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SUNWAH KINGSWAY
新華滙富

SUNWAH KINGSWAY CAPITAL HOLDINGS LIMITED
新華滙富金融控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 00188)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2020

The Board of Directors of Sunwah Kingsway Capital Holdings Limited (the "Company") hereby submit the consolidated financial results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2020.

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2020

	Notes	**2020**	2019
		HK$'000	*HK$'000*
Revenue			
Commission and fee income		**74,974**	130,745
Interest income arising from financial assets at amortised cost		**29,322**	29,289
Interest income arising from debt securities		**3,494**	4,405
Dividend income		**1,923**	2,428
Rental income		**3,061**	4,083
	3	**112,774**	170,950
Net loss on financial assets and liabilities at fair value through profit or loss	*3*	**(6,884)**	(32,418)
Other income and gain or losses	*3*	**2,998**	(4,881)
		108,888	133,651
Commission expenses		**(6,457)**	(8,857)
General and administrative expenses		**(107,280)**	(144,804)
Finance costs		**(4,087)**	(1,827)
Net impairment losses on financial instruments		**(19,466)**	(8,405)
Loss on disposal of a subsidiary		**(104)**	–
Fair value changes on investment properties		**(8,132)**	456
Changes on non-controlling interests in consolidated investment fund	*3*	**1,047**	1,488
Share of profits/(losses) of associates	*3*	**532**	(348)
Loss before tax	*4*	**(35,059)**	(28,646)
Income tax expenses	*5*	**(5,979)**	(4,296)
Loss for the year		**(41,038)**	(32,942)
Attributable to:			
Owners of the Company		**(40,934)**	(32,821)
Non-controlling interests		**(104)**	(121)
Loss for the year		**(41,038)**	(32,942)
Basic and diluted loss per share	*7*	**(0.58) HK cent**	(0.47) HK cent

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2020

	2020	2019
	HK$'000	*HK$'000*
Loss for the year	**(41,038)**	(32,942)
Other comprehensive (expense)/income:		
Item that will not be reclassified to profit or loss:		
Land and buildings held for own use		
– (Deficit)/surplus on revaluation	**(41,520)**	27,396
– Income tax effect	**8,605**	(3,098)
	(32,915)	24,298
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of overseas subsidiaries	**(1,467)**	(730)
Reclassification adjustment for foreign operation deregistered during the year	**–**	634
	(1,467)	(96)
Other comprehensive (expense)/income for the year	**(34,382)**	24,202
Total comprehensive expense for the year	**(75,420)**	(8,740)
Total comprehensive expense attributable to:		
Owners of the Company	**(75,316)**	(8,619)
Non-controlling interests	**(104)**	(121)
Total comprehensive expense for the year	**(75,420)**	(8,740)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

	Notes	2020 HK$'000	2019 HK$'000
Non-current assets			
Investment properties		**88,082**	96,214
Properties and equipment		**367,765**	417,364
Intangible assets		**2,320**	2,051
Goodwill		**4,965**	–
Interests in associates		**18,454**	15,916
Loans to and amount due from associates		**13,607**	14,901
Loan receivables	8	**14,989**	14,759
Other assets		**8,216**	22,122
Financial assets at fair value through profit or loss		**34,145**	47,009
Deferred tax assets		**2,897**	6,748
		555,440	637,084
Current assets			
Financial assets at fair value through profit or loss		**234,681**	186,014
Accounts, loans and other receivables	8	**411,692**	287,979
Bank balances and cash – trust accounts		**658,034**	667,609
Cash and cash equivalents		**136,266**	209,779
		1,440,673	1,351,381
Current liabilities			
Financial liabilities at fair value through profit or loss		**8,267**	6,358
Net assets attributable to holders of non-controlling interests in consolidated investment fund		**9,164**	9,512
Accruals, accounts and other payables	9	**883,615**	795,640
Lease liabilities		**1,579**	–
Contract liabilities		**17,560**	31,835
Bank loan		**60,000**	20,000
Current tax liabilities		**3,421**	3,124
		983,606	866,469
Net current assets		**457,067**	484,912
Total assets less current liabilities		**1,012,507**	1,121,996
Non-current liabilities			
Deferred tax liabilities		**30,000**	39,155
Lease liabilities		**1,271**	–
		31,271	39,155
NET ASSETS		**981,236**	1,082,841
CAPITAL AND RESERVES			
Share capital	10	**71,276**	70,145
Reserves		**910,163**	1,012,631
Equity attributable to owners of the Company		**981,439**	1,082,776
Non-controlling interests		**(203)**	65
TOTAL EQUITY		**981,236**	1,082,841

NOTES:

1 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time which are relevant to the Group:

HKFRS 16	*Leases*
Amendments to HKFRS 16	*Covid-19 Related Rent Concessions (early adopted)*
HK(IFRIC) – Int 23	*Uncertainty over income tax treatments*
Amendments to HKAS 19	*Plan amendment, curtailment or settlement*
Amendments to HKAS 28	*Long-term interests in associates and joint ventures*
Amendments to HKFRS 9	*Prepayment features with negative compensation*
Annuel Improvements to HKFRS 2015-2017 Cycle	*Amendment to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23*

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

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

HKFRS 16 Leases

HKFRS 16 replaces HKAS 17 Leases, HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases – Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained profit at 1 July 2019, and the comparative information for June 2019 was not restated and continues to be reported under HKAS 17.

