ETERNITY INVESTMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 764)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The board of directors (the "**Board**") of Eternity Investment Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2020 together with the comparative figures for 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	Notes	**2020** *HK$'000*	2019 *HK$'000*
Revenue	*4*	**221,757**	198,796
Cost of sales		**(84,639)**	(71,145)
Gross profit		**137,118**	127,651
Investment and other income	*5*	**14,092**	3,583
Other gains and losses	*6*	**122,071**	(146,597)
Selling and distribution expenses		**(3,410)**	(5,876)
Allowance for credit losses on financial assets	*7*	**(198,470)**	(8,372)
Administrative expenses		**(95,519)**	(98,888)
Share of results of associates		**(98,176)**	(32,992)
Loss from operations		**(122,294)**	(161,491)
Finance costs	*8*	**(54,278)**	(48,891)
Loss before taxation		**(176,572)**	(210,382)
Income tax credit/(expense)	*9*	**35,547**	(1,724)
Loss for the year	*10*	**(141,025)**	(212,106)

	Notes	**2020**	2019
		HK$'000	*HK$'000*
Loss for the year attributable to:			
Owners of the Company		**(140,858)**	(209,148)
Non-controlling interests		**(167)**	(2,958)
		(141,025)	(212,106)
Loss per share	*11*		
Basic *(Hong Kong cents)*		**(3.69)**	(5.48)
Diluted *(Hong Kong cents)*		**(3.69)**	(5.48)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	2020	2019
	HK$'000	*HK$'000*
Loss for the year	**(141,025)**	(212,106)
Other comprehensive income/(expense) for the year, net of income tax		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translating foreign operations	**85,822**	(22,861)
Reclassification adjustments for a foreign operation disposed of	**(508)**	—
Share of other comprehensive (expense)/income of an associate	**(88)**	345
	85,226	(22,516)
Other comprehensive income/(expense) for the year, net of income tax	**85,226**	(22,516)
Total comprehensive expense for the year	**(55,799)**	(234,622)
Total comprehensive expense for the year attributable to:		
Owners of the Company	**(55,270)**	(231,773)
Non-controlling interests	**(529)**	(2,849)
	(55,799)	(234,622)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	Notes	2020 HK$'000	2019 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**654,528**	496,171
Right-of-use assets		**244,716**	226,164
Investment properties		**140,000**	159,200
Intangible assets		**862,058**	829,696
Goodwill		**289,841**	272,324
Interests in associates		**177,341**	272,151
Deferred tax assets		**50,642**	15,974
Prepayments and other receivables		**25,441**	201
Loan receivables	*12*	**161,430**	480,534
		2,605,997	2,752,415
Current assets			
Inventories		**32,993**	36,515
Loan receivables	*12*	**611,491**	497,516
Trade receivables	*13*	**29,554**	39,864
Deposits, prepayments and other receivables		**96,360**	126,738
Financial assets at fair value through profit or loss		**410,395**	240,815
Tax recoverable		**—**	243
Cash and cash equivalents		**54,125**	140,550
		1,234,918	1,082,241
Total assets		**3,840,915**	3,834,656
EQUITY			
Share capital		**38,196**	38,196
Reserves		**2,330,465**	2,385,735
Equity attributable to owners of the Company		**2,368,661**	2,423,931
Non-controlling interests		**(6,004)**	(5,475)
Total equity		**2,362,657**	2,418,456

	Notes	2020 HK$'000	2019 HK$'000
LIABILITIES			
Current liabilities			
Trade payables	*14*	**7,961**	5,510
Deposits received, accruals and other payables		**101,536**	98,548
Receipts in advance		**35,480**	21,024
Tax payables		**84,966**	88,695
Bank borrowings		**162,465**	155,720
Other borrowings		**254,315**	200,000
Lease liabilities		**3,042**	742
Secured notes		**250,000**	299,841
Amount due to an associate		**1,966**	1,967
Amount due to a director		**1,300**	—
		903,031	872,047
Non-current liabilities			
Deposit received and other payables		**62,583**	53,561
Lease liabilities		**282,123**	258,509
Deferred tax liabilities		**230,521**	232,083
		575,227	544,153
Total liabilities		**1,478,258**	1,416,200
Total equity and liabilities		**3,840,915**	3,834,656
Net current assets		**331,887**	210,194
Total assets less current liabilities		**2,937,884**	2,962,609

Notes:

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period.

The consolidated financial statements are presented in thousands of units of Hong Kong dollar (**HK$'000**), which is same as the functional currency of the Company.

2. Application of new and amendments to HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments[1]
Amendment to HKFRS 16	COVID-19-Related Rent Concessions[4]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020[2]

[1] Effective for annual periods beginning on or after 1 January 2023.
[2] Effective for annual periods beginning on or after 1 January 2022.
[3] Effective for annual periods beginning on or after a date to be determined.
[4] Effective for annual periods beginning on or after 1 June 2020.
[5] Effective for annual periods beginning on or after 1 January 2021.

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

3. Operating segments

The Group's operating segments have been determined based on the information reported to the Chairman of the board of directors, being the chief operating decision maker, that are used for performance assessment and to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments. The Group currently has four operating segments:

(a)	Property investment	Leasing of rental properties
(b)	Sale of financial assets	Sale of financial assets at fair value through profit or loss ("**FVTPL**")
(c)	Money lending	Money lending
(d)	Sale of jewelry products	Design and sale of jewelry products

An analysis of the Group's reportable segment revenue, results, assets, liabilities and other selected financial information for the years ended 31 December 2020 and 2019 by operating segments are as follows:

Segment revenue and results

For the year ended 31 December 2020

	Property investment	Sale of financial assets	Money lending	Sale of jewelry products	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue	**26,868**	**51,259**	**74,361**	**69,269**	**221,757**
Segment (loss)/profit	**(49,979)**	**191,807**	**(148,768)**	**(13,103)**	**(20,043)**
Interest income on bank deposits					**66**
Unallocated corporate expenses					**(4,141)**
Finance costs					**(54,278)**
Share of results of associates					**(98,176)**
Loss before taxation					**(176,572)**
Income tax credit					**35,547**
Loss for the year					**(141,025)**

For the year ended 31 December 2019

	Property investment *HK$'000*	Sale of financial assets *HK$'000*	Money lending *HK$'000*	Sale of jewelry products *HK$'000*	Consolidated *HK$'000*
Segment revenue	25,549	791	104,034	68,422	198,796
Segment (loss)/profit	(119,006)	(79,272)	72,496	74	(125,708)
Interest income on bank deposits					43
Unallocated corporate expenses					(2,834)
Finance costs					(48,891)
Share of results of associates					(32,992)
Loss before taxation					(210,382)
Income tax expense					(1,724)
Loss for the year					(212,106)

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

Segment results represent (loss incurred)/profit earned by each segment without allocation of central administrative expenses including directors' emoluments, share of results of associates, certain investment and other income, certain other gains and losses, finance costs and income tax credit/(expense). This is the measure reported to the Chairman of the Board for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

At 31 December 2020

	Property investment *HK$'000*	Sale of financial assets *HK$'000*	Money lending *HK$'000*	Sale of jewelry products *HK$'000*	Consolidated *HK$'000*
Segment assets					
— Hong Kong	371,039	423,033	815,560	60,533	1,670,165
— The People's Republic of China (the "**PRC**")	1,980,923	—	—	—	1,980,923
	2,351,962	423,033	815,560	60,533	3,651,088
Unallocated corporate assets					189,827
Consolidated total assets					3,840,915
Segment liabilities					
— Hong Kong	(116,039)	(66,427)	(4,372)	(49,921)	(236,759)
— The PRC	(768,137)	—	—	—	(768,137)
	(884,176)	(66,427)	(4,372)	(49,921)	(1,004,896)
Unallocated corporate liabilities					(473,362)
Consolidated total liabilities					(1,478,258)

At 31 December 2019

	Property investment *HK$'000*	Sale of financial assets *HK$'000*	Money lending *HK$'000*	Sale of jewelry products *HK$'000*	Consolidated *HK$'000*
Segment assets					
— Hong Kong	389,477	255,696	1,098,870	73,927	1,817,970
— The PRC	1,742,041	—	—	—	1,742,041
	2,131,518	255,696	1,098,870	73,927	3,560,011
Unallocated corporate assets					274,645
Consolidated total assets					3,834,656
Segment liabilities					
— Hong Kong	(119,300)	(12,111)	(9,766)	(43,734)	(184,911)
— The PRC	(700,605)	—	—	—	(700,605)
	(819,905)	(12,111)	(9,766)	(43,734)	(885,516)
Unallocated corporate liabilities					(530,684)
Consolidated total liabilities					(1,416,200)

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

- all assets are allocated to operating segments other than interests in associates, certain deposits, prepayments, other receivables and cash and cash equivalents that are not attributable to individual segments. Assets used jointly by individual segments are allocated on the basis of the revenues earned by individual segments; and

- all liabilities are allocated to operating segments other than other borrowings, secured notes, certain accruals and other payables, certain tax payables, amount due to an associate, and amount due to a director that are not attributable to individual segments. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

Other segment information

For the year ended 31 December 2020

	Property investment *HK$'000*	Sale of financial assets *HK$'000*	Money lending *HK$'000*	Sale of jewelry products *HK$'000*	Consolidated *HK$'000*
Amount included in the measure of segment (loss)/profit and segment assets					
Additions to property, plant and equipment	**156,894**	**—**	**—**	**7**	**156,901**
Allowance for credit losses on loan receivables	**—**	**—**	**(197,432)**	**—**	**(197,432)**
Allowance for credit losses on other receivables	**(723)**	**—**	**—**	**—**	**(723)**
Allowance for credit losses on trade receivables	**—**	**—**	**—**	**(315)**	**(315)**
Amortisation of intangible assets	**(19,895)**	**—**	**—**	**—**	**(19,895)**
Depreciation of property, plant and equipment	**(22,862)**	**—**	**—**	**(23)**	**(22,885)**
Depreciation of right-of-use assets	**(2,477)**	**—**	**—**	**(296)**	**(2,773)**
Dividend income	**—**	**330**	**—**	**—**	**330**
Gain arising on change in fair value of financial assets at FVTPL	**—**	**140,509**	**—**	**—**	**140,509**
Government grants	**537**	**—**	**216**	**988**	**1,741**
Interest income on other receivables	**1,691**	**—**	**—**	**—**	**1,691**
Loss arising on change in fair value of investment properties	**(19,200)**	**—**	**—**	**—**	**(19,200)**
Loss on disposal of property, plant and equipment	**(8)**	**—**	**—**	**—**	**(8)**
Loss of inventories	**—**	**—**	**—**	**(4,914)**	**(4,914)**
Membership Income	**1,653**	**—**	**—**	**—**	**1,653**
Written-off of property, plant and equipment	**(177)**	**—**	**—**	**—**	**(177)**

For the year ended 31 December 2019

	Property investment HK$'000	Sale of financial assets HK$'000	Money lending HK$'000	Sale of jewelry products HK$'000	Consolidated HK$'000
Amount included in the measure of segment (loss)/profit and segment assets					
Additions to property, plant and equipment	39,168	—	—	17	39,185
Allowance for credit losses on loan receivables	—	—	(4,474)	—	(4,474)
Allowance for credit losses on other receivables	(3,842)	—	—	—	(3,842)
Allowance for credit losses on trade receivables	—	—	—	(56)	(56)
Amortisation of intangible assets	(20,092)	—	—	—	(20,092)
Depreciation of property, plant and equipment	(22,936)	—	—	(58)	(22,994)
Depreciation of right-of-use assets	(2,502)	—	—	(84)	(2,586)
Dividend income	—	670	—	—	670
Gain on disposal of property, plant and equipment	2	70	—	—	72
Interest income on other receivables	2,554	—	—	—	2,554
Loss arising on change in fair value of financial assets at FVTPL	—	(80,487)	—	—	(80,487)
Loss arising on change in fair value of investment properties	(16,400)	—	—	—	(16,400)
Written-off of property, plant and equipment	(49,782)	—	—	—	(49,782)

Geographical information

The Group mainly operates in Hong Kong and the PRC. The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		**Non-current assets**	
	2020 ***HK$'000***	2019 *HK$'000*	**2020** ***HK$'000***	2019 *HK$'000*
Australia	**495**	254	**—**	—
Europe	**11,747**	14,940	**—**	—
Hong Kong	**187,742**	158,978	**537,512**	661,311
The PRC	**21,773**	20,454	**1,833,599**	1,594,596
The United States of America	**—**	4,170	**—**	—
	221,757	198,796	**2,371,111**	2,255,907

Note: Non-current assets excluded deferred tax assets, other receivables and loan receivables.

