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Wealthy Way Group Limited

富道集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3848)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The board (the "**Board**") of directors (the "**Directors**") of Wealthy Way Group Limited (the "**Company**") is pleased to present the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2020, together with the comparative figures for the year ended 31 December 2019 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	**2020** *RMB'000*	2019 *RMB'000*
Revenue	5	**176,094**	196,617
Other income	5	**13,381**	9,658
Employee benefit expenses		**(31,865)**	(22,649)
Depreciation		**(4,416)**	(5,293)
Other operating expenses		**(37,232)**	(32,727)
Fair value loss on contingent consideration payable		**–**	(3,416)
Impairment loss on intangible assets		**(5,307)**	–
Allowance for expected credit losses ("**ECLs**") on loan and account receivables, net		**(196,554)**	(14,494)
Finance cost	6	**(55,083)**	(61,911)
(Loss)/profit before income tax	7	**(140,982)**	65,785
Income tax credit/(expense)	8	**34,149**	(24,421)
(Loss)/profit for the year		**(106,833)**	41,364

	Note	2020 RMB'000	2019 RMB'000
(Loss)/profit for the year attributable to:			
Equity holders of the Company		**(111,642)**	36,270
Non-controlling interests		**4,809**	5,094
		(106,833)	41,364
Other comprehensive (expenses)/income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operation		**189**	1,728
Item that will not be reclassified to profit or loss:			
Fair value (loss)/gain on financial asset at fair value through other comprehensive income ("**FVOCI**")		**(231)**	5,684
Other comprehensive (expenses)/income for the year, net of income tax		**(42)**	7,412
Total comprehensive (expenses)/income for the year		**(106,875)**	48,776
Total comprehensive (expenses)/income for the year attributable to:			
Equity holders of the Company		**(111,684)**	43,682
Non-controlling interests		**4,809**	5,094
		(106,875)	48,776
(Loss)/earnings per share attributable to equity holders of the Company	10		
Basic and diluted		**(71.78) cents**	23.90 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**2,855**	4,136
Right-of-use assets		**5,154**	5,153
Intangible assets		**3,309**	8,847
Financial assets at FVOCI		**33,196**	49,684
Deposits for acquisition of investment properties		**–**	22,000
Deposits for further acquisition of interest in a non-wholly owned subsidiary and acquisition of interest in a company		**133,000**	–
Other assets		**400**	382
Loan and account receivables	11	**52,408**	244,493
Prepayments, deposits and other receivables		**435**	1,289
Deferred tax assets		**62,559**	20,240
		293,316	356,224
Current assets			
Loan and account receivables	11	**954,135**	1,280,391
Prepayments, deposits and other receivables		**2,799**	31,212
Amounts due from related parties		**4**	146
Cash and cash equivalents		**118,633**	42,666
		1,075,571	1,354,415

	Notes	**2020**	2019
		RMB'000	*RMB'000*
Current liabilities			
Account payables	12	**24,572**	6,626
Deposits from financial leasing customers		**3,495**	11,829
Accruals and other payables		**33,276**	45,623
Amounts due to related parties		**220**	3,572
Lease liabilities		**2,265**	2,708
Dividend payable		**12,927**	392
Contingent consideration payable		**–**	19,600
Bond payable		**33,681**	17,879
Bank and other borrowings	13	**420,340**	373,198
Tax payable		**180**	7,933
		530,956	489,360
Net current assets		**544,615**	865,055
Total assets less current liabilities		**837,931**	1,221,279
Non-current liabilities			
Deposits from financial leasing customers		**4,222**	3,495
Lease liabilities		**3,047**	2,549
Bank and other borrowings	13	**84,736**	353,972
Promissory note		**72,050**	66,922
		164,055	426,938
Net assets		**673,876**	794,341
EQUITY			
Share capital	14	**1,349**	1,349
Reserves		**501,901**	615,094
Total equity attributable to equity holders of the Company		**503,250**	616,443
Non-controlling interests		**170,626**	177,898
Total equity		**673,876**	794,341