New definition of a lease

Under HKFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 July 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their stand-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

As a lessee – Leases previously classified as operating leases

Nature and the effect of adoption of HKFRS 16

The Group has lease contracts for property and office equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets (e.g., laptop computers and telephones); and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impacts on transition

Lease liabilities at 1 July 2019 were recognised based on the present value of the remaining lease payments and discounted using the incremental borrowing rate at 1 July 2019.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 July 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets in "properties and equipment" in the consolidated statement of financial position.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 July 2019:

– Used a single discount rate to a portfolio of leases with reasonably similar characteristics

– Relied on its assessment of whether leases are onerous immediately before the date of initial application

– Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application

– Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

– Used hindsight in determining the lease term where the contract contains options to extend/terminate the lease

The impacts arising from the adoption of HKFRS 16 as at 1 July 2019 are as follows:

	Increase/(decrease)
	HK$'000
Assets	
Increase in right-of-use assets	4,258
Increase in total assets	4,258
Liabilities	
Increase in lease liabilities	4,370
Decrease in accruals, accounts and other payables	(112)
Increase in total liabilities	4,258

The lease liabilities as at 1 July 2019 reconciled to the operating lease commitments as at 30 June 2019 is as follows:

	HK$'000
Operating lease commitments as at 30 June 2019	4,631
Less: Commitments relating to short-term lease and those leases with a remaining lease term ending on or before 30 June 2020	(18)
	4,613
Weighted average incremental borrowing rate as at 1 July 2019	3.83%
Lease liabilities as at 1 July 2019	4,370

Amendments to HKFRS 16 Covid-19 Related Rent Concessions

In June 2020, the HKICPA issued Covid-19-Related Rent Concessions – amendments to HKFRS 16 Leases. The amendments provide relief to lessees from applying HKFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under HKFRS 16, if the change were not a lease modification. The Group has elected to early adopt the amendments. The amendment has had no significant impact on the Group's consolidated financial information.

HK(IFRIC)-Int 23 Uncertainty over Income Tax Treatments

HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The interpretation has had no significant impact on the Group's consolidated financial information.

Amendments to HKAS 28 Long-term Interests in Associates and Joint Ventures

Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 28 is then applied to the net investment, which includes the long term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The amendment has had no significant impact on the Group's consolidated financial information.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs and interpretations that have been issued but are not yet effective, which may be relevant to the Group:

Amendments to HKFRS 3	Definition of a business[1]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest rate benchmark reform[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	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[2]
Amendments to HKAS 1 and HKAS 8	Definition of material[1]

1 Effective for annual periods beginning on or after 1 January 2020.
2 Effective for annual periods beginning on or after 1 January 2023.
3 Effective for annual periods beginning on or after a date to be determined.

Further information about those HKFRSs that are expected to be applicable to the Group is described below:

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 July 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments are effective for annual periods beginning on or after 1 July 2020. Early application is permitted. The amendments are not expected to have any significant impact on the Group's consolidated financial information.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

HKICPA issued amendments to HKAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The Group expects to adopt the amendments retrospectively from 1 July 2020. The amendments are not expected to have any significant impact on the Group's consolidated financial information.

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 July 2020. The amendments are not expected to have any significant impact on the Group's consolidated financial information.

2 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial information have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial information include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

3 SEGMENT REPORTING

Information reported to the Managing Director of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance, focuses on the types of services provided. Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

Proprietary investment	:	Investment in securities for treasury and liquidity management, and structured deals including listed and unlisted equities, debt securities and investment funds
Property investment	:	Investment in properties for receiving rental income and capital appreciation
Brokerage and financing	:	Provision of securities, options, funds, futures and commodities brokerage services, margin and other financing, factoring and other related services
Corporate finance and capital markets	:	Provision of financial advisory services to corporate clients in connection with the Listing Rules and acting as underwriting and placing agent in the equity capital market
Asset management	:	Provision of asset management and related advisory services to private equity funds and private clients
Others	:	Provision of management, administrative and corporate secretarial services, inter-group loan financing and inter-group office leasing

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that share of (losses)/profits of associates and changes on non-controlling interests in consolidated investment fund are excluded from such measurement, and the segment assets is measured consistently with the Group's total assets except that inter-company balances are excluded from such measurement. Inter-segment revenues are charged among segments at an agreed rate with reference to the rate normally charged to third party customers, the nature of services or the costs incurred. Segment liabilities are not presented as they are not regularly reviewed by the chief operating decision maker.