Information about major customers

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

	For the year ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Customer 1[1]	**N/A[4]**	24,393
Customer 2[1]	**34,430**	23,806
Customer 3[2]	**N/A[4]**	20,454
Customer 4[3]	**29,916**	—

1 Revenue from sale of jewelry products.
2 Revenue from property investment.
3 Revenue from sale of financial assets.
4 The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. Revenue

	For the year ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Disaggregation of revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by types of goods and services		
— sale of jewelry products	**69,269**	68,422
Revenue from other sources		
— sale of financial assets at FVTPL, net	**51,259**	791
— interest income on loans	**74,361**	104,034
— rental income	**26,868**	25,549
Total revenue	**221,757**	198,796
Timing of revenue recognition		
— a point in time	**69,269**	68,422
— over time	**—**	—
Revenue from contracts with customers	**69,269**	68,422

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	For the year ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Sale of jewelry products	**69,269**	68,422
Revenue from contracts with customers	**69,269**	68,422
Sale of financial assets at FVTPL, net	**51,259**	791
Interest income on loans	**74,361**	104,034
Rental income	**26,868**	25,549
Total revenue	**221,757**	198,796

Revenue from sale of financial assets at FVTPL is recorded on a net basis, details of which are as follows:

	For the year ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Proceeds from sale of financial assets at FVTPL	**127,460**	69,451
Carrying amounts of financial assets at FVTPL sold plus transaction costs	**(76,201)**	(68,660)
	51,259	791

5. Investment and other income

	For the year ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Dividend income	**330**	670
Government grants	**1,741**	—
Interest income on bank deposits	**66**	43
Interest income on other receivables	**1,691**	2,554
Membership income	**1,653**	—
Sundry income	**8,611**	316
	14,092	3,583

During the current year, the Group recognised government grants of HK$1,741,000 in respect of COVID-19 related subsidies, of which HK$1,661,000 relates to Employment Support Scheme and HK$80,000 relates to the Retail Sector Subsidy Scheme under the Anti-epidemic Fund provided by the Hong Kong government.

6. Other gains and losses

	For the year ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Gain/(loss) arising on change in fair value of financial assets at FVTPL	**140,509**	(80,487)
Gain on disposal of a subsidiary	**947**	—
Loss arising on change in fair value of investment properties	**(19,200)**	(16,400)
(Loss)/gain on disposal of property, plant and equipment	**(8)**	72
Written-off of property, plant and equipment	**(177)**	(49,782)
	122,071	(146,597)

7. Allowance for credit losses on financial assets

	For the year ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Allowance for credit losses on loan receivables:		
— 12 months expected credit loss	**11,402**	4,474
— Lifetime expected credit loss not credit-impaired	**62,303**	—
— Lifetime expected credit loss credit-impaired	**123,727**	—
	197,432	4,474
Allowance for credit losses on other receivables:		
— 12 months expected credit loss	**723**	3,842
Allowance for credit losses on trade receivables	**315**	56
	198,470	8,372

8. Finance costs

	For the year ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Interest on bank borrowings	**3,528**	4,321
Interest on other borrowings	**18,357**	16,000
Interest on lease liabilities	**12,867**	12,947
Imputed interest on secured notes	**28,105**	24,231
	62,857	57,499
Less: interest on lease liabilities capitalised in the cost of qualifying assets	**(8,579)**	(8,608)
	54,278	48,891

9. Income tax credit/(expense)

	For the year ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
— current tax	**—**	(5,721)
— over provision in prior years	**36**	20
	36	(5,701)
PRC Enterprise Income Tax		
— current tax	**(2,768)**	(914)
Deferred tax credit	**38,279**	4,891
	35,547	(1,724)

Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax is calculated at 8.25% on the first HK$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2,000,000 for both years.

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

10. Loss for the year

Loss for the year has been arrived at after charging/(crediting):

	For the year ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Amortisation of intangible assets (included in administrative expenses)	**19,895**	20,092
Auditors' remuneration:		
— audit services	**829**	976
— non-audit services	**189**	207
	1,018	1,183
Cost of inventories sold	**69,556**	56,149
Depreciation of property, plant and equipment	**22,885**	22,994
Depreciation of right-of-use assets	**2,773**	2,586
Net foreign exchange loss	**67**	77
Loss of inventories (included in administrative expenses)	**4,914**	—
Rental expenses in respect of short-term leases	**80**	290
Staff costs (including directors' emoluments):		
— salaries and allowances	**41,887**	46,621
— discretionary bonuses	**2,298**	4,910
— contributions to retirement benefits scheme	**1,109**	2,354
	45,294	53,885
Gross rental income from investment properties and operating rights	**(26,868)**	(25,549)
Less: direct operating expenses incurred for investment properties and operating rights that generated rental income during the year	**15,083**	14,996
direct operating expenses incurred for investment properties and operating rights that did not generate rental income during the year	**—**	617
	(11,785)	(9,936)

11. Loss per share

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

	For the year ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
Loss for the purpose of basic and diluted loss per share		
Loss for the year attributable to owners of the Company	**(140,858)**	(209,148)

	For the year ended 31 December	
	2020	2019
	'000	*'000*
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**3,819,606**	3,819,606

No diluted earnings per share for the year ended 31 December 2020 was presented as there were no potential ordinary shares in issue.

The computation of diluted loss per share for the year ended 31 December 2019 does not assume the exercise of the Company's outstanding share options since their assumed exercise would result in a decrease in loss per share.

12. Loan receivables

	2020	2019
	HK$'000	*HK$'000*
Loans to customers	**964,910**	991,718
Accrued interest receivables	**11,689**	8,353
	976,599	1,000,071
Less: accumulated allowance for credit losses	**(203,678)**	(22,021)
	772,921	978,050

All loans are denominated in Hong Kong dollar. The loan receivables carry effective interest ranging from 8% to 15% per annum (2019: 8% to 15% per annum). A maturity profile of the loan receivables (net of accumulated allowance for credit losses) at 31 December 2020 and 2019, based on the maturity date is as follows:

	2020	2019
	HK$'000	*HK$'000*
Current assets		
Within one year	**611,491**	497,516
Non-current assets		
More than one year but not exceeding two years	**161,430**	480,534
	772,921	978,050

During the year ended 31 December 2020, an allowance for credit losses on loan receivables of HK$197,432,000 was recognised (2019: HK$4,474,000).

During the year ended 31 December 2020, loan receivables amounted to HK$15,775,000 was written-off (2019: Nil).

At 31 December 2020, three loans in the aggregate principal amounts of HK$260,000,000 are secured by corporate guarantees. At 31 December 2019, two loans in the aggregate principal amounts of HK$125,000,000 are secured by corporate guarantees.

Included in the carrying amount of loan receivables at 31 December 2020 is an accumulated allowance for credit losses of HK$203,678,000 (2019: HK$22,021,000).

Movement in the accumulated allowance for credit losses during the year is as follows:

	For the year ended 31 December	
	2020	2019
	HK$'000	*HK$'000*
At 1 January	**22,021**	17,547
Allowance for credit losses recognised during the year	**197,432**	4,474
	219,453	22,021
Less: written-off of loan receivables	**(15,775)**	—
At 31 December	**203,678**	22,021

13. Trade receivables

	2020	2019
	HK$'000	*HK$'000*
Trade receivables	**30,014**	40,009
Less: accumulated allowance for credit losses	**(460)**	(145)
	29,554	39,864

The following is an aging analysis of trade receivables (net of accumulated allowance for credit losses) at the end of the reporting period presented based on the invoice dates:

	2020	2019
	HK$'000	*HK$'000*
0-30 days	**6,974**	7,510
31-60 days	**6,590**	6,391
61-90 days	**5,924**	6,852
91-120 days	**5,627**	3,617
121-180 days	**3,490**	9,084
Over 180 days	**949**	6,410
	29,554	39,864

The Group allows credit period ranging from 0 to 270 days to its customers. The directors assess the credit status and impose credit limits for customers in accordance with the Group's credit policy. The credit limits are closely monitored and subject to periodic reviews.

During the year ended 31 December 2020, an allowance for credit losses on trade receivables of HK$315,000 was recognised (2019: HK$56,000).

Included in the carrying amount of trade receivables at 31 December 2020 is an accumulated allowance for credit losses of HK$460,000 (2019: HK$145,000).

14. Trade payables

	2020	2019
	HK$'000	*HK$'000*
Trade payables	**7,961**	5,510

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

	2020	2019
	HK$'000	*HK$'000*
0-30 days	**4,159**	2,409
31-60 days	**970**	336
61-90 days	**1,039**	603
91-120 days	**815**	750
Over 120 days	**978**	1,412
	7,961	5,510

The average credit period on purchase of goods and services is 120 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

EXTRACT OF THE INDEPENDENT AUDITORS' REPORT

The section below set out an extract of the independent auditors' report (the "**Independent Auditors' Report**") regarding the consolidated financial statements of the Group for the year ended 31 December 2020.

Qualified Opinion

In our opinion, except for the effects of the matter 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 at 31 December 2020, 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

Interests in associates

As disclosed in note 25 to the consolidated financial statements, the Group held 29.77% equity interest in Global Mastermind Holdings Limited ("**Global Mastermind**") as at 31 December 2020. Global Mastermind and its subsidiaries (the "**Global Mastermind Group**") are accounted for by the Group as associates of the Group using the equity method of accounting. The carrying amount of the Group's interests in associates in the consolidated statement of financial position includes an amount of HK$104,083,000 as at 31 December 2020 in respect of the Group's share of net assets of the Global Mastermind Group as at 31 December 2020 and the Group's share of results of associates in the consolidated statement of profit or loss and other comprehensive income includes an amount of HK$76,484,000 and an amount of HK$56,000 in respect of the Group's share of loss and share of other comprehensive expense of the Global Mastermind Group respectively for the year ended 31 December 2020. In applying the equity method of accounting to the Group's interests in the Global Mastermind Group, the Group has recognised its share of net assets of the Global Mastermind Group as at 31 December 2020 and its share of loss and other comprehensive expense of the Global Mastermind Group for the year then ended based on the consolidated financial statements of the Global Mastermind Group for the financial year ended 31 December 2020.

