as operating leases under HKAS 17 resulted in the recognition of right-of-use assets of HK$2,197,000 and lease liabilities of HK$2,197,000 at the initial adoption of HKFRS 16.

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKAS 1 and HKAS 8 (Amendments)	Definition of Material[1]
HKFRS 3 (Amendments)	Definition of a Business[2]
HKFRS 9, HKAS 39 and HKFRS 7 (Amendments)	Interest Rate Benchmark Reform[1]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 17	Insurance Contracts[3]

1 Effective for annual periods beginning on or after 1 January 2020.

2 Effective for business combinations and asset acquisition for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

3 Effective for annual periods beginning on or after 1 January 2021.

4 Effective for annual periods beginning on or after a date to be determined.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in HKFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

The directors anticipate that the application of new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE AND SEGMENT INFORMATION

The executive directors of the Company, being the chief operating decision-makers, review the Group's internal reporting in order to assess performance and allocate resources. Information reported to the chief operating decision marker, for the purpose of resources allocation and performance assessment, focuses on the types of goods or services delivered or provided.

The Group has three reportable segments under HKFRS 8 as follows:

(a) Construction and ancillary services – design, fitting-out, decoration, alteration and addition, construction and other related businesses.

(b) Financial business – money lending business.

(c) Health business – Sales of health products and related services.

The aviation and trading service has discontinued during the year ended 31 December 2019. The segment results below does not included any amounts from the discontinued operation.

Segment revenue and results

Continuing operations:

	Construction and ancillary services *HK$'000*	**Financial business** *HK$'000*	**Health business** *HK$'000*	**Total** *HK$'000*
Year ended 31 December 2019				
Segment revenue	**81,403**	**4,902**	**7,645**	**93,950**
Segment results	**7,858**	**3,781**	**(514)**	**11,125**
Unallocated corporate income				**722**
Unallocated corporate expense				**(15,256)**
Loss before taxation				**(3,409)**
Taxation				**(742)**
Loss for the year				**(4,151)**

	Construction and ancillary services	Financial business	Total
	HK$'000	*HK$'000*	*HK$'000*
			(Restated)
Year ended 31 December 2018			
Segment revenue	150,832	–	150,832
Segment results	22,077	(2,834)	19,243
Unallocated corporate income			258
Unallocated corporate expense			(34,801)
Loss before taxation			(15,300)
Taxation			(2,202)
Loss for the year			(17,502)

Segment results represent the profit earned by or loss from each segment without allocation of unallocated corporate income and unallocated corporate expense. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year.

Segment assets and liabilities

	Construction and ancillary services *HK$'000*	**Financial business** *HK$'000*	**Health business** *HK$'000*	**Total** *HK$'000*
As at 31 December 2019				
Assets				
Segment assets	49,560	93,777	4,656	147,993
Unallocated assets				6,467
Consolidated total assets				154,460
Liabilities				
Segment liabilities	13,338	646	501	14,485
Unallocated liabilities				1,052
Consolidated total liabilities				15,537

	Construction and ancillary services *HK$'000*	Financial business *HK$'000*	Aviation and traveling services (Discontinued operation) *HK$'000*	Total *HK$'000*
As at 31 December 2018				
Assets				
Segment assets	49,083	27,026	6,694	82,803
Unallocated assets				77,202
Consolidated total assets				160,005
Liabilities				
Segment liabilities	8,722	51	19,060	27,833
Unallocated liabilities				1,462
Consolidated total liabilities				29,295

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than unallocated corporate assets (mainly comprising cash and cash equivalents and deposits and prepayments); and

- all liabilities are allocated to operating segments other than unallocated corporate liabilities (mainly comprising other payables and accruals).

Other segment information

	Construction and ancillary services *HK$'000*	**Financial business** *HK$'000*	**Health business** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Year ended 31 December 2019					
Capital expenditure *(note a)*	7,047	568	–	–	7,615
Depreciation of property, plant and equipment	868	301	–	818	1,987
Loss on disposal of property, plant and equipment	151	–	–	–	151
Depreciation of right-of-use assets	3,493	47	–	1,118	4,658
Interest on lease liabilities	121	6	–	4	131
Bad debt written off	150	–	–	–	150
Allowance for expected credit losses, net	(179)	1,117	–	(15)	923

	Construction and ancillary services *HK$'000*	Financial business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000* (Restated)
Year ended 31 December 2018				
Capital expenditure *(note b)*	–	376	354	730
Depreciation of property, plant and equipment	869	56	1,879	2,804
Gain on disposal of property, plant and equipment	(150)	–	–	(150)
Allowance for expected credit losses, net	202	–	15	217

Note:

a. During the year ended 31 December 2019, capital expenditure consists of additions of property, plant and equipment and right-of-use assets.

b. During the year ended 31 December 2018, capital expenditure consists of additions of property, plant and equipment.