	2020						
	Proprietary investment	Property investment	Brokerage and financing	Corporate finance and capital markets	Asset management	Others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segmental income statement							
Commission and fee income	–	–	22,926	50,295	510	1,243	74,974
Interest income arising from financial assets at amortised cost	503	304	27,446	652	–	417	29,322
Interest income arising from debt securities	3,494	–	–	–	–	–	3,494
Other income	1,923	3,061	–	–	–	–	4,984
Inter-segment revenue	5	–	1,213	–	1,035	33,404	35,657
Segment revenue	5,925	3,365	51,585	50,947	1,545	35,064	148,431
Net loss on financial assets and liabilities at fair value through profit or loss	(6,909)	–	25	–	–	–	(6,884)
Other income and gain or losses	922	1	3,491	12	(2)	(1,426)	2,998
Eliminations	(5)	–	(1,213)	–	(1,035)	(33,404)	(35,657)
	(67)	3,366	53,888	50,959	508	234	108,888
Segment results	(23,271)	(8,487)	(17,018)	15,405	(708)	(2,559)	(36,638)
Share of (losses)/profits of associates	–	(200)	732	–	–	–	532
Changes on non-controlling interests in consolidated investment fund	1,047	–	–	–	–	–	1,047
Loss before tax							(35,059)
Segment assets							
Segment assets	321,656	104,774	1,184,072	37,273	9,347	355,869	2,012,991
Eliminations							(16,878)
Total assets							1,996,113
Other segmental information							
Depreciation	7	1,207	115	44	9	12,119	13,501
Addition to non-current assets*	–	–	7	30	5,714	4,908	10,659
Net impairment losses on financial instruments	(376)	–	19,343	506	–	(7)	19,466
Commission expenses	1,176	–	5,281	–	–	–	6,457
Finance costs	326	35	2,245	–	–	1,481	4,087

* Addition to non-current assets consists of additions to investment properties, property and equipment, intangible assets, goodwill and interests in associates.

	2019						
	Proprietary investment	Property investment	Brokerage and financing	Corporate finance and capital markets	Asset management	Others	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segmental income statement							
Commission and fee income	–	–	32,416	96,819	246	1,264	130,745
Interest income arising from financial assets at amortised cost	4,512	309	24,075	264	–	129	29,289
Interest income arising from debt securities	4,405	–	–	–	–	–	4,405
Other income	2,428	4,083	–	–	–	–	6,511
Inter-segment revenue	23	–	1,248	–	1,974	39,176	42,421
Segment revenue	11,368	4,392	57,739	97,083	2,220	40,569	213,371
Net loss on financial assets and liabilities at fair value through profit or loss	(32,384)	–	(34)	–	–	–	(32,418)
Other income and gain or losses	382	–	(3,735)	53	(6)	(1,575)	(4,881)
Eliminations	(23)	–	(1,248)	–	(1,974)	(39,176)	(42,421)
	(20,657)	4,392	52,722	97,136	240	(182)	133,651
Segment results	(41,894)	87	(5,632)	20,664	(1,295)	(1,716)	(29,786)
Share of profits/(losses) of associates	–	210	(558)	–	–	–	(348)
Changes on non-controlling interests in consolidated investment fund	1,488	–	–	–	–	–	1,488
Loss before tax							(28,646)
Segment assets							
Segment assets	290,175	113,382	1,099,572	56,807	5,211	452,884	2,018,031
Eliminations							(29,566)
Total assets							1,988,465
Other segmental information							
Depreciation	6	1,207	192	38	–	10,203	11,646
Addition to non-current assets*	30	10	200	–	–	334	574
Net impairment losses on financial instruments	(1)	1,139	5,215	1,886	–	166	8,405
Commission expenses	404	–	5,732	2,721	–	–	8,857
Finance costs	126	651	871	–	–	179	1,827

* Addition to non-current assets consists of additions to investment properties, property and equipment, intangible assets and interests in associates.

Geographical information

The following illustrates the geographical analysis of the Group's revenue from external customers, based on the country from which the transactions are executed, and information about its non-current assets (excluding loans to and amount due from associates, loan receivables, other assets, financial assets at FVTPL and deferred tax assets), based on the location of assets.

	Revenue		Non-current assets	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**96,437**	155,711	**434,484**	486,134
The People's Republic of China (the "PRC")	**13,317**	11,181	**45,074**	45,189
Others	**3,020**	4,058	**2,028**	222
	112,774	170,950	**481,586**	531,545

Information about major customers

In the last year, underwriting commission income of approximately HK$28.6 million included in corporate finance and capital markets division was arising from the Group's largest customer. No major customer was required to disclose in the current year.