As disclosed in note (ii) in note 25 to the consolidated financial statements, Global Mastermind received a letter (the "**Letter**") in December 2020 from Mr. Ma Chunlong ("**Mr. Ma**") which the directors of Global Mastermind represented to us that the Letter was purportedly written for and on behalf of Solution Apex Investments Limited ("**Solution Apex**"), a company incorporated in the British Virgin Islands (the "**BVI**") with limited liability and a wholly-owned subsidiary of the Global Mastermind Group, alleging, among other things, that (a) Mr. Ma was appointed as the sole director of Solution Apex on 1 December 2020; and (b) Solution Apex made three payments to three parties (the "**Purported Three Parties**") with the aggregate amount of HK$47,534,000 in July 2020 (the "**Purported Payments to the Purported Three Parties**"). As represented by the directors of

Global Mastermind, neither the directors of Global Mastermind nor Global Mastermind had known or met Mr. Ma before Global Mastermind received the Letter. Also, as represented by the directors of Global Mastermind, the sole director of Solution Apex had been Mr. Allan Yap ("**Mr. Yap**") since 19 December 2014, and, until 1 December 2020 as described below, Global Mastermind had not received any notice from Mr. Yap about his bankruptcy; Mr. Yap was adjudged bankrupt by the High Court of Hong Kong on 3 August 2020. In respect of the above matters, the directors of Global Mastermind, in December 2020, enquired the directors of Durable Gold Investments Limited ("**Durable Gold**") which is the immediate holding company of Solution Apex. Durable Gold is a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Global Mastermind. The directors of Global Mastermind were notified, among other things, that (a) Mr. Yap had ceased to be the sole director of Solution Apex with effect from 1 December 2020; (b) Mr. Ma was appointed as the sole director of Solution Apex and was also appointed as a director of Durable Gold with effect from 1 December 2020; (c) the bank balance held by Solution Apex with the aggregate amount of HK$47,534,000 was utilised for the Purported Payments to the Purported Three Parties around July 2020; and (d) the remaining bank balance of Solution Apex of HK$11,231,000 was withdrawn entirely in August 2020 ("**Purportedly Unauthorised Cash Withdrawals**").

As represented by the directors of Global Mastermind, the Purported Payments to the Purported Three Parties and the Purportedly Unauthorised Cash Withdrawals (collectively referred to as the "**Incidents**") were carried out without the authorisation from the directors Global Mastermind. On 29 December 2020, the directors of Global Mastermind had resolved to (a) remove Mr. Ma as the director of Solution Apex and Durable Gold with the immediate effect and replace them with Global Mastermind's designated persons; (b) instruct external legal advisers to commence legal proceedings to seek to recoup the Purported Payments from the Purported Three Parties and the Purportedly Unauthorised Cash Withdrawals and/or to seek damages and other remedies from individuals and entities against whom the Global Mastermind Group may have causes of action as a result of the Incidents; (c) establish an internal investigation working team to investigate the Incidents and to oversee the progress of the actions to be carried out by the external legal advisers; (d) recognise a loss in respect of the Incidents of HK$58,765,000 in the consolidated profit or loss for the year ended 31 December 2020; and (e) enter into an agreement with an independent third party (the "**Purchaser**") to dispose of Global Mastermind's entire shareholdings in Solution Apex at a cash consideration of HK$1 with an outcome sharing mechanism enabling Global Mastermind to retain any amount, recovering from the actions to be taken by the Purchaser against Mr. Yap, the Purported Three Parties or other individual and entities involved in the Incidents, at a distribution ratio of 99% to Global Mastermind and 1% to the Purchaser, details of which are set out in Global Mastermind's announcement dated 29 December 2020.

Given the circumstances described above, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves in respect of the causes of the Incidents, and commercial substance and nature of the Purported Payments to the Purported Three Parties and the Purportedly Unauthorised Cash Withdrawals. Any adjustments that might have been found necessary to the loss in respect of the Incidents of HK$58,765,000 recognised in consolidated profit or loss of the Global Mastermind Group for the year ended 31 December 2020 and the related elements in the consolidated financial statements of the Global Mastermind Group might have material effects on the financial position and financial performance of the Global Mastermind Group as at and for the year ended 31 December 2020. Consequently, as the Group accounts for its interests in the Global Mastermind Group on an equity method of accounting basis, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the Group's share of net assets of the Global Mastermind Group as at 31 December 2020 included in the carrying amount of the Group's interests in associates and the Group's share of loss and other comprehensive expense of the Global Mastermind Group for the year ended 31 December 2020 included in the Group's share of results of associates in the consolidated financial statements were free from material misstatements.

Any adjustments found to be necessary to the Group's share of net assets of the Global Mastermind Group as at 31 December 2020 and share of loss and other comprehensive expense of the Global Mastermind Group for the year ended 31 December 2020 referred to above may have consequential significant impacts on the loss and other comprehensive expense of the Group for the year ended 31 December 2020, the net assets of the Group as at 31 December 2020 and the related elements and disclosures thereof in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Results of operations

During the year ended 31 December 2020, the Group recorded the revenue of HK$221,757,000, a 12% increase from HK$198,796,000 for the previous year. The increase in revenue was mainly attributable to a HK$50,468,000 increase in gain on sale of financial assets. Of the total revenue, HK$74,361,000 was generated from money lending, HK$26,868,000 was generated from property investment, HK$69,269,000 was generated from sale of jewelry products, and a gain of HK$51,259,000 was generated from sale of financial assets.

Loss for the year ended 31 December 2020 attributable to owners of the Company amounted to HK$140,858,000, a 33% improvement from HK$209,148,000 for the year ended 31 December 2019. This improvement was mainly attributable to (i) a HK$50,468,000 increase in gain on sale of financial assets, (ii) a gain of HK$140,509,000 arising on change in fair value of financial assets at fair value through profit or loss ("**FVTPL**"), whereas the Group recorded a loss of HK$80,487,000 in the previous year, and (iii) the absence of the previous year's one-off written-off of property, plant and equipment of HK$49,782,000, which were partially offset by (i) a HK$192,958,000 increase in the allowance for credit losses on loan receivables, and (ii) a HK$65,184,000 increase in the share of losses of associates.

The Group's sale of jewelry products business reported a gross loss of HK$287,000 in the year ended 31 December 2020, whereas a gross profit of HK$12,274,000 was recorded in the year ended 31 December 2019. The gross profit margin for the sale of jewelry products decreased from 18% in the year ended 31 December 2019 to -0.41% in the year ended 31 December 2020. These deteriorations in gross profit and gross profit margin are discussed in the section headed "Sale of jewelry products business" under "Operations Review" below.

Gross profit for property investment increased by 12% from HK$10,553,000 in the year ended 31 December 2019 to HK$11,785,000 in the year ended 31 December 2020. Gross profit margin for property investment increased from 41% in the year ended 31 December 2019 to 44% in the year ended 31 December 2020. These increases were mainly attributable to a 30% increase in rental from leasing the assets of the Club (as defined below) for the second rental period commencing in October 2020 under the signed club lease agreement.

Significant items of other gains and losses recorded by the Group are as follows:

(a) At the end of the reporting period, the Group measured the investment property portion of the Shun Tak Property (as defined below) at fair value based on a valuation prepared by an independent qualified valuer and recognised a loss of HK$19,200,000 arising on change in the fair value of investment properties.

(b) At the end of the reporting period, the Group measured its listed securities at fair value based on the closing prices as quoted on The Stock Exchange of Hong Kong Limited (the "**Exchange**") and recognised the gain of HK$140,509,000 arising on change in the fair value of financial assets at FVTPL.

Selling and distribution expenses mainly represent staff costs and commission of sales team, overseas travelling expenses, freight charges, and exhibition expenses incurred by the Group's sale of jewelry products business. Selling and distribution expenses decreased by 42% from HK$5,876,000 in the year ended 31 December 2019 to HK$3,410,000 in the year ended 31 December 2020. This decrease was mainly attributable to the decline in overseas travelling expenses and exhibition expenses for business development resulted from the travel restrictions imposed by nations across the world to curb the spread of COVID-19.

Allowance for credit losses on financial assets increased from HK$8,372,000 in the year ended 31 December 2019 to HK$198,470,000 in the year ended 31 December 2020. This increase was due to a HK$192,958,000 increase in the allowance for credit losses on the Group's loan receivables, which is discussed in the section headed "Money lending business" under "Operations Review" below.

Administrative expenses decreased by 3% from HK$98,888,000 in the year ended 31 December 2019 to HK$95,519,000 in the year ended 31 December 2020. This decrease was mainly attributable to an HK$8,591,000 decrease in salaries and allowances, and discretionary bonuses, which was partially offset by a HK$4,466,000 increase in general administration expenses, and legal and professional fees.

Share of losses of associates amounted to HK$98,176,000 for the year ended 31 December 2020, representing (i) the share of loss of HK$18,196,000 from Elite Prosperous Investment Limited ("**Elite Prosperous**"), a 49% owned associate of the Company, (ii) the share of loss of HK$76,484,000 from Global Mastermind Holdings Limited ("**Global Mastermind**"), a 29.77% owned associate of the Company, and (iii) the share of loss of HK$3,496,000 from China Healthwise Holdings Limited ("**China Healthwise**"), a 20.27% owned associate of the Company.

Finance costs increased by 11% from HK$48,891,000 in the year ended 31 December 2019 to HK$54,278,000 in the year ended 31 December 2020. This increase was due to the rise in the interest rate from 8% per annum to 13% per annum in extending the Notes (as defined below) in September 2020.

The Group recorded a tax credit of HK$35,547,000 for the year ended 31 December 2020. The tax credit derived from the recognition of (i) deferred tax credit of HK$32,224,000 arising from the allowance for credit losses made on the Group's loan and other receivables, and (ii) deferred tax credit of HK$6,055,000 resulting from the movements in the deferred tax liabilities recognised for the fair value adjustments on acquisition of Smart Title Limited in 2015 and the rights-of-use assets. Such tax credit was partially offset by the current period tax expense of HK$2,732,000.

Liquidity and financial resources

During the year, the Group funded its operations through a combination of cash generated from operations, equity attributable to owners of the Company, and borrowings. Equity attributable to owners of the Company decreased from HK$2,423,931,000 at 31 December 2019 to HK$2,368,661,000 at 31 December 2020. This decrease was attributable to the loss incurred by the Group for the year ended 31 December 2020.

At 31 December 2020, the cash and cash equivalents of the Group amounted to HK$54,125,000 (2019: HK$140,550,000).