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Share capital *RMB'000* *(Note 14)*	Proposed final dividend# *RMB'000* *(Note 9)*	Share premium# *RMB'000*	Share-based payment reserve# *RMB'000*	Exchange reserve# *RMB'000*	Other reserve# *RMB'000*	Statutory surplus reserve# *RMB'000*	Financial assets at FVOCI reserve* *RMB'000*	Retained profits# *RMB'000*	Total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
At 1 January 2019	1,248	3,795	159,928	4,080	(2,730)	239,741	16,766	–	80,817	503,645	172,804	676,449
Comprehensive income:												
Profit for the year	–	–	–	–	–	–	–	–	36,270	36,270	5,094	41,364
Other comprehensive income:												
Exchange differences arising on translating foreign operations	–	–	–	–	1,728	–	–	–	–	1,728	–	1,728
Fair value gain on financial asset at FVOCI	–	–	–	–	–	–	–	5,684	–	5,684	–	5,684
Total comprehensive income for the year	–	–	–	–	1,728	–	–	5,684	36,270	43,682	5,094	48,776
Transactions with equity holders of the Company:												
Equity settled share options payment	–	–	–	6,936	–	–	–	–	–	6,936	–	6,936
Issue of shares upon exercise of share options	101	–	75,184	(9,145)	–	–	–	–	–	66,140	–	66,140
Arising from acquisition of subsidiaries	–	–	–	–	–	142	–	–	–	142	–	142
	101	–	75,184	(2,209)	–	142	–	–	–	73,218	–	73,218
Final dividend *(Note 9)*	–	(3,795)	(307)	–	–	–	–	–	–	(4,102)	–	(4,102)
Proposed final dividend *(Note 9)*	–	6,952	(6,952)	–	–	–	–	–	–	–	–	–
Transferred to statutory surplus reserve	–	–	–	–	–	–	21,055	–	(21,055)	–	–	–
At 31 December 2019 and at 1 January 2020	1,349	6,952	227,853	1,871	(1,002)	239,883	37,821	5,684	96,032	616,443	177,898	794,341

	Share capital RMB'000 (Note 14)	Proposed final dividend# RMB'000 (Note 9)	Share premium# RMB'000	Share-based payment reserve# RMB'000	Exchange reserve# RMB'000	Other reserve# RMB'000	Statutory surplus reserve# RMB'000	Financial assets at FVOCI reserve* RMB'000	Retained profits/ (accumulated loss)# RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 31 December 2019 and at 1 January 2020	**1,349**	**6,952**	**227,853**	**1,871**	**(1,002)**	**239,883**	**37,821**	**5,684**	**96,032**	**616,443**	**177,898**	**794,341**
Comprehensive (expenses)/income:												
(Loss)/profit for the year	-	-	-	-	-	-	-	-	(111,642)	(111,642)	4,809	(106,833)
Other comprehensive (expenses)/ income:												
Exchange differences arising on translating foreign operations	-	-	-	-	189	-	-	-	-	189	-	189
Fair value loss on financial asset at FVOCI	-	-	-	-	-	-	-	(231)	-	(231)	-	(231)
Total comprehensive (expenses)/ income for the year	-	-	-	-	189	-	-	(231)	(111,642)	(111,684)	4,809	(106,875)
Transactions with equity holders of the Company:												
Equity settled share options payment	-	-	-	5,443	-	-	-	-	-	5,443	-	5,443
Share options lapsed	-	-	-	(1,178)	-	-	-	-	1,178	-	-	-
	-	-	-	4,265	-	-	-	-	1,178	5,443	-	5,443
Final dividend *(Note 9)*	-	(6,952)	-	-	-	-	-	-	-	(6,952)	-	(6,952)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(12,081)	(12,081)
Transferred to statutory surplus reserve	-	-	-	-	-	-	10,000	-	(10,000)	-	-	-
At 31 December 2020	**1,349**	**-**	**227,853**	**6,136**	**(813)**	**239,883**	**47,821**	**5,453**	**(24,432)**	**503,250**	**170,626**	**673,876**

These reserves accounts comprise the consolidated reserves of approximately RMB501,901,000 (2019: RMB615,094,000) in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. CORPORATE INFORMATION

Wealthy Way Group Limited (the "**Company**") was incorporated as an exempted company with limited liability in the Cayman Islands on 10 December 2015 and its shares have been listed on the Main Board of the Exchange (the "**Listing**") by way of placing and public offer of shares (the "**Share Offer**") on 21 July 2017. The registered office of the Company changed from P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands to P.O. Box 1350, Regatta Office Park, Windward 3, Grand Cayman KY1-1108, Cayman Islands, effective from 16 December 2020. The Company's principal place of business is at Room 02, 34/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are (i) provision of financial leasing, factoring and financial advisory services in the People's Republic of China (the "**PRC**"); (ii) provision of small loans and related loan facilitation services in the PRC; and (iii) provision of investment management and advisory services, securities dealing and broking services and other financial services in Hong Kong. In the opinion of the Directors, the ultimate holding company of the Group is Wealthy Rise Investment Limited ("**Wealthy Rise**"), a company incorporated in the British Virgin Island ("**BVI**") which is wholly owned by Mr. Lo Wai Ho ("**Mr. Lo**").