4 LOSS BEFORE TAX

Loss before tax is arrived at after crediting/(charging):

	2020	2019
	HK$'000	*HK$'000*
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss		
– listed equity securities	**8,597**	(11,719)
– listed debt securities	**(6,029)**	2,101
– listed derivatives	**(2,260)**	2,157
– exchange traded funds	**(614)**	–
– unlisted debt security	**(351)**	(514)
– unlisted investment loan	**(4,714)**	(1,071)
– unlisted investment funds	**1,080**	(401)
– overseas unlisted equity securities	**(2,593)**	(22,971)
Interest income from		
– bank deposits	**4,068**	5,162
– margin and cash clients	**4,673**	6,703
– loans	**20,421**	17,333
– others	**160**	91
Staff costs	**(65,233)**	(99,025)
Minimum operating lease charges-land and buildings	**–**	(2,716)
Lease payments not included in the measurement of lease liabilities	**(171)**	–
Depreciation	**(13,501)**	(11,646)
Interest expenses on		
– unsecured bank loans wholly repayable within one month and overdrafts	**(520)**	(8)
– secured bank loans wholly repayable within one year	**(1,175)**	(830)
– other accounts payable	**(1,556)**	(327)
– others	**(695)**	(662)
– lease liabilities	**(141)**	–
Exchange loss (net)	**(1,475)**	(2,847)

5 INCOME TAX EXPENSES

	2020	2019
	HK$'000	*HK$'000*
Current tax		
– Hong Kong	**1,313**	1,816
– PRC	**1,474**	398
	2,787	2,214
Overprovision in prior years	**(109)**	–
Deferred tax	**3,301**	2,082
	5,979	4,296

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the current and prior years. No tax is payable on the profits of certain subsidiaries arising in Hong Kong for the year since the estimated assessable profits of these subsidiaries of the Group of HK$17.1 million (2019: HK$17.2 million) are wholly set off by tax losses brought forward. PRC subsidiaries are subject to PRC Enterprise Income Tax at 25%.

6 DIVIDENDS

Dividends paid and payable to owners of the Company attributable to the year

	2020	2019
	HK$'000	*HK$'000*
Interim dividend paid of 0.2 HK cent per share (2019: 0.2 HK cent per share)	**14,255**	14,029
Final dividend proposed after the end of the reporting period of 0.1 HK cent per share (2019: 0.25 HK cent per share)	**7,128**	17,536
	21,383	31,565

7 LOSS PER SHARE

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

	2020	2019
	HK$'000	*HK$'000*
Loss		
Loss for the purposes of basic and diluted loss per share		
Loss for the year attributable to owners of the Company	**(40,934)**	(32,821)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**7,063,932,095**	6,952,640,319

8 ACCOUNTS, LOANS AND OTHER RECEIVABLES

	Notes	**2020**	2019
		HK$'000	*HK$'000*
Accounts and loan receivables			
Amounts due from brokers and clearing houses	*(a)*	**210,700**	93,169
Amounts due from margin clients	*(b)*	**27,970**	44,003
Amounts due from cash clients	*(c)*	**46,523**	17,056
Loan receivables	*(d)*	**157,486**	141,775
Other accounts receivable	*(e)*	**2,527**	8,453
		445,206	304,456
Less: Impairment allowances		**(24,267)**	(9,715)
		420,939	294,741
Less: Non-current portion		**(14,989)**	(14,759)
		405,950	279,982
Prepayments, deposits and other receivables		**7,811**	8,144
Less: Impairment allowances		**(2,069)**	(147)
		5,742	7,997
		411,692	287,979

Notes:

(a) Amounts due from brokers and clearing houses are required to be settled on the settlement date determined under the relevant market practices or exchange rules.

The amount due from a broker of HK$9,920,000 (2019: HK$7,265,000) was pledged as collateral for the stock borrowing transactions.

(b) Margin clients of the brokerage division are required to pledge securities collateral to the Group in order to obtain the credit facilities for securities trading. The amount of credit facilities granted to them is determined based on a discount on the value of securities accepted by the Group. The amounts due from margin clients are repayable on demand and bear interest at commercial rates. As at 30 June 2020, the total market value of securities pledged as collateral in respect of the loans to margin clients was approximately HK$46 million (2019: HK$174 million). As at 30 June 2020 and 2019, the market value of collateral held by substantial number of the margin clients were larger than their outstanding balance. There has been a significant change in the quality of collateral held by several margin clients. As a result, the Group provided impairment losses of HK$9 million (2019: HK$10,000) during the year. The management monitors the market value of collateral during the reviews of the adequacy of the impairment allowances. The fair value of collateral can be objectively ascertained to cover the outstanding amount of the loan balances based on quoted prices of collateral.

(c) There are no credit terms granted to cash clients of the brokerage division except for financing of IPO subscriptions. They are required to settle their securities trading balances on the settlement date determined under the relevant market practices or exchange rules.