At 31 December 2020, the Group had outstanding borrowings of HK$668,080,000 (2019: HK$655,561,000) representing:

(a) the outstanding principal amount of the HK$270,000,000 13% guaranteed secured notes due 2021 issued by the Company on 29 September 2020 (the "**Notes**") of HK$250,000,000, which is interest-bearing at 13% per annum, secured by (i) a share charge over 100% issued shares in China Jiuhao Health Industry Group Limited, a wholly-owned subsidiary of the Company and the principal assets of which are (1) the rights to construct and operate the club facilities of a membership golf club and resort (the "**Club**") in Beijing, Mainland China, and (2) the rights to develop and operate a piece of 580 Chinese acre land adjacent to the Club (the "**Subject Land**") and the rights to manage the properties erected on the Subject Land, and (ii) the personal guarantees given by Mr. Lei Hong Wai, the Chairman of the Board and an executive director, and Mr. Cheung Kwok Wai, an executive director, and maturing on 25 September 2021;

(b) the banking facilities in the aggregate principal amount of HK$162,465,000, comprising (i) an instalment loan of HK$114,080,000, which is interest-bearing at 1% per annum over one-month HIBOR or 3% per annum below the prime rate quoted by the bank, whichever is lower, secured by a first legal charge over the Group's properties located at Unit Nos. 1201, 1202, 1203, 1209, 1210, 1211 & 1212 and the corridor on 12th Floor, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong (the "**Shun Tak Property**"), guaranteed by the Company and two wholly-owned subsidiaries of the Company, and maturing on 18 March 2038, (ii) two advances of HK$5,000,000 and HK$20,000,000 under a revolving term loan, which are interest-bearing at HIBOR plus 2% per annum, secured by the first legal charge over the Shun Tak Property, guaranteed by the Company and a wholly-owned subsidiary of the Company, and maturing on 8 March 2021 and 27 April 2021 respectively, and (iii) various advances in the aggregate principal amount of HK$23,385,000 under the account payable financing facilities, which are interest-bearing at 2% per annum over HIBOR, secured by the first legal charge over the Shun Tak Property, guaranteed by the Company and a wholly-owned subsidiary of the Company, and maturing within five months commencing from January 2021;

(c) a loan of HK$200,000,000 granted by a finance company, which is interest-bearing at 8% per annum, secured by (i) the post-dated cheques drawn in favour of the finance company for payment of the principal and the interests stipulated under the loan agreement, and (ii) a personal guarantee given by Mr. Lei Hong Wai, and maturing on 28 May 2021;

(d) the securities margin financing facility of HK$40,250,000 granted by a securities company, which are interest-bearing at prime rate plus 3% per annum and secured by the Group's listed securities in Hong Kong held in the margin securities trading account and a personal guarantee given by Mr. Lei Hong Wai;

(e) the securities margin financing facility of HK$14,065,000 granted by a securities company, which are interest-bearing at a fixed rate of 6% per annum and secured by the Group's listed securities in Hong Kong held in the margin securities trading account and a personal guarantee given by Mr. Lei Hong Wai; and

(f) a cash advance of HK$1,300,000 made by Mr. Lei Hong Wai to the Group for financing its short-term funding needs. The cash advance is non-interest bearing, unsecured, and repayable on demand.

Gearing ratio

At 31 December 2020, the gearing ratio calculated as a percentage of total borrowings over equity attributable to owners of the Company was 28% (2019: 27%).

Net current assets and current ratio

At 31 December 2020, the Group's net current assets and current ratio were HK$331,887,000 (2019: HK$210,194,000) and 1.37 (2019: 1.24) respectively.

Capital structure

During the year ended 31 December 2020, there was no change in the Company's capital structure.

Material acquisitions of subsidiaries, associates and joint ventures

During the year ended 31 December 2020, the Group did not have any material acquisitions of subsidiaries, associates and joint ventures.

Material disposals of subsidiaries, associates and joint ventures

During the year ended 31 December 2020, the Group did not have any material disposals of subsidiaries, associates and joint ventures.

Pledge of assets

At 31 December 2020, the following Group's assets were pledged:

(a) the Shun Tak Property with a carrying amount of HK$350,758,000 (2019: HK$377,867,000), of which HK$210,758,000 (2019: HK$218,667,000) is classified under "property, plant and equipment" and HK$140,000,000 (2019: HK$159,200,000) is classified under "investment properties", for securing the banking facilities granted to the Group;

(b) the 100% issued shares in China Jiuhao Health Industry Group Limited with an unaudited combined net assets of HK$1,212,786,000 (2019: HK$1,041,436,000) after adjusting for purchase price allocation for securing the Notes; and

(c) the Group's listed securities in Hong Kong with a fair value of HK$231,228,000 (2019: Nil), of which HK$131,101,000 (2019: Nil) is related to the Group's financial assets at FVTPL and HK$100,127,000 (2019: Nil) is related to part of the Group's listed investments in associates, for securing the margin financing facilities granted to the Group.

Material commitments

At 31 December 2020, the Group had a total commitment of HK$238,288,000 (2019: HK$26,854,000), which were contracted but not provided for, relating to:

(a) the development costs of HK$237,998,000 for the Subject Land; and

(b) the renovation costs of HK$290,000 for the Shun Tak Property.

Exchange risk and hedging

The majority of the Group's transactions, assets and liabilities are denominated in Hong Kong dollars and Renminbi. The Group is exposed to exchange risk with respect mainly to Renminbi which may affect its performance. The directors closely monitor statement of financial position and cash flow exchange risk exposures and where considered appropriate use financial instruments, such as forward exchange contracts, foreign currency options and forward rate agreements, to hedge this exchange risk. During the year ended 31 December 2020, no financial instruments for hedging purposes were used by the Group.

Contingent liabilities

At 31 December 2020, the Group had no material contingent liabilities.

Employees and remuneration policy

At 31 December 2020, the headcount of the Group was 65 (2019: 71). Staff costs (including directors' emoluments) for the year ended 31 December 2020 amounted to HK$45,294,000 (2019: HK$53,885,000). The decrease in staff costs was mainly attributable to an HK$8,591,000 decrease in salaries and allowances, and discretionary bonuses. In addition to basic salaries, contributions to retirement benefits scheme and discretionary bonus, staff benefits include medical scheme and share options.

Key performance indicators

The Company has defined the following key performance indicators ("**KPIs**") which are closely aligned with the performance of the Group.

		For the year ended 31 December	
	Notes	**2020**	2019
Revenue		**HK$221,757,000**	HK$198,796,000
Loss for the year attributable to owners of the Company		**HK$140,858,000**	HK$209,148,000
Equity attributable to owners of the Company		**HK$2,368,661,000**	HK$2,423,931,000
Return on financial assets at FVTPL	*1*	**56%**	-18%
Return on loan receivables	*2*	**6%**	9%
Return on capital employed in sale of jewelry products	*3*	**-43%**	0%
Return on property investment	*4*	**-3%**	-3%

Notes:

1. Return on financial assets at FVTPL includes trading gain and losses, gains and losses arising on change in fair value, and dividend income. It is measured as a percentage against opening fair value of financial assets at FVTPL.

2. Return on loan receivables includes interest income and written-off. It is measured as a percentage against average loan receivables (before accumulated allowance for credit losses, and accrued interest receivables).

3. Return on capital employed in sale of jewelry products represents segment profit or loss from sale of jewelry products business divided by average capital employed and is measured as a percentage.

4. Return on property investment includes gains and losses arising on change in fair value, rental income, gains and losses on disposal less amortisation of intangible assets in respect of the Club, depreciation expenses of the property, plant and equipment of the Club, depreciation of right-of-use assets in respect of the Club, and interest on lease liabilities in respect of the Club. It is measured as a percentage against opening fair value of investment properties, opening carrying amounts of intangible assets in respect of the Club and opening carrying amounts of property, plant and equipment of the Club.

Commentary on the performance of the Group against each of the KPIs is set out above and "Operations Review" below.

These KPIs are reviewed regularly and amended occasionally to correspond with the changing mix of the Group's principal activities.

Operations Review

Sale of financial assets business

During the year, the Group's sale of financial assets business reported a segment profit (before taxation) of HK$191,807,000, whereas a loss of HK$79,272,000 was recorded in the previous year. The turnaround was due to the recognition of (i) the HK$50,468,000 increase in trading gain, and (ii) the gain of HK$140,509,000 arising on change in the fair value of financial assets at FVTPL in the year ended 31 December 2020, where a loss of HK$80,487,000 was recorded in the year ended 31 December 2019. Accordingly, return on financial assets at FVTPL improved from -18% for the year ended 31 December 2019 to 56% for the year ended 31 December 2020.

During the year ended 31 December 2020, the Group acquired nine Hong Kong listed equities with the aggregate acquisition costs of HK$105,050,000 and made a trading gain of HK$51,259,000 from selling three Hong Kong listed equities with the aggregate carrying amounts of HK$75,979,000 at the aggregate net sale proceeds of HK$127,238,000.

Movements in the carrying amount of Hong Kong listed and unlisted equities held by the Group during the years ended 31 December 2020 and 2019 are as follows:

	2020	2019
	HK$'000	*HK$'000*
Carrying amount at 1 January	**240,815**	287,302
Add: acquisitions	**105,050**	155,910
loss arising on change in fair value upon transfer to interests in associates	**—**	(39,848)
Less: disposals	**(75,979)**	(68,496)
gain/(loss) arising on change in fair value recognised	**140,509**	(40,639)
transfer to interests in associates	**—**	(53,414)
Carrying amount at 31 December	**410,395**	240,815

Details of the Hong Kong listed and unlisted equities held by the Group at 31 December 2020 are as follows:

	Notes	Number of shares held at 31 December 2020	Fair value at 31 December 2020 *HK$'000*	Fair value as compared to the consolidated total assets of the Group at 31 December 2020	Dividend received/ receivable in the year ended 31 December 2020 *HK$'000*	Gain/(loss) arising on change in fair value recognised in the year ended 31 December 2020 *HK$'000*
Name of Hong Kong listed equities						
Affluent Partners Holdings Ltd. (stock code: 1466)	*1*	1,674,200	246	0.01%	—	(976)
BC Technology Group Ltd. (stock code: 863)	*2*	12,000,000	215,760	5.62%	—	119,760
Boill Healthcare Holdings Ltd. (stock code: 1246)	*3*	29,000,000	6,380	0.17%	—	(16)
Brockman Mining Ltd. (stock code: 159)	*4*	40,220,000	4,384	0.11%	—	(925)
Frontier Services Group Ltd. (stock code: 500)	*5*	23,040,000	14,515	0.38%	—	(1,788)
Heng Tai Consumables Group Ltd. (stock code: 197)	*6*	55,575,000	4,224	0.11%	—	(4,542)
Huanxi Media Group Ltd. (stock code: 1003)	*7*	22,450,000	31,654	0.82%	—	583
Huayi Tencent Entertainment Company Ltd. (stock code: 419)	*8*	249,520,000	48,656	1.27%	—	37,025
Kingston Financial Group Ltd. (stock code: 1031)	*9*	33,028,000	22,459	0.58%	330	(3,963)
KuangChi Science Ltd. (stock code: 439)	*10*	15,455,000	8,346	0.22%	—	1,598
Lajin Entertainment Network Group Ltd. (stock code: 8172)	*11*	53,500,000	3,745	0.10%	—	(1,605)
Link-Asia International MedTech Group Ltd. (stock code: 1143)	*12*	1,500,000	563	0.01%	—	(368)
Ocean Line Port Development Ltd. (stock code: 8502)	*13*	12,096,000	3,084	0.08%	—	(233)
Nimble Holdings Company Ltd. (stock code: 186)	*14*	58,000,000	35,380	0.92%	—	534
SuperRobotics Holdings Ltd. (stock code: 8176)	*15*	5,495,000	4,946	0.13%	—	(1,940)
Town Health International Medical Group Ltd. (stock code: 3886)	*16*	70,000,000	4,623	0.12%	—	(2,480)
Yunfeng Financial Group Ltd. (stock code: 376)	*17*	444,000	1,430	0.03%	—	(155)
			410,395		330	140,509
Name of Hong Kong unlisted equity						
Hsin Chong Group Holdings Ltd.	*18*	90,000,000	—	0.00%	—	—
			—		—	—
			410,395		330	140,509

Notes:

1. Affluent Partners Holdings Ltd. ("**Affluent Partners**") and its subsidiaries are principally engaged in (i) purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products, and (ii) the operation of strategic investment and financial services segment, with the objective to include investments in real estate agency business, real estate investment funds, and other potential investment opportunities.

   According to its 2020 interim report, Affluent Partners reported a loss attributable to owners of HK$43,573,000 for the six months ended 30 September 2020 and equity attributable to owners of HK$50,190,000 as at 30 September 2020. With the development of its existing strategic investment and financial services segment, Affluent Partners expected that the segment would be its growth driver and would actively make continuous efforts to find appropriate investment projects in the future. In addition, Affluent Partners would focus its investments and operations more in the real estate, co-working spaces and investment and asset management sectors especially in Europe and Asia.

2. BC Technology Group Ltd. ("**BC Technology**") and its subsidiaries are principally engaged in digital assets trading, brokerage, technologies and services businesses in Hong Kong and advertising business and the provision of business park area management services in Mainland.