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and interpretation issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The consolidated financial statements also comply with applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Exchange ("**Listing Rules**").

The consolidated financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair value at the end of reporting period. The consolidated financial statements are presented in Renminbi ("**RMB**"). All values are rounded to the nearest thousand except when otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the consolidated financial statements for the year ended 31 December 2019 except for the adoption of certain new or amendments to HKFRSs that are relevant to the Group and effective from the current period as set out below.

3. ADOPTION OF NEW OR AMENDMENTS TO HKFRSs

New or amendments to HKFRSs in issue and effective

In the current year, the Group has adopted, for the first time, the following new or amendments to HKFRSs issued by the HKICPA, which are relevant and mandatorily effective for the accounting period beginning on 1 January 2020 for the preparation of the Group's consolidated financial statements:

HKAS 1 and HKAS 8 Amendments	Definition of Material
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting
HKFRS 3 Amendments	Definition of a Business
HKFRS 9, HKAS 39 and HKFRS 7 Amendments	Interest Rate Benchmark Reform

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

Further, the Group has early adopted Amendments to HKFRS 16 COVID-19-Related Rent Concessions which are mandatorily effective for annual periods beginning on or after 1 June 2020 in preparing the consolidated financial statements for the year ended 31 December 2020.

HKFRS 3 Amendments

The Group has adopted the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The adoption of the amendments had no impact on the consolidated financial statements in the current year as similar conclusion would have been reached without applying the optional concentration test.

HKFRS 16 Amendments

The Group has early adopted the amendment for the first time in the current year. The amendment introduces a new practical expedient for lessees to elect not to assess whether a COVID-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 Leases if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The adoption of the amendment had no impact to the opening retained profits at 1 January 2020 and financial performance and position for and as of the year ended 31 December 2020.

New or amendments to HKFRSs in issue but not yet effective

The Group has not early adopted any of the following new or amendments to HKFRSs, which have been issued but are not yet effective, in the consolidated financial statements:

		Effective for annual reporting periods beginning on or after
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its associate or Joint Venture	To be determined*
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 Cycle	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to HKAS 37	Onerous Contacts – Cost of Fulfilling a Contract	1 January 2022
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)	1 January 2023
HKFRS 17	Insurance contracts and related Amendments	1 January 2023

* The amendments were original intended to be effective for annual periods beginning on or after 1 January 2019. The effective date has now been deferred. Early adoption of the amendments continues to be permitted.

The Group has already commenced an assessment of the related impact of adopting the above new or amendments to HKFRSs. So far, it has concluded that the above new or amendments to HKFRSs will be adopted at the respective effective dates and the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group.

4. SEGMENT INFORMATION

HKFRS 8, Operating Segments, required identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the chief operating decision maker (the "**CODM**") of the Group, being the executive directors of the Company, for the purpose of resources allocation and performance assessment.

The Group's operating and reportable segments under HKFRS 8 are as follows:

(i) Finance lease and factoring related services – Provision of (a) direct finance leasing; (b) sale and leaseback; (c) factoring; and (d) related advisory services in the PRC.

(ii) Micro credit and loan facilitation related services – Provision of (a) micro-credit; and (b) loan facilitation related services in the PRC.

(iii) Securities dealing and broking and other financial services – Provision of securities brokerage, share placing and margin financing and other financial services in Hong Kong.

During the year, the Group has changed the way in how operating segments are presented and reported internally to CODM. "Money lending" segment has been split into "Finance lease and factoring related services" segment, "Micro credit and loan facilitation related services" segment and the money lending business in Hong Kong included in "Money lending" segment is reallocated to "Securities dealing and broking and other financial services" during the year ended 31 December 2020.

Certain comparative figures of segment information were therefore restated to conform with current year's presentation.