(d) Loan receivables comprise fixed-rate loan receivables of HK$82 million (2019: HK$58 million) and factoring receivables of HK$75 million (2019: HK$84 million), and impairment allowances of HK$14 million (2019: HK$6 million) as at 30 June 2020. The credit terms for loans granted by the Group's brokerage and financing division are determined by management with reference to the financial background and the value and nature of collateral pledged by the borrowers. The loan receivables are mainly secured by personal/corporate guarantee and trade receivables. The contractual maturity date of the loan receivables is normally within one year.

(e) The Group normally allows credit periods of up to 30 days to customers, except for certain creditworthy customers with long term relationship and stable repayment pattern, where the terms are extended to a longer period.

The ageing analysis of accounts and loan receivables net of impairment losses based on invoice/advance/trade date/contractual maturity date is as follows:

	2020	2019
	HK$'000	*HK$'000*
Current and within one month	**403,785**	277,866
More than one month and within three months	**137**	542
More than three months	**17,017**	16,333
	420,939	294,741

Included in the above table, loan receivables of approximately HK$139,630,000 and HK$3,522,000 (2019: HK$118,886,000 and HK$16,300,000) were aged within one month and more than three months respectively.

The movements in the allowance for impairment losses for accounts and loan receivables of the Group were as follows:

	Amounts due from brokers and clearing houses	**Amounts due from margin clients**	**Amounts due from cash clients**	**Loan receivables**	**Other accounts receivable**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 July 2018	37	–	497	–	–	534
Effect arising from initial application of HKFRS 9	21	21	2	1,428	115	1,587
Impairment losses recognised/(reversed)	(16)	10	16	5,161	3,159	8,330
Amounts written off as uncollectible	(37)	–	(497)	–	(202)	(736)
At 30 June 2019 and 1 July 2019	**5**	**31**	**18**	**6,589**	**3,072**	**9,715**
Impairment losses recognised	**1**	**9,322**	**22**	**7,745**	**506**	**17,596**
Amounts written off as uncollectible	**–**	**–**	**–**	**–**	**(3,044)**	**(3,044)**
At 30 June 2020	**6**	**9,353**	**40**	**14,334**	**534**	**24,267**

9 ACCRUALS, ACCOUNTS AND OTHER PAYABLES

	2020	2019
	HK$'000	*HK$'000*
Accounts payable (on demand or within one month)		
Amounts due to brokers and clearing houses	**36**	211
Clients' accounts payable	**837,413**	712,589
Others *(Note)*	**8,464**	42,607
	845,913	755,407
Other creditors, accruals and other provisions	**37,702**	40,233
	883,615	795,640

Note: Other accounts payable of HK$34,103,000 as at 30 June 2019 represented the amount of bills receivable sold with recourse.

The settlement terms of payable to brokers, clearing houses and securities trading clients arising from the ordinary course of business of broking in securities range from one to three days after the trade date of those transactions. Deposits exceeding the margin requirement received from clients for their trading of commodities and futures contracts are payable on demand.

10 SHARE CAPITAL AND SHARE PREMIUM

The movements in the Company's issued share capital are as follow:

	Number of shares in issue	Issued capital	Share premium account	Total
		HK$'000	*HK$'000*	*HK$'000*
At 1 July 2018	6,901,631,102	690,163	353,524	1,043,687
Share capital reduction	–	(621,147)	–	(621,147)
Scrip dividend issued	112,838,572	1,129	5,551	6,680
At 30 June 2019 and 1 July 2019	7,014,469,674	70,145	359,075	429,220
Scrip dividend issued	113,145,288	1,131	4,639	5,770
At 30 June 2020	7,127,614,962	71,276	363,714	434,990

During the years ended 30 June 2019 and 2020, the movements in share capital were as follows:

On 23 November 2018, the Company completed a capital reduction. The par value of each issued share was reduced from HK$0.10 to HK$0.01 by cancelling the paid-up capital to the extend of HK$0.09 on each issued share ("Capital Reduction"). The credit arising from the Capital Reduction amounted to HK$621,147,000 and was transferred to the contributed surplus of the Company and presented under accumulated losses under consolidated statement of changes in equity.

On 17 January 2019, the Company issued 112,838,572 new shares at HK$0.0592 on each issued share for the distribution of the scrip dividend declared for 2018 final dividend.

On 23 January 2020, the Company issued 113,145,288 new shares at HK$0.051 on each issued share for the distribution of the scrip dividend declared for 2019 final dividend.