   According to its final results announcement, BC Technology reported a loss attributable to owners of RMB247,842,311 for the year ended 31 December 2020 and equity attributable to owners of RMB142,654,575 as at 31 December 2020. Building upon geographic expansion in 2019, BC Technology's digital asset arm, OSL, was strengthened by a growing and diverse customer base and buttressed by operational redundancies that mitigated potential business disruption during the pandemic. Strategic investments in regulatory compliant software, systems and processes by BC Technology paid dividends in 2020, and one of the subsidiaries of BC Technology became Hong Kong's first licensed digital asset trading platform to conduct types 1 and 7 regulated activities related to digital assets. This milestone contributed to material business wins with several partners from traditional finance. Looking ahead, BC Technology would continue to invest in the OSL digital asset platform and the provision of trading, technology, SaaS solutions and related services, with a focus on enhancing security, compliance, and risk management systems. BC Technology intended to direct resources to its recently licensed exchange platform in Hong Kong to drive customer acquisition and revenue growth.

3. Boill Healthcare Holdings Ltd. ("**Boill Healthcare**") and its subsidiaries are principally engaged in the foundation piling, property development, healthcare holiday resort development and operation, and securities investment.

   According to its 2020 interim report, Boill Healthcare reported a loss attributable to owners of HK$71,197,000 for the six months ended 30 September 2020 and equity attributable to owners of HK$377,998,000 as at 30 September 2020. Boill Healthcare expanded its property development business in October 2020. Given the uncertainty of the pandemic and economic development, Boill Healthcare would continue to assess the situation and accelerate construction, arrange pre-sales of properties based on sales targets and expedite the collection of sales proceeds. Boill Healthcare believed that the pandemic provided great opportunities for sustainable expansion of its healthcare holiday resort development and operation business. This business segment would continue to be its core business in the future.

4. Brockman Mining Ltd. ("**Brockman Mining**") and its subsidiaries are principally engaged in the acquisition, exploration and development of iron ore in Australia.

   As disclosed in its 2020/21 interim report, Brockman Mining reported a loss attributable to owners of HK$2,261,000 for the six months ended 31 December 2020 and equity attributable to owners of HK$673,133,000 as at 31 December 2020. Brockman Mining and Polaris Metals Pty Ltd ("**Polaris**"), a wholly-owned subsidiary of Mineral Resources Limited ("**MRL**"), progressed activities towards satisfaction of their farm-in obligations with to the farm-in joint venture agreement over Brockman Mining's Marillana Iron Ore Project. A drilling and metallurgical testing campaign by Polaris was completed satisfactorily. Polaris also completed its technical and cost report on the Marillana Iron Ore Project. The outcome of both these undertakings resulted in Polaris providing Brockman Mining with an indicative development proposal. Brockman Mining accepted the indicative development proposal in principle, pending the formal submission of a final investment decision proposal from MRL. Upon completing of the farm-in obligations, the joint venture on the Marillana Iron Ore Project shall be established, and the development and construction for the Marillana Iron Ore Project shall commence.

5. Frontier Services Group Ltd. ("**Frontier Services**") and its subsidiaries are principally engaged in the provision of logistics services in the Belt and Road region; the provision of online financial market information; and the provision of integrated security, logistics, insurance and infrastructure services for clients operating in frontier markets, with a focus on the Belt and Road region.

   According to its 2020 interim report, Frontier Services reported a loss attributable to owners of HK$130,221,000 for the six months ended 30 June 2020 and equity attributable to owners of HK$584,317,000 as at 30 June 2020. Frontier Services had established its presence in the form of security, logistics, insurance and infrastructure in South East Asia and Africa. With Frontier Services' unique business modelling and shareholding structure, its business development remained positive and active during the six months ended 30 June 2020. The management would continue to closely monitor Frontier Services' development, implement any necessary measures and adopt to any required changes whenever necessary to tackle any difficulties and grasp any opportunities in front of Frontier Services.

6. Heng Tai Consumables Group Ltd. ("**Heng Tai**") and its subsidiaries are principally engaged in (i) the trading of packaged foods, beverages, household consumable products and cold chain products; (ii) the trading of agri-products and the upstream farming business; (iii) the provision of cold chain logistics services and value-added post-harvest food processing and (iv) other businesses primarily arising from the securities brokerage business, the trademark sub-licensing in petrol business and the tourist retailing business.

   According to in its interim results announcement, Heng Tai reported a loss attributable to owners of HK$40,835,000 for the six months ended 31 December 2020 and equity attributable to owners of HK$1,502,693,000 as at 31 December 2020. Looking forward, the pandemic remained the greatest uncertainty for the global economy, there would be substantial consequences for Mainland China and global economy if the vaccines could not effectively reduce the number of infections. On top of that, there were many other uncertainties such as the rise on protectionism and the increasing competition from domestic brands. Heng Tai would take a more cautious stance for future development and continue to implement cost-saving initiatives, as well as ensure a strong and healthy financial position to weather any unforeseeable headwinds.

7. Huanxi Media Group Ltd. ("**Huanxi Media**") and its subsidiaries are principally engaged in the media and entertainment related businesses which include development and investment in film and TV drama series, as well as operation of an online video platform.

   According to its 2020 interim report, Huanxi Media reported a profit attributable to owners of HK$20,331,000 for the six months ended 30 June 2020 and equity attributable to owners of HK$1,127,516,000 as at 30 June 2020. Starting from mid-July 2020, the cinemas in Mainland China resumed opening and operation, provided that effective prevention and control measures were implemented against the COVID-19 pandemic. Huanxi Media would arrange the optimal schedule for the release of its films. Huanxi Media was confident that its films would generate considerable revenue. In addition, Huanxi Media seized the increasing paid viewing habit of video users and rising popularity of streaming media to develop "huanxi.com" into a selected film and TV content platform with a full membership system and paid viewing. Huanxi Media would advance in this direction so as to tap the benefits from the increased popularity of paid viewing and thereby further reinforce its presence in the film and TV industry of Mainland China.

8. Huayi Tencent Entertainment Company Ltd. ("**Huayi Tencent**") and its subsidiaries are principally engaged in (i) entertainment and media business, and (ii) provision of offline healthcare and wellness services.

   As disclosed in its final results announcement, Huayi Tencent reported a loss attributable to owners of HK$56,574,000 for the year ended 31 December 2020 and equity attributable to owners of HK$776,592,000 as at 31 December 2020. In 2021, it was expected that the film production in a number of countries or regions would return to normal steadily after the implementation of the guidelines on preventive measures for COVID-19. Coupled with the progress of the relevant research and vaccination across the world, the gradual subjugation of the pandemic might be on the cards with the result of a progressive recovery of the film industry. Besides, the pandemic derived the "stay-at-home" economy, the viewership and influence of many media streaming platforms had soared. Huayi Tencent would continue to explore the possibility of premiering online and strengthen its cooperation with different international media streaming platforms. Huayi Tencent would continue to closely monitor the latest development of the epidemic and coordinate with global distributors for setting appropriate strategic adjustment, including determining the theatrical release slots according to the time of reopening cinemas, as well as to explore chances of collaboration with online streaming media.

9. Kingston Financial Group Ltd. ("**Kingston Financial**") and its subsidiaries are principally engaged in the provision of a wide range of financial services which include securities brokerage, underwriting and placements, margin and initial public offering financing, corporate finance advisory services and futures brokerage services. Kingston Financial also provides gaming and hospitality services in Macau.

   As disclosed in its 2020 interim report, Kingston Financial reported a profit attributable to owners of HK$169,015,000 for the six months ended 30 September 2020 and equity attributable to owners of HK$21,811,628,000 as at 30 September 2020. Kingston Financial believed that the advancement of the "Guangdong-Hong Kong-Macao Greater Bay Area" ("**GBA**") and the development of the "Belt and Road Initiative" would bring more opportunities for Hong Kong as an international financial hub. Kingston Financial would adhere to its prudent management strategy and rigorously deploy and implement development plans in line with market conditions, in order to grasp the opportunities arising from the Hong Kong capital market and the GBA market.

10. KuangChi Science Ltd. ("**KuangChi Science**") and its subsidiaries are principally engaged in the research and development of "AI" technology-related algorithms, a platform for big data analysis and professional AI-infused products for vertical industries based on these algorithms and platform, as well as the development of an integrated overall solution.

    As disclosed in its 2020 interim report, KuangChi Science reported a loss attributable to owners of HK$11,448,000 for six months ended 30 June 2020 and equity attributable to owners of HK$899,490,000 as at 30 June 2020. KuangChi Science focused on future technology business. It was currently developing and integrating different future technologies, like "AI" technology and "future space" technology, and strived to build future intelligent cities and provided a comprehensive range of innovative products, services and solutions. The management of KuangChi Science believed that with the evolution of the 5G network, KuangChi Science's "AI" technology would gradually be applied to more vertical industries in line with its own development goals and industrial needs, in particular the acceleration of the build-up of smart cities. AI would become a new impetus that boosted economic and social development, generated enormous demand for AI applications and held market prospects in the field of smart cities.

11. Lajin Entertainment Network Group Ltd. ("**Lajin Entertainment**") and its subsidiaries are principally engaged in the business of investment in movies, TV programmes and internet contents, and the provision of artists management services.

    As disclosed in its 2020 interim report, Lajin Entertainment reported a loss attributable to owners of HK$14,462,000 for the six months ended 30 June 2020 and equity attributable to owners of HK$503,045,000 as at 30 June 2020. Lajin Entertainment continued to team up with talented creative teams as well as powerful and affluent media companies in the TV/movies industry for investing in quality TV/movies projects for the sake of effectively managing and mitigating the risks for its investments. Furthermore, Lajin Entertainment also established its strategic cooperation relationship with numerous established companies that had the capacity for producing theatrical films, and fully leveraged on its experience and advantages in the field of internet-based products to remake classic films and television drama IP to produce quality internet movies with partners. In order to maximize the value of Lajin Base, Lajin Entertainment developed two new business segments, namely performing arts training business and new media e-commerce business, which were believed to bring significant revenue and steady growth to Lajin Entertainment.

12. Link-Asia International MedTech Group Ltd. ("**Link-Asia**", formerly known as Link-Asia International Co. Ltd.) and its subsidiaries are principally engaged in (i) electronic manufacturing services; (ii) marketing and distribution of communication products; (iii) real estate supply chain services; and (iv) the securities and other assets investment.

    As disclosed in its 2020 interim report, Link-Asia reported a loss attributable to owners of HK$69,918,000 for the six months ended 30 June 2020 and equity attributable to owners of HK$365,413,000 as at 30 June 2020. In respect of its EMS and distribution of communication products businesses, Link-Asia would seek to bolster ties with its business partners in order to seize new opportunities. In terms of its EMS business, Link-Asia would direct greater effort towards the research and development of Internet of things (IoT), Wi-Fi and Bluetooth enabled products, and explore the market opportunity in Mainland China. Regarding to its real estate supply chain services business, Link-Asia would continue to proactively look for business opportunities in Southeast Asia and Pan-Asia. Nevertheless, Link-Asia would actively consolidate its resources and act with prudence in pursuing continuous development in its core businesses, and would seek new business or investment opportunities to diversify its income sources.

13. Ocean Line Port Development Ltd. ("**Ocean Line Port**") and its subsidiaries are principally engaged in port operation in Chizhou City, Anhui Province, Mainland China.