Revenue from major services

The Group's revenue from its major services during the year is as follows:

	2019	2018
	HK$'000	*HK$'000*
		(Restated)
Continuing operations:		
Recognised over time:		
Design and/or decoration service income	**11,538**	16,271
Design, fitting-out and decoration service income	**69,865**	134,561
	81,403	150,832
Recognised at a point in time:		
Commission income	**346**	–
Sales of health products	**7,299**	–
	7,645	–
Revenue from other source:		
Interest income from loan financing	**4,902**	–
	93,950	150,832

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

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its construction contracts such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the construction contracts as all contract works have an original expected duration of one year or less.

Geographical information

The Group's operations are located in Hong Kong and People's Republic of China (the "PRC").

The Group's geographical segments are classified according to the location of customers. There are two customer-based geographical segments. Segment revenue from external customers by the location of customers during the year is as follows:

Revenue from external customers

	2019	2018
	HK$'000	*HK$'000*
		(Restated)
Continuing operations:		
Hong Kong	**86,646**	145,946
PRC	**7,304**	4,886
	93,950	150,832

The Group's geographical segments are also classified by the location of assets, information about its non-current assets by geographical location are detailed below:

Non-current assets

	2019	2018
	HK$'000	*HK$'000*
Hong Kong	**6,573**	13,688

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group is as follows:

	2019	2018
	HK$'000	*HK$'000*
		(Restated)
Continuing operations:		
Customer A*	**–**	45,887
Customer B	**42,071**	63,384
Customer C*	**16,117**	–
Customer D*	**9,560**	–
Customer F*	**–**	36,482

* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the respective year.

4. OTHER REVENUE AND OTHER GAINS

	2019	2018
	HK$'000	*HK$'000*
		(Restated)
Continuing operations:		
Other revenue		
Bank interest income	**496**	271
Other operating income	**786**	851
Sundry income	**136**	46
	1,418	1,168
Continuing operations:		
Other gains		
Gain on disposal of property, plant and equipment	**–**	150
Net exchange gains	**8**	75
Gain on disposal of subsidiaries	**149**	–
Total	**1,575**	1,393

5. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
		(Restated)
Continuing operations:		
Interest on lease liabilities	**131**	–
	131	–

6. LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS

	2019	2018
	HK$'000	*HK$'000*
		(Restated)
Continuing operations:		
Loss before taxation has been arrived at after charging/(crediting):		
Directors' emoluments	**7,960**	9,654
Salaries, wages and other benefits (excluding directors' emoluments)	**10,073**	18,406
Pension scheme contributions (excluding directors' emoluments)	**296**	433
	10,369	18,839
Auditors' remuneration		
Audit services	**830**	880
Non-audit services	**48**	150
Bad debt written off	**150**	–
Provision for allowance for expected credit losses, net	**923**	217
Loss/(gain) on disposal of property, plant and equipment	**151**	(150)
Depreciation of property, plant and equipment	**1,987**	2,804
Depreciation of right-of-use assets	**4,658**	–
Expense relating to short-term lease with lease term end within 12 months of the date of initial application of HKFRS 16	**646**	–
Minimum lease payments under operating leases in respect of office premises	**–**	9,955

7. TAXATION

	2019	2018
	HK$'000	*HK$'000*
Current tax:		
Hong Kong		
Provision for the year	**725**	2,424
Under-provision in previous year	**17**	54
Current tax expense	**742**	2,478
Current tax expense		
– continuing operations	**742**	2,202
– discontinued operation	**–**	276
	742	2,478

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 assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK$2 million will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The two-tiered profits tax rates regime is applicable to the Group for the years ended 31 December 2019 and 2018.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI during the years ended 31 December 2019 and 2018.