The Group's operating segments are strategic business units that offer different services. They are managed separately because each business requires different marketing strategies.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

	Finance lease and factoring related services *RMB'000*	**Micro credit and loan facilitation related services** *RMB'000*	**Securities dealing and broking and other financial services** *RMB'000*	**Total** *RMB'000*
For the year ended 31 December 2020				
Revenue				
External income	**61,028**	**108,454**	**6,612**	**176,094**
Segment results	**(144,195)**	**32,241**	**(6,770)**	**(118,724)**
Unallocated corporate income				**978**
Unallocated corporate expenses				**(23,236)**
Loss before income tax				**(140,982)**
Income tax credit				**34,149**
Loss for the year				**(106,833)**

	Finance lease and factoring related services *RMB'000*	Micro credit and loan facilitation related services *RMB'000*	Securities dealing and broking and other financial services *RMB'000*	Total *RMB'000*
For the year ended 31 December 2019 (restated)				
Revenue				
External income	62,789	131,640	2,188	196,617
Segment results	42,892	45,809	4,943	93,644
Unallocated corporate income				1
Unallocated corporate expenses				(24,444)
Fair value loss on contingent consideration payable				(3,416)
Profit before income tax				65,785
Income tax expense				(24,421)
Profit for the year				41,364

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents profit earned by or loss incurred from each segment without allocation of certain other income, fair value loss on contingent consideration payable and certain other operating expenses. This is the measure reported to the CODM of the Company, for the purposes of resources allocation and assessment of segment performance. There were no inter-segment sales for the year.

Segment assets and liabilities

The following is an analysis of the Group's segment assets and segment liabilities by operating and reportable segment:

	Finance lease and factoring related services *RMB'000*	Micro credit and loan facilitation related services *RMB'000*	Securities dealing and broking and other financial services *RMB'000*	Total *RMB'000*
As at 31 December 2020				
Segment assets	**557,231**	**507,717**	**64,245**	**1,129,193**
Deferred tax assets				**62,559**
Financial assets at FVOCI				**33,196**
Deposits for further acquisition of interest in a non-wholly owned subsidiary and acquisition of interest in a company				**133,000**
Unallocated corporate assets				**10,939**
Consolidated total assets				**1,368,887**
Segment liabilities	**430,218**	**121,991**	**25,342**	**577,551**
Tax payable				**180**
Promissory note				**72,050**
Bond payable				**33,681**
Unallocated corporate liabilities				**11,549**
Consolidated total liabilities				**695,011**

	Finance lease and factoring related services *RMB'000*	Micro credit and loan facilitation related services *RMB'000*	Securities dealing and broking and other financial services *RMB'000*	Total *RMB'000*
As at 31 December 2019 (restated)				
Segment assets	838,639	689,523	84,471	1,612,633
Deferred tax assets				20,240
Financial assets at FVOCI				49,684
Deposits for acquisition of investment properties				22,000
Unallocated corporate assets				6,082
Consolidated total assets				1,710,639
Segment liabilities	468,798	295,052	7,180	771,030
Tax payable				7,933
Contingent consideration payable				19,600
Promissory note				66,922
Bond payable				17,879
Unallocated corporate liabilities				32,934
Consolidated total liabilities				916,298

For the purpose of monitoring segment performances and allocating resources between segments:

- All assets are allocated to operating segments other than financial assets at FVOCI, deposits for acquisition of investment properties, deposits for further acquisition of interest in a non-wholly owned subsidiary and acquisition of interest in a company, deferred tax assets and unallocated corporate assets.

- All liabilities are allocated to operating segments other than contingent consideration payable, promissory note, bond payable, tax payable and unallocated corporate liabilities.

5. REVENUE AND OTHER INCOME

An analysis of the Group's revenue and other income is as follows:

	2020	2019
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Point in time		
– Upfront loan facilitation service income	**–**	3,261
– Commission and brokerage income from securities dealing	**1,345**	341
– Placing and underwriting service income	**218**	6
– Financial advisory services income		
– Financial leasing advisory services income	**–**	64
– Other financial advisory service income	**–**	2,203
Over time#		
– Post loan facilitation service income	**35,200**	40,265
– Financial advisory services income		
– Financial leasing advisory services income	**1,039**	–
– Other financial advisory service income	**44**	–
	37,846	46,140
Revenue from other sources*		
– Interest income from financial leasing	**36,578**	42,525
– Interest income from factoring	**23,410**	17,997
– Interest income from small loans	**73,255**	88,113
– Interest income from margin financing	**1,377**	747
– Interest income from other loans	**3,628**	1,095
	138,248	150,477
	176,094	196,617
Other income		
Bank interest income	**209**	246
Other taxes refund	**709**	9,097
Dividend income from financial assets at FVOCI	**10,422**	–
Gain on disposals of property, plant and equipment	**–**	32
Gain on modification of lease	**–**	79
Government grant	**621**	–
Refund of unemployment insurance premium	**322**	–
Write-off of other payables	**642**	–
Sundry income	**456**	204
	13,381	9,658

* Interest income were calculated using the effective interest income according to HKFRS 9. All the interest income disclosed in the above came from financial assets not at fair value through profit or loss.