As disclosed in its final results announcement, Ocean Line Port reported a profit attributable to owners of RMB44,579,000 for the year ended 31 December 2020 and equity attributable to owners of RMB351,926,000 as at 31 December 2020. It was too early to be fully optimistic about the business prospect of Ocean Line Port in 2021. However, Ocean Line Port was fully confident in its development in the future, with three major works and measures: (i) responding actively to risks posed by the COVID-19 pandemic, (ii) strengthening traditional stevedoring and raising the market share, and (iii) strengthening logistics (transportation) operation and promoting transformational development of the port. Ocean Line Port would make concerted efforts and make full use of its advantages to broaden sources of income and reduce expenditure, capture opportunities, expand and move forward with even greater enthusiasm.

14. Nimble Holdings Company Ltd. ("**Nimble Holdings**") and its subsidiaries are principally engaged in holding and licensing of brands and trademarks on a worldwide basis, distribution of houseware products and audio products in the United States of America, and the trading of household appliances, provision of information technology services and property development in Mainland China.

According to its 2020 interim report, Nimble Holdings reported a loss attributable to owners of HK$23,000,000 for the six months ended 30 September 2020 and equity attributable to owners of HK$436,000,000 as at 30 September 2020. The operation teams of Nimble Holdings would endeavour to use their best efforts to overcome the difficulties brought about by the COVID-19 pandemic in order to manage the businesses and operation in the second half of the financial year ending 31 March 2021, as well as control its costs in all areas so as to minimise the total expenses to be incurred by it. The management of Nimble Holdings intended to continue bidding in land auctions conducted by the local government authorities in different cities of Mainland China in order to increase its land bank for future development. The management believed that the enlarged land reserve would bring income to Nimble Holdings with reasonable returns in the future.

15. SuperRobotics Holdings Ltd. ("**SuperRobotics**") and its subsidiaries are principally engaged in (i) high-tech robotics and light machinery engineering; (ii) in-flight WLAN and WIFI engineering and services provider; and (iii) developing, distributing and marketing of personal care treatments, products and services.

As disclosed in its interim report for the six months ended 30 June 2020, SuperRobotics reported a loss attributable to owners of HK$51,179,000 for the six months ended 30 June 2020 and a negative equity attributable to owners of HK$29,443,000 as at 30 June 2020. Despite there is a huge market potential for service robots in Mainland China, SuperRobotics' business would be facing tremendous risks in a short period of time once external demand weakens for the reason that the COVID-19 epidemic had impacts on the service industry and manufacturing industry in its duration of time and intensity of influence. In view of the persistent social conflict in Hong Kong and the severe economic downturn that had seriously affected the industry's living environment and the consumers, SuperRobotics expected that its beauty business might not be optimistic.

16. Town Health International Medical Group Ltd. ("**Town Health**") and its subsidiaries are principally engaged in (i) provision of medical and dental services in Hong Kong; (ii) managing healthcare networks and provision of third party medical network administrator services in Hong Kong; (iii) provision of medical and dental services, as well as hospital management and related services in Mainland China; (iv) trading of listed securities and leasing of properties; and (v) provision of miscellaneous healthcare related services.

    As disclosed in its final results announcement, Town Health reported a loss attributable to owners of HK$281,038,000 for the year ended 31 December 2020 and equity attributable to owners of HK$3,810,481,000 as at 31 December 2020. The COVID-19 pandemic would last and continue to spread across the world, posing grave threat to the public health and making a heavy blow to the economy. However, the availability of vaccines and the activation of vaccination work were expected to contain the virus, which would boost the world's confidence about economic recovery. As the economy gradually recovers in 2021, it was expected that businesses of Town Health would return to stable development. In the meantime, Town Heath would consistently and actively fulfil its social responsibilities as a medical enterprise and serve the society with all its might.

    On 27 November 2017, the Securities and Futures Commission (the "**SFC**") issued a direction under Section 8(1) of the Securities and Futures (Stock Market Listing) Rules to suspend the trading in the shares of Town Health with effect from 9:00 a.m. on that date.

    The trading in the shares of Town Health remained suspended on 31 December 2020.

    The fair value of the shares in Town Health held by the Group of HK$4,623,000 at 31 December 2020 was based on the valuation report prepared by the independent professional valuer appointed by the Group.

    On 1 March 2021, the SFC has permitted trading in Town Health's shares to recommence from 9:00 a.m. on that date.

17. Yunfeng Financial Group Ltd. ("**Yunfeng Financial**") and its subsidiaries are principally engaged in (i) the writing of long term insurance business; (ii) securities brokerage and provision of custodian and other services; (iii) provision of fund and asset management services as well as financing and investing solution for clients; and (iv) provision of corporate advisory, placing and underwriting advisory services to clients.

    As disclosed in its final results announcement, Yunfeng Financial reported a profit attributable to owners of HK$618,315,000 for the year ended 31 December 2020 and equity attributable to owners of HK$13,380,576,000 as at 31 December 2020. Yunfeng Financial would prudently monitor the continuing impacts of such factors as the heightened tensions between the United States and Mainland China, the higher geopolitical risks and the uncertain macroeconomic environment on the execution of its business development plans. Yunfeng Financial would continue to focus on implementing its strategic plan to capture growth opportunities in the life and health insurance and wealth management markets in the Guangdong-Hong Kong-Macao Greater Bay Area with a view to successfully transforming itself into a comprehensive one-stop financial services provider offering high-quality online and offline insurance and wealth management solutions to its customers.

18. Hsin Chong Group Holdings Ltd. ("**Hsin Chong**") and its subsidiaries are principally engaged in building construction, civil engineering, electrical and mechanical installation, property development and investment.

    Based on its latest published financial information, Hsin Chong reported a loss attributable to owners of HK$704,973,000 for the six months ended 30 June 2018 and equity attributable to owners of HK$9,990,782,000 as at 30 June 2018.

    On 17 December 2019, the Exchange cancelled Hsin Chong's listing and the shares in Hsin Chong have no longer listed and tradeable on the Exchange since then. The share certificates of the shares in Hsin Chong remain valid.

The directors believe that the future performance of the Hong Kong listed and unlisted equities held by the Group is largely affected by economic factors, investor sentiment, demand and supply balance of an investee company's shares and fundamentals of an investee company, such as investee company's news, business fundamentals and development, financial performance and future prospects. Accordingly, the directors closely monitor the above factors, particularly the fundamentals of each individual investee company in the Group's equity portfolio, and proactively adjust the Group's equity portfolio mix in order to improve its performance.

Money lending business

During the year, the Group's money lending business generated interest income on loans amounting to HK$74,361,000, a 29% decrease from HK$104,034,000 for the previous year, and reported a segment loss (before taxation) of HK$148,768,000, whereas a segment profit (before taxation) of HK$72,496,000 was recorded in the previous year. The deterioration in segment results was mainly attributable to (i) the derecognition of certain interest income on loans due to the deterioration of certain customers' ability to pay the interest, and (ii) the increase in the allowance for credit losses on loan receivables as discussed below.

During the year ended 31 December 2020, the Group granted a new loan in the principal amount of HK$21,800,000 to a customer, and extended the final repayment dates of ten existing loans in the aggregate principal amount of HK$655,000,000. The Group's customers made drawings in the aggregate principal amount of HK$35,600,000 from the existing and new loans and repaid HK$46,633,000 to the Group.

During the year, a customer failed to repay the loan's outstanding principal amount of HK$25,000,000 together with the accrued and unpaid interest thereon according to the loan agreement. The Group has commenced legal proceedings against the customer to recover the loan's outstanding principal amount and the accrued and unpaid interest thereon. The first hearing will be held on 7 April 2021. The Group wrote off part of the loan and interest receivables from the customer amounting to HK$15,775,000. Another customer failed to pay an interest payment on the loan to the Group in December 2020 under the loan agreement. In January 2021, the Group commenced legal proceedings against the customer for recovering the loan's outstanding principal amount of HK$55,000,000 together with the accrued and unpaid interest thereon. In March 2021, the

Group recovered the outstanding principal amount of the loan together with the accrued and unpaid interest thereon from the customer. After the reporting date, the Group has also commenced legal proceedings against a customer who failed to pay interest on the loan to the Group under the loan agreement during the year for recovering the loan's outstanding principal amount of HK$100,000,000 together with the accrued and unpaid interest thereon.

At the end of the reporting period, the directors performed an impairment assessment on the Group's loan receivables with reference to a valuation prepared by an independent professional valuer. Based on the valuation, a HK$197,432,000 allowance for credit losses on loan receivables was made, a HK$192,958,000 increase compared to that for the year ended 31 December 2019. This significant increase was due to (i) the increase in the probability of default in calculating the 12-month expected credit losses of loans caused by the COVID-19 pandemic classified under stage 1 (performing), (ii) the reclassification of a loan that had significant deterioration in credit risk from stage 1 to stage 2 (underperforming), and (iii) the reclassification of three loans that had objective evidence of impairment from stage 1 to stage 3 (non-performing). At 31 December 2020, the Group's loan receivables, together with accrued interest receivables (before accumulated allowance for credit losses), amounted to HK$976,599,000 (2019: HK$1,000,071,000). Return on loan receivables for the year ended 31 December 2020 is 6% (2019: 9%).

Sale of jewelry products business

During the year, the Group's sale of jewelry products business generated revenue of HK$69,269,000, a 1% increase from HK$68,422,000 for the previous year, and reported a segment loss (before taxation) of HK$13,103,000, whereas a segment profit (before taxation) of HK$74,000 was recorded in the previous year.

During the first half of 2020, the Group's sale of jewelry business was severely affected by the outbreak of COVID-19 as the Group was not able to fulfill its sales orders due to the lockdown imposed in Mainland China, Europe, and the United States to curb the spread of COVID-19. In the second half of 2020, the sale of jewelry products picked up resulted from the firm sales orders from local companies that carry out jewelry products trading in Mainland China, a new sales channel developed by the Group. During the year, the Group recorded a significant decrease in sales orders from the United States as the United States has imposed an extra tariff on jewelry products from Mainland China since September 2019. In view of the severe travel restrictions and lockdowns recently imposed by countries around the world for stemming the spread of COVID-19 in the first half of 2020, the Group is developing its own business-to-business sales portal for business development and placing sales orders. Although the initial costs to develop the business-to-business sales portal are considerable, the directors believe that it will help the Group grows its business worldwide cost-effectively in the long-run.

The gross loss for the year ended 31 December 2020 was mainly due to the higher moulding and production costs incurred for producing samples for business development and the business-to-business sales portal, and lower profit margin for jewelry products sold to Mainland China through the local companies. Besides, the Group's sale of jewelry products business reported a loss of inventories of HK$4,914,000 as certain jewelry products were stolen during a business trip to Europe, and such stolen jewelry products were derecognised from the Group's inventories and recognised as administrative expense during the year.

At the end of the reporting period, the directors performed an impairment assessment on the Group's trade receivables with reference to a valuation prepared by the independent professional valuer. Based on the valuation, an allowance for credit losses on trade receivables of HK$315,000 was recognised, a HK$259,000 increase compared to the year ended 31 December 2019. This increase was due to the increase in the probability of default in calculating the 12-month expected credit losses of trade receivables caused by the COVID-19 pandemic.

At 31 December 2020, the Group's inventories of jewelry products, including raw materials, work-in-progress and finished goods, amounted to HK$28,618,000 (2019: HK$32,000,000) and the Group's sale of jewelry products business had undelivered sales orders amounting to HK$2,200,000 (2019: HK$800,000).

Return on capital employed in sale of jewelry products for the year ended 31 December 2020 is -43% (2019: 0%).