The subsidiary of the Group established in the PRC is subject to PRC Enterprise Income Tax on its taxable income of health business at an income tax rate of 15% during the year ended 31 December 2019 (year ended 31 December 2018: 25% an aviation and traveling services).

No provision for the PRC Enterprise Income Tax has been made as the subsidiary operated in the PRC had no assessable profits for the year ended 31 December 2019 (year ended 31 December 2018: nil).

No deferred tax has been provided for as there were no material differences.

8. DIVIDENDS

The Directors do not propose any payment of final dividend for the year ended 31 December 2019 (2018: Nil).

9. EARNINGS/LOSS PER SHARE

(a) Basic earnings/loss per share

Continuing operations

The computation of the basic loss per share amount from continuing operations are based on the loss for the year attributable to ordinary equity holders of the Company from continuing operations of HK$4,151,000 (2018: HK$17,502,000) and the weighted average number of ordinary shares of 500,000,000 (2018: 500,000,000) during the year.

Discontinued operation

The computation of the basic earning per share amount from discontinued operation are based on profit for the year attributable to ordinary equity holders of the Company from discontinued operation of HK$12,356,000 (2018: HK$129,000) and the weighted average number of ordinary shares of 500,000,000 (2018: 500,000,000) during the year.

Continuing and discontinued operations

The computation of the basic earnings/loss per share amount from continuing and discontinued operations are based on the profit for the year attributable to ordinary equity holders of the Company from continuing and discontinued operations of HK$8,205,000 (2018: loss of HK$17,373,000) and the weighted average number of ordinary shares of 500,000,000 (2018: 500,000,000) during the year.

(b) Diluted earnings/loss per share

Continuing, discontinued and continuing and discontinued operations

For the year ended 31 December 2019 and 2018, the computation of diluted earnings/loss per share from continuing, discontinued and continuing and discontinued operations were the same as the basic earnings/loss per share as there were no potential dilutive ordinary shares outstanding during the year.

10. LOAN RECEIVABLES

The maturity profile of the loan receivables at the end of the reporting period, analysed by the maturity date, is as follows:

	2019	2018
	HK$'000	*HK$'000*
Loan receivables:		
– Within one year	**87,246**	–
	87,246	–
Less: Allowance for expected credit losses	**(1,117)**	–
	86,129	–
Carrying amount analysed for reporting purpose:		
– Current assets	**86,129**	–
– Non-current assets	**–**	–
	86,129	–

The Group's loan receivables which arise from the money lending business of providing unsecured personal loans and unsecured corporate loans in Hong Kong are denominated in Hong Kong dollars with the interest rate range of 7.2% to 10% per annum and the loan period were from 6 months to 1 year. During the year ended 31 December 2019, all borrowers were independent third parties.

Before approving any loans to new borrowers, the Group has assessed the potential borrower's credit quality and defined credit limits individually.

Included in the carrying amount of loan receivables as at 31 December 2019 is allowance for expected credit losses of HK$1,117,000.

11. TRADE RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**16,000**	14,982
Less: Allowance for expected credit losses	**(8)**	(202)
	15,992	14,780

The Group's credit term with its customers is, in general, 7 to 45 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

The ageing analysis of the gross amount of trade receivables based on the invoice date, is as follows:

	2019	2018
	HK$'000	*HK$'000*
Current to 30 days	**11,789**	7,340
31 – 60 days	**970**	1,563
61 – 90 days	**2,790**	4,513
Over 90 days	**451**	1,566
	16,000	14,982

12. TRADE PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Trade payables	**3,584**	16,021

The ageing analysis of trade payables, based on the invoice date is as follows:

	2019	2018
	HK$'000	*HK$'000*
Current to 30 days	**733**	955
31 – 60 days	**109**	2,703
61 – 90 days	**34**	788
Over 90 days	**2,708**	11,575
	3,584	16,021

The credit period on purchases of certain goods and services is within 7 to 90 days.

13. EVENTS AFTER REPORTING PERIOD

Since January 2020, the outbreak of the new Coronavirus Disease 2019 ("COVID-19") has impacted the global business environment. Up to the date of these consolidated financial statements, COVID-19 has not resulted in material impact to the Group. Pending the development and spread of COVID-19 subsequent to the date of the consolidated financial statements, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of these consolidated financial statements. The Group will continue to monitor the development of COVID-19 and react actively to its impact on the financial position and operating results of the Group.