\# The Group applies the practical expedient in paragraph 21 of HKFRS 15 and does not disclose information about remaining performance obligation that have original expected duration of one year of less.

6. FINANCE COST

	2020	2019
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**43,473**	50,845
Interest on lease liabilities	**354**	552
Interest on bond payable	**2,814**	599
Interest on promissory note	**8,442**	9,915
	55,083	61,911

7. (LOSS)/PROFIT BEFORE INCOME TAX

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

	2020	2019
	RMB'000	*RMB'000*
Auditor's remuneration		
– Audit services	**783**	775
Depreciation charged on:		
– Property, plant and equipment	**1,303**	1,544
– Right-of-use assets	**3,113**	3,749
	4,416	5,293
Impairment loss on intangible assets	**5,307**	–
Acquisition-related costs incurred	**–**	536
Employee benefit expenses (including Directors' remuneration)		
– Salaries, allowances and benefits in kind	**26,196**	18,758
– Retirement benefit scheme contributions	**1,661**	3,108
– Equity settled share-based payment	**4,008**	783
	31,865	22,649
Equity settled share-based payment		
– Employee benefit expenses (as above)	**4,008**	783
– Referral fees/Consultancy fees	**1,435**	6,153
	5,443	6,936
Commission paid	**13,562**	13,522
Operating lease expense	**366**	442
Foreign exchange difference, net	**917**	23
Reversal of ECLs on other receivables	**–**	(7,643)
Bad debts written off of loan and account receivables, net	**6,684**	8,921

8. INCOME TAX (CREDIT)/EXPENSE

	2020	2019
	RMB'000	*RMB'000*
The charge comprises:		
Current tax for the year – PRC Enterprise Income Tax ("**EIT**") *(Note (c))*		
– current year provision	**10,361**	21,301
– overprovision in prior years	**(2,335)**	–
Current tax for the year – Hong Kong Profit Tax *(Note (d))*		
– current year provision	**216**	–
Deferred tax (credit)/expenses, net	**(42,391)**	3,120
	(34,149)	24,421

(a) The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which entities in the Group are domiciled and operated.

(b) Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax under these jurisdictions.

(c) PRC EIT is calculated at 25% (2019: 25%) of the estimated assessable profits of subsidiaries operating in the PRC except for a subsidiary of the Company as mentioned below. In accordance with relevant laws and regulations in the PRC, enterprises established in the Qianhai Shenzhen-Hong Kong Modern Services Industry Cooperation Zone ("**Zone**") are eligible for a reduced EIT rate of 15%, provided that the enterprise is engaged in projects that fall within the Catalogue for EIT Preferential Treatments of the Zone. One of the subsidiaries is entitled to the 15% preferential tax rate for the years 2018 to 2020.

Besides, according to the Notice on Implementing the Policy of Inclusive Tax Relief for Small and Micro Enterprises ("**SMEs**"), released by the Ministry of Finance on January 2019, qualified SMEs with annual taxable income below RMB 1 million per year entitled to a preferential EIT rate of 20% on 25% of their income. Whereas, qualified SMEs with taxable income from RMB 1 to 3 million entitled to a preferential EIT rate of 20% on 50% of their income. One of the subsidiaries is entitled to the preferential tax rate for the years 2020 to 2021.

(d) Under the two-tiered profits tax rates regime in Hong Kong, the first HK$2 million of profits of the qualifying group entities will be taxed at 8.25%, and profits above HK$2 million 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 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million (2019: the Group did not generate any assessable profits arising in Hong Kong).

9. DIVIDEND

(a) Dividend attributable to the year

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: proposed final dividend amounted to RMB6,952,000 at HK5 cents per ordinary share).

