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## **RUIXIN INTERNATIONAL HOLDINGS LIMITED**

**瑞鑫國際集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 724)**

### **SUPPLEMENTAL ANNOUNCEMENT TO THE 2019 ANNUAL REPORT**

The board (the “**Board**”) of directors (the “**Director(s)**”) of Ruixin International Holdings Limited (the “**Company**”) would like to provide additional information to supplement the Company’s annual report for the year ended 31 December 2019 (the “**2019 Annual Report**”). Capitalised terms used herein shall have the same meanings as those defined in the 2019 Annual Report, unless otherwise specified.

In the 2019 Annual Report, SHINEWING (HK) CPA Limited, the Company’s auditor expressed a disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 December 2019. Because of the significance of material uncertainties relating to going concern, the auditors have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion (the “**Disclaimer of Opinion**”). In all other respects, in the opinion of the Company’s auditor, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

The Audit Committee is of the view that with cash flows generated from operations by the Group and the grant of the Shareholder Loans according to the loan agreements signed, the Group will have sufficient working capital to meet its financial obligations as they fall due for at least the next twelve months from the end of the Reporting Period, though subject to multiple uncertainties. The Audit Committee has critically reviewed the management's position concerning the Disclaimer of Opinion and agreed with the management's position. The auditor reported to and discussed with the Audit Committee about going concern and the Disclaimer of Opinion with details as set out in note 1 to the consolidated financial statements and the independent auditor's report on pages 49 to 51 of the 2019 Annual Report.

Based on the information currently available to the Board, the Directors are of the view that with cash flows generated from operations by the Group and the grant of the Shareholder Loans according to the loan agreements signed, the Group will have sufficient working capital to meet its financial obligations as they fall due for at least the next twelve months from the end of the Reporting Period, which could therefore address the disclaimer of opinion by the Company's auditor. However, the Company wishes to highlight that the successful outcome of the aforementioned is subject to multiple uncertainties, as amid the impact from the coronavirus outbreak, the progress in the advance of the Shareholder Loans and cash flows generated from operations will affect the liquidity and going concern of the Group.

The Covid-19 pandemic has caused severe disruptions to economic activities worldwide and created significant uncertainties in the current business environment. The Company understands from Mr. Li that his business and source of funds are mainly in Vietnam. The lockdown and travel restrictions due to the coronavirus outbreak have affected and delayed his current business projects and cash flows in Vietnam, and accordingly the transfer of the Shareholder Loans to the Group. According to Mr. Li based on the latest communication, he remains committed to providing the Shareholder Loans and expects to advance a majority of the remaining Shareholder Loans in the amount of approximately HK\$14.0 million to the Group by the end of September 2020 and the balance of the remaining Shareholder Loans in the amount of approximately HK\$3.9 million by the end of December 2020. The Company will monitor the development of Covid-19 and maintain continuous communication with Mr. Li in respect of the Shareholder Loans.

Apart from the Shareholder Loans, the Company has made a request to its bank in Hong Kong for a commercial loan of HK\$20 million but its request was declined by the bank due to the loss-making position of the Group. The Company has been in discussion with its financial advisor for the possibility of open offer or share subscriptions to raise additional funds, which remains at an exploring stage as at the date of this announcement. The Group will continue to seek other source of funding to improve its cash and financial position.

If the impact from the coronavirus outbreak is not too severe and the Group is able to receive the Shareholder Loans according to the loan agreements signed and obtain more funds from Mr. Li or other sources, the Directors believe that the Disclaimer of Opinion can be removed in the next year's financial statements.

By order of the Board  
**Ruixin International Holdings Limited**  
**Li Yang**  
*Chairman*

Hong Kong, 12 May 2020

*As at the date of this announcement, the Board comprises Ms. Li Yang (Chairman), Mr. Lam Yat Keung, Mr. Huang Hanshui and Mr. Yang Junjie as executive Directors; and Mr. Ho Chi Fai and Mr. Zhang Jue as independent non-executive Directors.*