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

MANAGEMENT DISCUSSION AND ANALYSIS

THE MARKET

In the second half of 2019, the global market sentiment was adversely affected by the unpredictable trade negotiation between China and the United States, the uncertainty of Brexit and the global economic slowdown. Additionally, Hong Kong was adversely affected by unprecedented social unrest during the financial year. The Hang Seng Index fell from 28,543 at the end of June 2019 to 25,281 in mid-August 2019. After announcing the conclusion of a tentative first phase agreement between China and the United States, the Index rebounded and closed at 28,190 at the end of December 2019. The worldwide outbreak of the coronavirus severely hit the global markets. The oil price war arising from the initial failure between Russia and the OPEC countries to reach a production cut consensus has further exacerbated the turmoil of the capital markets. Most global markets recorded their biggest single-day decline in March 2020. The Hang Seng Index dropped to a 3-years low of 21,139. The Hong Kong government imposed severe travel restrictions and quarantine rules on arrivals to reduce the risk of coronavirus transmission. Tourism came to a standstill and most other retail businesses were severely impacted by the restrictions on people's mobility. The government announced a series of relief measures to help businesses and people. Benefitting from the implementation of aggressive fiscal and monetary policies by global governments, the Hang Seng Index rebounded and fluctuated between 23,000 and 25,000. The Index closed at 24,427 at the end of June 2020, compared with 28,543 at the end of June 2019 and 28,190 at the end of December 2019.

In the context of increased market volatility, the average monthly turnover on the Main Board and GEM Board during the year ended 30 June 2020 ("FY2020") rose to HK$2,011 billion, an increase of 6% as compared with HK$1,896 billion for the year ended 30 June 2019 ("FY2019"). Aggregate funds raised from IPOs on the Main Board in FY2020 amounted to HK$330 billion, as compared with HK$306 billion for FY2019. Many Chinese companies returned to Hong Kong for dual listings to better attract Asian investors, thus boosting the Hong Kong capital market. The secondary listing of Alibaba Group Holding Ltd, JD.com, Inc. and NetEase, Inc. on the Hong Kong Main Board raised HK$156 billion in FY2020.

FINANCIAL HIGHLIGHTS

The Group recorded a loss after tax of HK$41 million for FY2020, as compared to a loss of HK$33 million for FY2019. After taking into account the other comprehensive income for the year, the Group recorded a total comprehensive expense of HK$75 million for FY2020, as compared to an expense of HK$9 million for FY2019. The Group recognised a revaluation deficit, net of tax, of HK$33 million for FY2020, as compared with a surplus of HK$24 million for FY2019. The political turmoil and the coronavirus pandemic in Hong Kong has seriously damaged the economy. Rising geopolitical tension between China and the United States have brought uncertainties to the market. The vacancy rate of commercial buildings on Hong Kong Island has risen while property value dropped. The fair value of our Lippo Centre office decreased by HK$50 million to HK$350 million at the end of June 2020 from HK$400 million at the end of June 2019.

Commission and fee income from our financial intermediary business was HK$75 million for FY2020, as compared with HK$131 million for FY2019. Interest income was HK$33 million for FY2020, as compared with HK$34 million for FY2019. Dividend and rental income were HK$5 million for FY2020, as compared with HK$7 million for FY2019. The Group recorded a net loss on financial assets and liabilities at fair value through profit or loss of HK$7 million for FY2020, as compared with HK$32 million for FY2019. General and administrative expenses amounted to HK$107 million for FY2020, a decrease of HK$38 million from HK$145 million for FY2019, which was mainly caused by the decrease in variable compensation related to the decrease in commission and fee income.

BUSINESS DEVELOPMENT

On 1 December 2016, the Group entered into a joint venture agreement with several joint venture partners to establish a joint venture company in Chongqing, the PRC. Subject to final approvals of the China Securities Regulatory Commission ("CSRC"), it is contemplated that the joint venture company will become a full-licensed securities company principally engaged in the provision of regulated securities brokerage services, securities underwriting and sponsor services, proprietary trading, securities and asset management and any other business approved by the CSRC in the PRC. Pursuant to the joint venture agreement, the Group will make a capital contribution of RMB330 million into the joint venture company, representing a 22% equity interest in the joint venture company. The joint venture agreement and transaction were approved by the Company's shareholders at special general meeting held in February 2017. The joint venture company received an acknowledgement receipt for the application from the CSRC on 28 December 2018. The Group received document request lists from the CSRC through the joint venture company and is now providing additional and updated information. If CSRC approved the application, the Group anticipates that the transaction will be fully financed by the Group's internal resources. The Group may dispose of certain listed equity and debt securities and call back part of the loan receivables to fulfill the investment cost of the joint venture. The performance of the brokerage and financing and proprietary investment segments will most likely be affected.

BROKERAGE AND FINANCING

Total revenue of the division was HK$52 million for FY2020, compared with HK$58 million for FY2019.

The gross fixed-rate loans and factoring receivables amounted to HK$157 million as at 30 June 2020 as compared with HK$142 million as at 30 June 2019. Interest income from loan financing clients increased by HK$3 million to HK$20 million for FY2020 from HK$17 million for FY2019. The management will place more efforts in the development of the factoring business, with prudent risk management strategy.