On 18 February 2020, Greater Bay Finance Limited ("Greater Bay"), an indirect wholly-owned subsidiary of the Company and a borrower entered into the loan agreement pursuant to which Greater Bay has agreed to grant the loan in the amount of HK$35,000,000 to the borrower for a term of twelve months from the effective date. For details of the loan agreement, please refer to the announcement of the Company dated 18 February 2020.

14. COMPARATIVES

The comparative statement of profit or loss has been restated as if the operation discontinued during the current year had been discontinued at the beginning of the comparative period.

MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the results of the Group for FY2019, together with the comparative figures for FY2018.

FINANCIAL REVIEW

During the FY2019, the revenue of the Group from continuing operations decreased by 37.7% to HK$94.0 million (FY2018: HK$150.8 million) and the overall gross profit of the Group from continuing operations decreased by 24.9% to HK$27.4 million (FY2018: HK$36.5 million). Such decrease was mainly due to the decrease in the revenue contributed from the construction and ancillary services of non-residential projects. The Group recorded a net loss of HK$4.2 million (FY2018: HK$17.5 million) from continuing operations for the year mainly due to the decrease in administrative expenses in the year. The Group recorded a profit for the year of approximately HK$8.2 million, as compared to a loss of approximately HK$16.6 million for FY2018 was mainly attributable to the gain of HK$12.5 million from the disposal of the subsidiaries and the decrease in administrative expenses.

HEALTH BUSINESS

Health business includes sales of health products and related services to customers. During FY2019, revenue from the health business amounted to HK$7.6 million (FY2018: nil).

BUSINESS REVIEW

The Group's business segments include three major segments, namely construction and ancillary services, financial business and health business.

A breakdown of the revenue was listed below:

	Year ended 31 December 2019		Year ended 31 December 2018	
	HK$'000	*%*	*HK$'000*	*%*
Construction and ancillary services	**81,403**	**86.6**	150,832	100
Financial business	**4,902**	**5.3**	–	–
Health business	**7,645**	**8.1**	–	–
Revenue	**93,950**	**100**	150,832	100

CONSTRUCTION AND ANCILLARY SERVICES

Construction and ancillary services which include design, fitting out, decoration, alteration and addition, construction and other related business were the focus of our business in the FY2019. During the FY2019, the revenue from construction and ancillary services decreased by 46.0% to HK$81.4 million (FY2018: HK$150.8 million). The decrease in revenue from this segment mainly due to the decrease in revenue contributed from the construction and ancillary services of non-residential projects.

FINANCIAL SERVICES

Precious metal trading

The Group obtained the ordinary membership (the "Membership") of The Chinese Gold and Silver Exchange Society ("CGSE") on 6 September 2017. Found in 1910, CGSE is the sole exchange in Hong Kong which trades physical gold and silver. Run on a membership-based system, CGSE provides an exchange, facilities and related services for its members for transaction of precious metals. The Membership allows its holder to provide trading services of gold, silver and precious metals for its customers and molding of physical gold/silver bullion under physical gold and silver. During FY2019, no revenue was generated from the business of precious metal trading (FY2018: nil). As disclosed in the announcement of the Company dated 5 July 2019, the Group was on 5 July 2019 entered into agreement to dispose of the Membership.

Money Lending Business

The Group holds a money lenders licence in Hong Kong and provides loan facilities to prospective customers including enterprises and individuals.

Revenue from money lending business amounted to HK$4.9 million (FY2018: nil). As at 31 December 2019, the gross loans and interest receivable amounted to HK$87.2 million (31 December 2018: nil) and allowance for expected credit loss of HK$1.1 million (FY2018: nil).

On 28 February 2019, the Group and a borrower entered into the loan agreement pursuant to which the Group has agreed to grant the loan in the amount of HK$40,000,000 to the borrower for a term of twelve months from the effective date. For details of the loan agreement, please refer to the announcement dated 28 February 2019.

Administrative expenses

The administrative expenses decreased by HK$21.6 million from HK$51.8 million in the FY2018 to HK$30.2 million in FY2019. The decrease was mainly due to the decrease in operating expenses of the Group.