Property investment business

During the year, the Group's property investment business generated rental income of HK$26,868,000, a 5% increase from HK$25,549,000 for the previous year, and recorded a segment loss (before taxation) of HK$49,979,000, a 58% improvement as compared to the previous year. The improvement of segment results was mainly attributable to the absence of a HK$49,782,000 written-off relating to the two hotel villas erected on the first phase of the Subject Land in the previous year. Of the total rental income, HK$21,773,000 was generated from the assets of the Club and HK$5,095,000 was generated from the investment property portion of the Shun Tak Property.

As the impact of COVID-19 on the hotel industry is unprecedented and unpredictable, hotels face the prospect of a long recovery. As such, the Group has modified its business strategy for the second and third phases of the Subject Land, in which the units of the building complex erected will lease out as high-end serviced apartments on a long-term or short-term lease basis. In leasing the serviced apartments on a long-term lease basis, the tenants prepay the rental of the lease period in stages before the lease commencement date. On the other hand, the development costs will significantly reduce as the interior of the building complex is no longer decorated at a five-star hotel standard. Accordingly, the total development costs reduce significantly from RMB904,425,000 (equivalent to HK$990,164,000) to RMB650,000,000 (equivalent to HK$711,620,000), which is financed by the internal resources of the Group, income generated from the Group's property investment operations, prepaid rental for long-term leases, and external borrowings. The directors believe that the modified business strategy will not only improve the Group's cash flow, but also reduce the annual operating and maintenance expenses.

In May 2020, the Group invited tenders for the building works and awarded the tender to a Mainland Chinese construction company in June 2020. The building works have commenced in July 2020 and expect to complete in the third quarter of 2021. After the building works, the building complex erected on the second and third phases of the Subject Land is put under interior decoration and prepared for buildings inspection by the relevant governmental authorities. According to the development plan, the development of the second and third phases of the Subject Land completes in the first quarter of 2022. Marketing activities in leasing the serviced apartments launched in August 2020. Since the launch of the marketing activities, the Group has received a lot of leasing inquiries.

The Group has temporarily suspended the development of the cultural business as the Group is in discussion with a potential joint venture partner relating to the proposed setting up of a football training school under the brand of a football club of the Premier League or the Campeonato Nacional de Liga de Primera División on the first phase of the Subject Land. According to the memorandum of understanding dated 29 April 2020, the proposed setting up of the football training school shall include but not limit to (i) the leasing of the first phase of the Subject Land to the potential joint venture partner for setting up the football training school and organising sports events, (ii) the establishment of a jointly controlled operation, in which Smart Title Limited and the potential joint venture partner combine their operations, resources, and expertise to set up the football training school and share the profit generated from the football training school, and (iii) the formation of a jointly controlled entity to set up the football training school. The final arrangement for the proposed setting up of the football training school shall be subject to the official written approval from the football club of the Premier League or the Campeonato Nacional de Liga de Primera División. As at the date of this results announcement, discussion with the potential joint venture partner is still underway and no terms of the proposed setting up of a football training school have reached.

Given the modification of the business strategy for the second and third phases of the Subject Land and the temporary suspension of the development of the cultural business, the relevant discounted cash flow projections used to measure value in use for determining the recoverable amount of the cash generating unit of Smart Title Limited have adjusted to reflect the impacts on the expected cash inflows and outflows resulted from the modification and the suspension.

At the end of the reporting period, the directors performed impairment tests for the goodwill arising from the acquisition of Smart Title Limited and the intangible assets relating to (i) the rights to construct and operate the club facilities of the Club, and (ii) the rights to develop and operate the Subject Land and the rights to manage the properties erected on the Subject Land with reference to two discounted cash flow projections to assess the value in use of the property investment business in Beijing, Mainland China. As the recoverable amount of the cash-generating unit of the Group's property investment operations under Smart Title Limited exceeded its carrying amount, no impairment of goodwill and intangible assets was required.

At the end of the reporting period, the directors tested the right-of-use assets for impairment with reference to the two discount cash flow projections to assess the value in use of the property investment business in Beijing, Mainland China and concluded that no impairment for the Group's right-of-use assets was required.

At the end of the reporting period, the directors measured the investment property portion of the Shun Tak Property at fair value. Based on the property valuation report prepared by the independent qualified valuer, the fair value of the investment property portion of the Shun Tak Property decreased from to HK$159,200,000 at 31 December 2019 to HK$140,000,000 at 31 December 2020. The decrease in the fair value was due to the current subdued office demand and rental correction cycle. Accordingly, the Group recognised the loss of HK$19,200,000 arising on change in fair value of investment properties.

Return on property investment for the year ended 31 December 2020 is -3% (2019: -3%).

Investments in associates

Elite Prosperous is an investment holding company and the principal asset of which is the term loan of US$10,000,000 (equivalent to HK$78,410,000) advanced to an unlisted investment holding company. The principal subsidiaries of the unlisted investment holding company are engaged in (i) agency payment services, (ii) currency exchange services, and (iii) provision of online, mobile and cross-border payment services. Pursuant to the loan instrument, Elite Prosperous is entitled to convert the term loan into (i) such number of preferred shares in the capital of the unlisted investment holding company, or (ii) such number of preferred shares in the capital of one of the wholly-owned subsidiary of the unlisted investment holding company, which is engaged in provision of online, mobile and cross-border payment services. In May 2019, a subsidiary of the unlisted investment holding company has been awarded a stored value facilities licence by Hong Kong Monetary Authority. During the year, no conversion of the term loan was taken place as the unlisted investment holding company has been doing a fund raising exercise. At the end of the reporting period, Elite Prosperous measured the term loan at fair value. Based on a valuation report prepared by the independent professional valuer, the fair value of the term loan decreased from HK$62,861,000 at 31 December 2019 to HK$25,726,000 at 31 December 2020 and Elite Prosperous recognised a loss of HK$37,135,000 arising on change in the fair value of the term loan in profit or loss. During the year, Elite Prosperous reported a loss of HK$37,135,000 and the Group shared a loss of HK$18,196,000 from Elite Prosperous.

Global Mastermind is an investment holding company and its subsidiaries are principally engaged in the provision and operation of travel business, treasury management business, money lending business and provision of securities, asset management and finance advisory services. During the year, the Group further acquired 31,500,000 shares in Global Mastermind at a consideration of HK$1,477,000, and the Group's shareholding interests in Global Mastermind increased from 29.04% to 29.77% accordingly. The further acquisition resulted in a gain on bargaining purchase of an associate of HK$1,849,000. During the year, Global Mastermind reported a loss of HK$267,084,000, a 389% deterioration as compared to the previous year, and the Group shared a loss of HK$78,333,000 from Global Mastermind, which was partially offset by the gain on bargaining purchase of an associate of HK$1,849,000. The deterioration in Global Mastermind's results for the year was mainly due to (i) a dramatic slump in its travel business segment resulted from the COVID-19 pandemic, (ii) a significant increase in impairment loss on its trade and loan receivables, (iii) a significant increase in loss on fair value changes of its investment properties, and (iv) a substantial loss of assets resulting from the Incidents (as defined below), details of which are disclosed in the section headed "Additional Information on Audit Qualification" below.

China Healthwise is an investment holding company and its subsidiaries are principally engaged in sales of Chinese health products, money lending business, and investment in financial instruments. During the year, China Healthwise repurchased and cancelled 160,650,000 of its issued shares (before the share consolidation effective on 25 September 2020), and the Group's shareholding interests in China Healthwise increased from 18.86% to 19.26% correspondingly. The repurchase and cancellation resulted in a gain on deemed acquisition of an associate of HK$290,000. In addition, the Group acquired 7,840,000 shares in China Healthwise (after the share consolidation effective on 25 September 2020) and the Group's shareholding increased from 19.26% to 20.27%. The Group recognised a gain on bargaining purchase of HK$917,000. During the year, China Healthwise reported a loss of HK$25,222,000, a 80% improvement as compared to its results for the previous period, and the Group shared a loss of HK$4,703,000 from China Healthwise, which was partially offset by the gain on deemed acquisition of an associate of HK$290,000 and the gain on bargaining purchase of HK$917,000. The improvement in China Healthwise's results for the year was mainly due to (i) the recognition of a gain from disposal of its OBM toy business, and (ii) a significant decrease in fair value loss on its financial assets at FVTPL.

Future Prospects

After a major downturn of the global economy in 2020 caused by the COVID-19 pandemic, the global economy is forecast to rebound as the rollout of vaccination allows lockdown measures to be gradually reversed. However, this rebound is contingent on successful and speedy deployment of vaccines and continued accommodative fiscal, monetary, and financial conditions in the world's larger economies and is unlikely to arrive before the second half of 2021. Overall, the directors believe an end to the COVID-19 pandemic and ongoing policy support will contribute to a brighter future.

As the financial market recovery is well advanced compared to the economic recovery, the directors will closely monitor and adjust the Group's listed securities portfolio from time to time and realise the Hong Kong-listed securities held by the Group into cash as and when appropriate in 2021.

As the development of the second and third phases of the Subject Land has commenced, internal cash resources of the Group are allocated to finance the building works. The directors slow down the pace of the Group's money lending business and closely monitor the performance of the loan portfolio, especially the repayment status of each customer in 2021. Besides, the Group has commenced legal proceedings against three existing customers to recover the outstanding principal amount of the loans together with the accrued and unpaid interest thereon. The directors expect that the interest income on loans generated from the Group's money lending business in 2021 will be less than that in 2020 by 10% to 20%.

Although COVID-19 severely impaired global demand in 2020, the Group obtained considerable sales orders from the local companies selling jewelry products to Mainland China in the second half of 2020. The Group will make an effort to develop other sales channels for the Mainland China market in 2021. The directors expect the Group's sales of jewelry products business in 2021 to improve slightly compared to 2020.

The business development on the first phase of the Subject Land is still underway, and the Group has just commenced the building works of the second and third phases of the Subject Land. The directors expect the performance of the Group's property investment business in 2021 will be mostly the same as in 2020. Given that the building works of the second and third phases of the Subject Land have just commenced, the directors will put more effort and resources into the Group's property investment business in the coming years to ensure the building works completes as planned.

Although there is a positive consensus on the 2021 global economic outlook with the vaccines being rolled out, the directors remain cautious and watchful over the development of the COVID-19 pandemic and its impacts. The directors commit to monitoring the business environment cautiously and strengthening the Group's business foundation by focusing on its existing businesses.

Additional Information on Audit Qualification

Audit qualification

As disclosed in the section headed "Basis for Qualified Opinion" under "EXTRACT OF THE INDEPENDENT AUDITORS' REPORT" above, the audit qualification relates to the scope limitation concerning the carrying amount of the Group's interests in associates in the consolidated statement of financial position includes an amount of HK$104,083,000 as at 31 December 2020 in respect of the Group's share of net assets of the Global Mastermind Group as at 31 December 2020 and the Group's share of results of associates in the consolidated statement of profit or loss and other comprehensive income includes an amount of HK$76,484,000 and an amount of HK$56,000 in respect of the Group's share of loss and share of other comprehensive expense of the Global Mastermind Group respectively for the year ended 31 December 2020.

Incidents on Global Mastermind

As disclosed in Global Mastermind's announcement dated 29 December 2020, during the second half of 2020, Solution Apex, a wholly-owned subsidiary of Global Mastermind, conducted three purported investments for HK$47,534,000 (the "**Purported Investments**", which bears the same meaning as "Purported Payments to the Purported Three Parties" defined in the Independent Auditors' Report) and made unexplained cash withdrawals amounting to HK$11,231,000 (the "**Unexplained Cash Withdrawals**", which bears the same meaning as "Purportedly Unauthorised Cash Withdrawals" defined in the Independent Auditors' Report). Based on the information available to Global Mastermind, the Purported Investments and the Unexplained Cash Withdrawals appeared to have been carried by the then sole director of Solution Apex, Mr. Allan Yap, without the board of directors (the "**Board of Global Mastermind**") of Global Mastermind's authority (the "**Incidents**").