With the unfavourable economic situation and volatile stock market, the aggregated expected credit loss for the margin loans, fixed-rate loans and factoring receivables at the end of June 2020 was HK$24 million, increased by HK$17 million when compared with HK$7 million at the end of June 2019. During the year, the quality of collateral held by certain margin clients was impaired, hence a provision of HK$9 million was provided for against their outstanding loan amounts of HK$21 million. A fixed-rate loan client failed to repay interest expenses on time and was sued by other financial companies for failing to fulfill the loan obligations, hence, a full provision of HK$14 million was provided for the outstanding loan and interest receivables.

In previous years, the Group placed a 130% short selling deposit, of approximately HK$29.8 million, on a suspended security listed on the Main Board of the Stock Exchange at its Hong Kong clearing house account on behalf of its client. The Hong Kong clearing house refunded the deposit to the Group after the delisting of the security. The division recognised an income of HK$3 million for the changes in the value of the deposit in FY2020. The Group signed an indemnity letter to the Hong Kong Securities Clearing Co. Ltd. to undertake all potential claims in connection with the shortfall of the shares.

CORPORATE FINANCE AND CAPITAL MARKETS

Total revenue of the division was HK$51 million for FY2020, as compared with HK$97 million for FY2019. The lockdown and quarantine caused by the pandemic have affected the progress of the due diligence of IPO projects. As a result, activities in the Hong Kong IPO market generally slowed down. The division completed two IPO projects during this year. The division also advised on a number of corporate finance transactions for listed companies during the year.

Capital market remained lackluster in our target client segment and the underwriting and placement fee decreased to HK$6 million for FY2020 from HK$32 million for FY2019.

ASSET MANAGEMENT

Total revenue of the division was immaterial for FY2020 and FY2019. The Group completed the acquisition of a PRC asset management company in May 2020. The consideration of the 65% interest was approximately of RMB4 million. The acquisition transaction can strengthen our development in the asset management services and cope with the growing investment opportunities arising from the Greater Bay Area.

PROPRIETARY INVESTMENT

Total revenue of the division was HK$6 million for FY2020, as compared with HK$11 million for FY2019. After including net gain or loss on disposal of financial assets and liabilities at fair value through profit or loss, total expense was HK$1 million for FY2020, as compared to total expense of HK$21 million for FY2019. The division recognised trading loss of HK$7 million on listed and unlisted investments for FY2020, as compared with loss of HK$32 million for FY2019. The investment portfolio received bond interest and dividend income of HK$5 million for FY2020, as compared with HK$7 million for FY2019. The coronavirus pandemic has severely hit the global economies and markets. A wave of corporate bond defaults and rating downgrades has begun in 2020. Fearing a surge in ratings and defaults, investors sold corporate bonds. As a result, the division recognised a loss of HK$7 million from its bond and exchange traded fund portfolios in FY2020. The Group also provided an impairment loss of HK$0.2 million for the interest receivable of the bonds defaulted.

As at 30 June 2020, the carrying value of the unlisted investments, listed equity securities, and listed debt securities and exchange traded fund portfolio was HK$83 million, HK$128 million and HK$58 million respectively (2019: HK$86 million, HK$78 million and HK$69 million). The largest investment of the financial assets at fair value through profit or loss was an unlisted investment fund which accounted for approximately 1.3% of the Group's consolidated total assets as at 30 June 2020. The total assets managed by the fund manager was approximately US$168 million as at 31 December 2019. The Directors considered that investments with a fair value of more than 5% of the Group's consolidated total assets as significant investments.

PROPERTY INVESTMENTS

Total revenue of the division was HK$3 million for FY2020, as compared with HK$4 million for FY2019. The rental income received from these properties provided stable cash inflow for the division. The ongoing social unrest in Hong Kong has severely hit the hospitality industry. During the year, our retail shop at Kwun Tong was vacant for several months. As a result, rental income in FY2020 decreased. Economic recession and uncertainties from the coronavirus have had negative impact on the property investment sentiment. A revaluation deficit of HK$8 million for the investment properties was recognised for FY2020, as compared with a surplus of HK$0.5 million for FY2019.

To date, the division holds a shop and a carpark in Hong Kong and an office property in the PRC. In addition, the Group has invested in two associated companies which hold commercial properties in Japan.

OUTLOOK

During the last few months health becomes the top agenda item for most people. The coronavirus pandemic affected most of the businesses with tourism and retails establishments suffering the worst. However, we are also seeing skyrocketing valuations for a lot of technology and new economy companies, which benefit from the change in our lifestyles and working mode. The continued tension between US and China highlighted Hong Kong as an alternative for capital market for PRC companies and more secondary listings of US listed PRC companies are expected. China was the first country to suffer from the coronavirus outbreak and it is likely that it will be the first to substantially recover from the pandemic. We will continue with our focus to look for business opportunities in China and the Greater Bay area in particular.