(b) Dividend attributable to the previous financial year, approved and paid during the year

	2020	2019
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year of HK5 cents (2019: HK3 cents) per ordinary share	**6,952**	3,795
Adjustment to the final dividend *(Note)*	**–**	307
	6,952	4,102

Note: The adjustment was made due to shares issued prior to the record date of the final dividend, and, therefore, the related shares ranked for this dividend payment.

10. (LOSS)/EARNINGS PER SHARE

	2020	2019
(Loss)/profit attributable to equity holders of the Company *(RMB'000)*	**(111,642)**	36,270
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share *(in '000)*	**155,523**	151,764
Effect of dilutive potential ordinary shares – share options *(in '000)*	**–**	–
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share *(in '000)*	**155,523**	151,764

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2020, the dilutive potential ordinary shares of the Company are share options (2019: share options). The calculation of share options is determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

During the year, no adjustment had been made to the basic loss per share amounts presented in respect of a dilution as the impact of the potential dilutive ordinary shares outstanding had an anti-dilutive effect on the basic loss per share amounts presented for the year. For the year ended 31 December 2019, the assumed conversion of potential ordinary shares in relation to the share option has an anti-dilutive effect to the basic earnings per share as the exercise price of the options exceeds the average market price of ordinary shares.

11. LOAN AND ACCOUNT RECEIVABLES

	Notes	2020 RMB'000	2019 RMB'000
Non-current assets			
Financial leasing receivables	(a)	**69,293**	248,223
Small loans receivables	(c)	**4,731**	8,601
		74,024	256,824
Less: Allowance for ECLs		**(21,616)**	(12,331)
		52,408	244,493
Current assets			
Financial leasing receivables	(a)	**435,423**	434,676
Factoring loan receivables	(b)	**182,849**	162,987
Small loan receivables	(c)	**532,439**	708,109
Other loan receivables	(d)	**23,478**	29,718
Account receivables	(e)	**11,818**	17,003
		1,186,007	1,352,493
Less: Allowance for ECLs		**(231,872)**	(72,102)
		954,135	1,280,391
Total loan and account receivables, net		**1,006,543**	1,524,884

Notes:

(a) Financial leasing receivables

For financial leasing receivables, the customers are obliged to settle the amounts according to the terms set out in the relevant contracts, and must acquire the leased assets at the end of the lease period. The period for financial leasing contract are normally ranging from 0.2 to 8 years in 2020 (2019: 0.5 to 8 years).

The Group's financial leasing receivables are denominated in RMB which is the functional currency of the relevant group entity. The effective interest rates of the finance leases range from 5.3% to 20.1% (2019: 4.9% to 20.1%) per annum as at 31 December 2020.

The ageing analysis of financial leasing receivables, determined based on the schedule to repay of the receivables since the effective dates of the relevant lease contracts, as at the end of the reporting period, is as follows:

	Minimum lease payments		**Present value of minimum lease payments**	
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Financial leasing receivables comprise of:				
Within one year	**449,231**	460,477	**435,423**	434,676
More than one year but not exceeding two years	**60,294**	209,056	**57,356**	199,878
More than two years but not exceeding three years	**12,123**	40,474	**11,937**	38,670
More than three years but not exceeding four years	**–**	9,805	**–**	9,675
	521,648	719,812	**504,716**	682,899
Less: Unearned finance income	**(16,932)**	(36,913)	**–**	–
Present value of minimum lease payments	**504,716**	682,899	**504,716**	682,899

Financial leasing receivables are mainly secured by the lessees' deposits, certain guarantees and leased assets which are equipment and machinery used in industries such as airline, real estate, manufacturing, construction and hotel. Additional collateral may be obtained from customers to secure their repayment obligations under financial leasing and such collateral include vehicle licence. As at 31 December 2020, the financial leasing receivables were collateralised by the leased assets with fair values of approximately RMB709,794,000 (2019: RMB1,347,168,000).

The following is a credit quality analysis of financial leasing receivables. In the event that an instalment repayment is overdue, the entire outstanding balance of financial leasing receivables is classified as overdue.

	2020	2019
	RMB'000	*RMB'000*
Neither overdue nor credit-impaired	**76,198**	188,563
Overdue but not credit-impaired		
– overdue within 30 days	**–**	4,586
– overdue within 31 to 90 days	**–**	3,179
Overdue and credit-impaired *(Note)*	**428,518**	486,571
	504,716	682,899
Less: Allowance for ECLs	**(195,282)**	(34,649)
	309,434	648,250

Note: Balance mainly represented financial leasing receivables from Grand China Air Co., Ltd* (大新華航空有限公司) (the "**Customer**") which were secured by airplane engines. The Customer had defaulted in payments and the repayment pattern during the year ended 31 December 2020 has not been improving, thus resulted in breach of covenants according to the contracts and become credit impaired at the end of 31 December 2020 (2019: Same).