Profit/(Loss) for the year

The Group recorded the profit from continuing and discontinued operations attributable to the owners of the Company of HK$8.2 million in FY2019 as compared to the loss attributable to the owners of the Company of HK$17.4 million in the FY2018 mainly due to the gain of HK$12.5 million from the disposal of the subsidiaries and the decrease in administrative expenses.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 December 2019, the Group had 26 employees (31 December 2018: 26) in Hong Kong and the PRC. The total remuneration paid by the Group to its employees (including Directors) for FY2019 was HK$18.4 million (FY2018: HK$30.5 million).

The objective of the Group's remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration paid to its employees (including Directors and senior management), the following factors are considered:

- workload, responsibility and job complexity;
- business requirements;
- individual performance and contribution to results;
- company performance and profitability;
- retention considerations and the potential of individuals;
- corporate goals and objectives;
- market rates and changes in relevant markets, including supply and demand fluctuations and changes in competitive conditions; and
- general economic situation.

In addition to salaries, provident fund scheme and medical insurance coverage and discretionary bonuses are available to employees. Level of remuneration is reviewed annually. During the review process, no individual director is involved in decisions relating to his/her own remuneration.

MATERIAL ACQUISITIONS OR DISPOSALS

On 23 January 2019, Thousand Profit International Limited ("Thousand Profit"), a wholly-owned subsidiary of the Company entered into the sales and purchase agreement with an independent third party pursuant to which Thousand Profit agreed to sell and independent third party agreed to acquire the entire issued share capital of Smart Empire Global Limited ("Smart Empire") for an aggregate consideration approximately HK$13,579,000. The completion of the sales and purchase agreement has been taken place on 28 January 2019 (the "Completion"). Upon the Completion, Smart Empire had ceased to be an indirect wholly-owned subsidiary of the Company and the Company had ceased to have any interests in Smart Empire and the results of Smart Empire and its subsidiaries had been no longer be consolidated with results of the Group. For details of the sales and purchase agreement, please refer to the announcement of the Company dated 23 January 2019.

On 28 February 2019, Sincere Sword International Limited ("Sincere Sword"), an indirect wholly-owned subsidiary of the Company and a borrower entered into the loan agreement pursuant to which Sincere Sword has agreed to grant the loan in the amount of HK$40,000,000 to the borrower for a term of twelve months from the effective date. For details of the loan agreement, please refer to the announcement of the Company dated 28 February 2019.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2019, the Group had a total cash and bank balances of HK$33.2 million (31 December 2018: HK$105.8 million) mainly denominated in Hong Kong dollars.

The Group continued to maintain a healthy liquidity position. As at 31 December 2019, the Group had net current assets of HK$133.7 million (31 December 2018: HK$117.0 million). The Group had current ratio of approximately 10.45 times as at 31 December 2019 compared to that of approximately 4.99 times at 31 December 2018.

The gearing ratio of the Group is defined as a percentage of interest-bearing liabilities divided by total equity. As at 31 December 2019, the Group did not have any borrowing (31 December 2018: nil). Hence, as at 31 December 2019, the gearing ratio was nil (31 December 2018: nil). The Group's working capital requirements were mainly financed by internal resources.

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue in Hong Kong dollars and Renminbi and also incurs cost in Hong Kong dollars and Renminbi. The Group is exposed to foreign exchange risk with respect mainly to Renminbi which may affect the Group's performance. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of Renminbi and will closely monitor its impact on the performance of the Group to see if any hedging policy is necessary. The Group currently does not have any foreign currency hedging policy.

PLEDGE OF ASSETS

There was no pledged asset as at 31 December 2019 (31 December 2018: nil).

USE OF PROCEEDS FROM THE SHARE OFFER

Reference is made to section headed "Future plans and use of proceeds" of the prospectus of the Company dated 21 August 2015 and the announcements of the Company (the "Announcements") dated 1 April 2019, 13 April 2018, 12 July 2017 and 9 May 2017. As at 1 April 2019, part of the proceeds of approximately HK$22.5 million from listing in September 2015 remains unutilized due to the change in corporate strategies of the Group in expansion of the PRC market. In order to take advantage of recent favorable policies by PRC government to cut company taxes and fees, the Board decided that the Group may expand the PRC market by the establishment of a subsidiary in the PRC instead of through the establishment of PRC regional offices. The business of precious metal trading has been ceased since 2018.