LIQUIDITY AND FINANCIAL RESOURCES

Total assets as at the end of June 2020 were HK$1,996 million, of which approximately 72% were current in nature. Net current assets were HK$457 million, accounting for approximately 47% of the net assets of the Group as at end of June 2020. The Group had cash and cash equivalents of HK$136 million as at end of June 2020, which was mainly denominated in Hong Kong dollars.

The Group generally finances its daily operations from internal resources. Total secured borrowings of HK$60 million as at the end of June 2020 were used to finance the investment portfolio of the Group. The bank loan was denominated in Hong Kong dollars and charged at floating interest rate. The Group's gearing ratio, calculated as a percentage of total borrowings over shareholder's equity, was approximately 6% as at the end of June 2020. As at 30 June 2020, the office property with carrying value of HK$350 million was pledged to the bank as security for a banking facility.

Other than the indemnity signed to the Hong Kong Securities Clearing Co. Ltd., the Group had no other material contingent liabilities as at the end of June 2020. The Company provided corporate guarantees of HK$310 million for banking facilities granted to its subsidiaries.

FOREIGN EXCHANGE EXPOSURE

The Group's assets are mainly in Hong Kong and the PRC and most of the monetary assets and liabilities of the Group are denominated in HK$. As part of our investment monitoring, financial assets denominated in foreign currencies, including equity and debt investments, are monitored on a daily basis together with the changes in market value of these investments. Financial instruments may be used as part of the overall investment strategy if deemed necessary by the investment managers. The Group operates a factoring business and purchased properties in the PRC. Taking into account all relevant macroeconomic factors and the size of assets held, the Group believes that there is no need to hedge these assets denominated in RMB. Management will monitor the situation closely and introduce suitable hedging measures if there are any material adverse changes. The Group does not have other material exposure to fluctuation in exchange rates and no hedging instruments are used.

EMPLOYMENT, TRAINING AND DEVELOPMENT POLICIES

As at 30 June 2020, the number of full time employees of the Group was 103 (2019: 108). Remunerations and bonus are based on performance and are reviewed annually in conjunction with the annual employee performance appraisal. It also takes into consideration the results of the division to which the employee belongs and the Group as a whole. The Group provides a full induction program and in-house training courses to all staff – particularly professionals registered with relevant regulatory bodies who must meet their mandatory continued professional training requirements. A share option scheme is available to directors, employees and consultants of the Group.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited throughout the year ended 30 June 2020.

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. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year under review and they have all confirmed that they have complied with the required standard set out in the Model Code.

FINAL DIVIDEND

The Board of Directors has proposed, subject to the approval of shareholders at the forthcoming Annual General Meeting on Tuesday, 24 November 2020, the payment of a final dividend of 0.1 HK cent per ordinary share for the year ended 30 June 2020 to shareholders whose names appear on the Register of Members of the Company on Wednesday, 2 December 2020, if approved, the final dividend will be paid on Tuesday, 19 January 2021.

Shareholders will be given the option to receive the proposed 2020 final dividend of 0.1 HK cent per share in new shares in lieu of cash (the "Scrip Dividend Arrangement"). The Scrip Dividend Arrangement is subject to: (1) the approval of proposed 2020 final dividend at the 2020 Annual General Meeting; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant thereto.

A circular containing details of the Scrip Dividend Arrangement will be despatched to the Shareholders together with the form of election for scrip dividend in December 2020. Dividend warrants and share certificates in respect of the proposed 2020 final dividend are expected to be despatched to the Shareholders on 19 January 2021.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The Register of Members of the Company will be closed from Thursday, 19 November 2020 to Tuesday, 24 November 2020, both days inclusive, during which period no transfer of shares will be effected for the purpose of determining the identity of the shareholders entitled to attend and vote at the 2020 Annual General Meeting. In order to qualify to attend and vote at the meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited (at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong), for registration not later than 4:30 p.m. on Wednesday, 18 November 2020.

CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND

The Register of Members of the Company will be closed from Monday, 30 November 2020 to Wednesday, 2 December 2020 (both days inclusive) during which period no transfer of shares will be effected for the purpose of determining the entitlement to the final dividend. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited (at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) not later than 4:30 p.m. on Friday, 27 November 2020.

AUDIT COMMITTEE REVIEW

The Group's audited consolidated financial results for the year ended 30 June 2020 have been reviewed by the Audit Committee of the Company.

SCOPE OF WORK OF MESSRS. ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 June 2020 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Ernst & Young on the preliminary announcement.

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

During the year ended 30 June 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board
Michael Koon Ming Choi
Chief Executive Officer

Hong Kong, 18 September 2020

As at the date of this announcement, the directors of the Company are Jonathan Koon Shum Choi as Chairman, Michael Koon Ming Choi as Chief Executive Officer & Executive Director, Janice Wing Kum Kwan and Lee G. Lam as Non-Executive Directors, Robert Tsai To Sze, Elizabeth Law and Huanfei Guan as Independent Non-Executive Directors.