Upon knowing the Incidents, the Board of Global Mastermind examined the information and documents gathered relating to the Purported Investments and the Unexplained Cash Withdrawals in detail and cast doubt on the values and purposes of the Purported Investments and the Unexplained Cash Withdrawals. Accordingly, the Board of Global Mastermind resolved to make impairment and recognise a loss of assets arising from the Incidents of HK$58,765,000 on the Purported Investments and the Unexplained Cash Withdrawals (the "**Loss**") on 29 December 2020.

In response to the Incidents, the Board of Global Mastermind resolved to (i) remove all director(s) of Solution Apex and Durable Gold, the immediate holding company of Solution Apex, and replace them by Global Mastermind's designated persons, (ii) engage external legal advisers to commence legal proceedings to seek to recoup the cash utilised for the Purported Investments and the Unexplained Cash Withdrawals and/or to seek damages and other remedies from individuals and entities against whom the Group may have causes of action as a result of the Incidents (the "**Recovery Actions**"), and (iii) establish an internal investigation team (the "**Internal Investigation Working Team**") comprising directors and senior management of Global Mastermind unrelated to the Incidents to investigate on the Incidents and oversee the progress of the Recovery Actions.

To limit its exposure on and enable it to stay away from the uncertainty of litigations relating to the Incidents and the Recovery Actions, Global Mastermind disposed of the entire issued share capital of Solution Apex to an independent third party at a cash consideration of HK$1 as adjusted by the outcome sharing adjustment mechanism, which enables Global Mastermind to retain the majority outcome and proceeds from the Recovery Actions.

The disposal of Solution Apex was completed on 29 December 2020.

Please refer to Global Mastermind's announcement dated 29 December 2020 for details of the Incidents, the Purported Investments, the Unexplained Cash Withdrawals, the disposal of Solution Apex, and the outcome sharing adjustment mechanism.

Disclaimer of opinion on the Global Mastermind Group's consolidated financial statements for the year ended 31 December 2020

As Moore Stephens CPA Limited ("**Moore Stephens**"), the auditor of Global Mastermind, was unable to obtain sufficient appropriate audit evidence to satisfy itself regarding the causes of the Incidents, and commercial substance and nature of the Purported Investments and the Unexplained Cash Withdrawals. Moore Stephens was also unable to determine whether any adjustments that might have been found necessary to the amount of the Loss of HK$58,765,000 being recognised in the consolidated profit or loss and consequentially to the related elements making up the consolidated statement of changes in equity, the consolidated statement of cash flows and the related presentation and disclosures in the Global Mastermind Group's consolidated financial statements for the year ended 31 December 2020. As a result of the above, Moore Stephens did not express an opinion on the Global Mastermind Group's consolidated financial statements for the year ended 31 December 2020.

Executive directors' view on the audit qualification

The executive directors have given careful consideration to the audit qualification and the basis for the qualified opinion and have had an ongoing discussion with HLB Hodgson Impey Cheng Limited ("**HLB**"), the Company's auditors, and the management of Global Mastermind when preparing the Group's consolidated financial statement for the year ended 31 December 2020.

The executive directors have obtained the following understanding from the management of Global Mastermind:

(a) Based on the preliminary findings of the Internal Investigation Working Team and the information currently available to it, the Board of Global Mastermind is of the view that:

  (i) the Incidents are standalone events solely caused by the personal conduct of certain then directors and/or officers of Solution Apex and/or Durable Gold, with no other personnel in the Global Mastermind Group appearing to have any involvement in or knowledge of the happening of the Incidents; and

  (ii) with the resignation, removal, and/or suspension of duties of all then directors and officers of Solution Apex and Durable Gold by Global Mastermind and the implementation of the reinforced internal control policies and other measures, event similar to the Incidents are highly improbable to recur in future.

(b) The Board of Global Mastermind is of the view that the possibility of any adjustment in respect of the Incidents to be made is remote and the Incidents should not have any continuing effect on the Global Mastermind Group's consolidated financial statements going forward for the following reasons (the "**Reasons**"):

  (i) Prior to the Incidents, the only asset of Solution Apex was the bank balances and cash of HK$58,765,000. Upon knowing the Incidents, the Loss of HK$58,765,000, which is equivalent to the entire bank balances and cash of Solution Apex, was recognised in the year ended 31 December 2020, resulting in no other assets and/or liabilities in the statement of financial position of Solution Apex as of 29 December 2020. In other words, the Board of Global Mastermind has already written down the entire assets side of Solution Apex to zero to fully reflect the extent of loss suffered by the Global Mastermind Group.

  (ii) The disposal of Solution Apex was completed on 29 December 2020, and any continuing effect of the Incidents over Solution Apex shall have no negative impact on the Global Mastermind Group whatsoever. Therefore, the Board of Global Mastermind is of the view that the Incidents should not have any impact on the consolidated financial position of the Global Mastermind Group as at 31 December 2020.

Based on the above, the Board of Global Mastermind is of the view that the issues giving rise to the Incidents have no carried forward effect on the Global Mastermind Group consolidated financial statements for the year ending 31 December 2021, and that any modified opinion in the forthcoming year should only relate to the comparability of 2020 figures in the consolidated financial statements for the year ending 31 December 2021.

(c) The audit committee of Global Mastermind agreed with the preliminary findings of the Internal Investigation Working Team and the implementation of reinforcement measures on internal control to prevent the recurrence of similar events in future. After considering the Reasons stated above, the audit committee of Global Mastermind concurs with the views of the Board of Global Mastermind that the Incidents should not have any continuing effect on the Global Mastermind Group's consolidated financial statements in the coming financial year end and that any modified opinion in the forthcoming year should only relate to the comparability of 2020 figures in the consolidated financial statements for the year ending 31 December 2021.

(d) The Board of Global Mastermind has obtained the understanding with Moore Stephens that Global Mastermind considers itself to have addressed the issues giving rise to the disclaimer of opinion on the Global Mastermind Group's consolidated financial statements for the year ended 31 December 2020 and in the light of the Reasons and barring unforeseen circumstances, a disclaimer of opinion in respect of the same issues should no longer be required to be included in the Global Mastermind Group's consolidated financial statements for the year ending 31 December 2021.

The executive directors have discussed the above understanding from the management of Global Mastermind with HLB. Having obtained the understanding from HLB, the executive directors expect, in the light of the Reasons and barring unforeseen circumstances, the audit qualification relates to the scope limitation concerning the carrying amount of the Group's interests in Global Mastermind and the Groups' share of loss of the Global Mastermind Group will be removed in the Group's consolidated financial statements for the year ending 31 December 2021, except for the effect on the comparability of 2020 figures.

Audit committee's view on the audit qualification

The audit committee reviewed the information provided by the Company in respect of the circumstance leading to the audit qualification. The audit committee discussed the audit qualification with HLB at the meeting of the audit meeting held on 26 March 2021 and agreed with the audit qualification.

At the board meeting held on 30 March 2021, the audit committee reported to and discussed the audit qualification with the board of directors. The audit committee also discussed the understanding obtained from the Board of Global Mastermind with the executive directors, and the audit committee concurred with the executive directors' view.

Principal Risks and Uncertainties

A summary of the principal risks and uncertainties which may impact the Group's financial conditions, results of operations or future performance and how the Group to mitigate these risks is set out below.

This summary should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties faced by the Group, but rather those risks which the Group currently believes may have a significant impact on the Group's performance and future prospects.

Principal risks	***Description***	***Mitigating actions***
Strategic risk	Strategic risk is the risk that medium and long-term profitability and/or reputation of the Group could be adversely impacted by the failure either to identify or implement the correct strategy, or to react appropriately to changes in the business environment.	• Extensive investment management experience of the Board. • Regularly review on strategy and performance of each business unit. • Perform comprehensive due diligence on all potential acquisitions.
Economic risk	Economic risk is the risk of any downturn in economic conditions could impact the Group's performance through higher bad debts as a result of customers' inability to repay loans and lower asset values.	• Regularly review forward looking indicators to identify economic conditions.
Credit risk	Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.	• Fully understand customers and carry out credit quality assessment on customers before granting loans. • Regularly monitor loan receivables and assess for their recoverability. • Limit credit risk exposure by granting loan to any single customer of not more than 8% of the consolidated total assets of the Group. • Make rental contracts with tenants with an appropriate credit history.

Principal risks	*Description*	*Mitigating actions*
Liquidity risk	Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.	• Regularly monitor liquidity and statement of financial position. • Maintain appropriate liquidity to cover commitments. • Limit liquidity risk exposure by investing only in securities listed on stock exchanges. • Ensure acceptable and appropriate finance in place, or believed to be available before committing investment projects.
Price risk	Price risk is the risk that changes in equity prices will affect the Group's income and the value of its holdings of equities.	• Regularly monitor equity portfolio to address any portfolio issues promptly. • Spread price risk exposure by investing a number of equities.
Exchange risk	Exchange risk is the risk that changes in foreign exchange rates will affect the Group's income and the value of its holdings of assets.	• Closely monitor statement of financial position and cashflow exchange risk exposures and where considered appropriate use financial instruments, such as forward exchange contracts, foreign currency options and forward rate agreements, to hedge this exchange risk.
People risk	People risk is the risk of loss of the services of any directors, senior management and other key personnel which could have a material adverse effect on the Group's businesses.	• Provide competitive reward and benefit packages that ensure our ability to attract and retain the employees the Group needs. • Ensure that the staff of the Group has the right working environment to enable them to do the best job possible and maximise their satisfaction at work.

Principal risks	*Description*	*Mitigating actions*
Legal and regulatory risk	Legal and regulatory risk is the risk that a breach of laws and regulations could lead to litigation, investigations or disputes, resulting in additional costs being incurred, civil and/or criminal proceedings and reputational damage.	• Monitor changes and developments in the regulatory environment and ensure that sufficient resources being made available to implement any required changes. • Seek legal or other specialist advice as appropriate.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company has complied with the code provisions of the Corporate Governance Code (the "**Code**") as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2020, except for:

(a) code provision A.2.1 of the Code requires that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year, Mr. Lei Hong Wai has taken up the roles of the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Lei possesses essential leadership skills and has extensive experience in corporate management and business development. The Board is of the view that currently vesting the roles of the Chairman and the Chief Executive Officer in the same person provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies; and

(b) code provision A.4.1 of the Code requires that non-executive directors should be appointed for a specific term, subject to re-election. All non-executive directors of the Company are not appointed for a specific term, but are subject to retirement from office by rotation and re-election in accordance with the provisions of the Company's bye-laws. At each annual general meeting, one-third of the directors for the time being, (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every director shall be subject to retirement by rotation at least once every three years. As such, the Company considers that such provision is sufficient to meet the underlying objective of this code provision.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules for securities transactions by the directors of the Company. Having made specific enquiry, all directors confirmed that they had complied with the required standard as set out in the Model Code throughout the year ended 31 December 2020.

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

During the year ended 31 December 2020, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

REVIEW OF FINANCIAL INFORMATION

The audit committee has reviewed this annual results announcement and the annual report of the Company for the year ended 31 December 2020.

By Order of the Board
Eternity Investment Limited
Lei Hong Wai
Chairman

Hong Kong, 30 March 2021

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Lei Hong Wai, Mr. Cheung Kwok Wai Elton, Mr. Chan Kin Wah Billy and Mr. Cheung Kwok Fan; and three independent non-executive directors, namely, Mr. Wan Shing Chi, Mr. Ng Heung Yan and Mr. Wong Tak Chuen.