In order to better deploy the resources of the Group, the Board decided to re-allocate HK$20.0 million which is originally planned for financing the establishment of new regional offices in the PRC and revised allocation of HK$2.5 million for precious metal trading business towards the general working capital and other general corporate purposes which include rental expenses for office premise, directors' remuneration, staff salary and other corporate expenses of HK$22.5 million. The original plans for the establishment of new regional offices in the PRC and precious metal trading business will be suspended and/or financed by internally generated resources of the Group.

The proposed use of net proceeds from the listing, and details of the original allocation of the net proceeds, and the utilisation of the net proceeds as at 31 December 2019 are set out below:

Planned use	Original allocation *HK$ million*	Revised allocation *HK$ million*	Utilisation *HK$ million*	Remaining balances *HK$ million*
Financing the potential acquisition of companies and or/businesses which are primary engaged in DFD works and that complement our existing business so as to expand our contracting capabilities	45.0	–	–	–
Financing the establishment of new regional offices in the PRC	20.0	–	–	–
Promoting our brand by strengthening our marketing efforts to increase our market share	15.0	–	–	–
Recruiting high caliber talents in management, design, decoration, finance, sales and marketing and enhance internal training to support future growth	10.0	4.9	4.9	–
Additional working capital and other general corporate purposes	10.0	52.5	52.5	–
Precious metal trading business	–	12.5	12.5	–
Payment of the subscription price under the subscription agreement as disclosed in the announcement dated 12 July 2017	–	5.1	5.1	–
Working Capital for awarded, ongoing and future construction and ancillary services projects of the Group	–	25.0	25.0	–
	100.0	100.0	100.0	–

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 December 2019 (31 December 2018: nil).

CAPITAL COMMITMENTS

The Group had no significant outstanding capital commitment as at 31 December 2019 (31 December 2018: nil).

DIVIDEND

The Directors do not recommend any payment of final dividend for the FY2019 (FY2018: Nil).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the FY2019.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and responsibility. The Board comprises two executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code ("CG Code") set out in Appendix 14 to the Listing Rules. During FY2019 and up to the date of this announcement, the Company has complied with the code provisions under the CG Code, except for the following deviation:

Pursuant to the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Ms. SHEN Jie ("Ms. Shen") has been appointed as the chairman of the Board (the "Chairman") and the chief executive officer of the Company (the "CEO") on 6 June 2019 after resignation of Ms. CHEW Christina Mooi Chong ("Ms. Chew") as executive director and the CEO of the Company on 6 June 2019. Since 6 June 2019, the roles of the Chairman and the CEO of the Company has not been segregated as required by code provision of the CG Code. Notwithstanding the deviation from code provision A.2.1, the Board believes that with the support of the management, vesting the roles of both Chairman and CEO on the same person can facilitate execution of the Group's business strategies and provide a strong and consistent leadership to the Group. The Board considers that the appointment of Ms. SHEN as the Chairman and the CEO will not impair the balance of power as all major decisions are made in consultation with members of the Board. In addition, under the supervision by the Board which currently consists of three executive Directors and two independent non-executive Directors, the interests of the shareholders of the Company will be adequately and fairly represented

The Company periodically reviews its corporate governance practices to ensure that it continues to meet the requirements under the Code Provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Directors have adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct for Directors in dealing in the Company's securities. Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during FY2019.

SCOPE OF WORK

The figures in respect of the preliminary announcement of the Group's results for the FY2019 have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts as set out in the Group's audited consolidated financial statements for the FY2019. The work performed by HLB Hodgson Impey Cheng Limited 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee has reviewed with senior management of the Group, the accounting principles and practices adopted by the Group and has discussed internal controls and financial reporting matters, including the review of Group's consolidated financial statements for the FY2019.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hopelife.hk) and the Company's annual report for FY2019 will be despatched to the shareholders of the Company and published on the Stock Exchange's and the Company's websites in due course.

By order of the Board
Hope Life International Holdings Limited
SHEN Jie
Chairman

Hong Kong, 26 March 2020

As at the date of this announcement, the Board comprises Ms. SHEN Jie and Mr. LEONG Hing Loong Rudoff as executive Directors; and Mr. LU Zhuohui, Ms. XIE Yanbin and Ms. FU Ling as independent non-executive Directors.