As set out in the announcement of the Company dated 1 February 2021, the Group has become aware that an application regarding the Customer, together with its subsidiaries in the PRC has been filed to and accepted by the Hainan Higher People's Court* (海南省高級人民法院) for debt restructuring and reorganisation (the "**Debt Structuring and Reorganisation**") by its debtors. The Customer is a private airline operator based in Hainan Province, the PRC, which is the largest shareholder of a Hainan airline operator listed on The Shanghai Stock Exchange.

In light of the Debt Restructuring and Reorganisation, the Board is of the view that the Debt Restructuring and Reorganisation is likely to have significant impact on the Group's business or financial condition, after taking into consideration of (i) the latest advice from the Group's external legal advisers on the probability and time taken of recovering the respective receivables and (ii) the recoverable amount of the underlying collaterals assessed by an independent valuer based on the above situation.

In the opinion of the Directors, the process of enforcement proceeding against the Customer has been complicated by (1) the high numbers of debtors of the Customer and the subsidiaries under the Customer involved; and (2) the underlying collaterals are not standalone items that can generate revenue without the aircraft which increased the difficulties for the Group to recover the collaterals. Moreover, under the Debt Restructuring and Reorganisation, it is unlikely for the Group to obtain access the collaterals for the sale process without the permission of the administrator. Given the niche market and the significant downturn of aviation industry resulting from the COVID-19 pandemic worldwide in 2020, the demand for the collaterals would be much less, and so the estimated recoverable amount would be far below the principal amount of the loan receivables.

With increasing uncertainties in possible outcomes and the likely impact on the financial position and liquidity of the Group, the management of the Company was actively taking appropriate actions to minimise the financial impact to the Group.

On 16 March 2021, the Group entered into arrangements with an independent third party (the "**Assignee**"), to sell and assign the rights, ancillary rights, titles and benefits of two financial leasing receivables (the "**Creditor's Rights**"), which at an aggregate cash consideration of RMB131,000,000, representing the discount of approximately 39.2% of the principal amount outstanding as at 31 December 2020. Such consideration is determined based after arm's length negotiation with the Assignee with reference to the valuation of the Creditor's Rights conducted by the independent valuer engaged by the Group which have been taking into consideration (i) likelihood weighting of difference scenarios to realise rights to the relevant financial leasing receivables into cash, (ii) recoverable amount of the financial leasing receivables and (iii) recoverable amount of the underlying collaterals. The Assignee is principally engaged in investment holding. Details of the assignment of Creditor's Rights are set out in the Company's announcements dated 16 March 2021 and 29 March 2021.

Under the assignment's agreement, the Group is not required to reimburse the Assignee for any loss incurred resulting from the default in payment by the Customer. The assignment of the two financial leasing receivables with aggregate principal amount outstanding of approximately RMB215,548,000 as at 31 December 2020 were completed on 16 March 2021, and the cash consideration was fully settled by Assignee on 19 March 2021. As at 31 December 2020, the total allowance for ECLs provided for the Customer amounted to approximately RMB183,184,000.

(b) Factoring loan receivables

The credit period granted to each of the customers is generally for a period of 0.3 to 1 years (2019: 1 to 2 years). The effective interest rate of the above factoring loan receivables is ranging from 9.9% to 24.5% (2019: 5.9% to 20.1%) per annum as at 31 December 2020.

As at 31 December 2020, the factoring loan receivables were collateralised by the customers' accounts receivables with fair value of approximately RMB247,065,000 (2019: RMB259,884,000).

The ageing analysis of factoring loan receivables, determined based on the schedule to repay of receivable since the effective dates of relevant loan contracts, as at the end of the reporting period, is as follows:

	2020	2019
	RMB'000	*RMB'000*
0 to 30 days	**119,508**	29,509
31 to 90 days	**43,341**	63,423
91 to 365 days	**20,000**	70,055
Over 365 days	**–**	–
	182,849	162,987
Less: Allowance for ECLs	**(6,143)**	–
	176,706	162,987

The following is a credit quality analysis of factoring loan receivables. In the event that an instalment repayment is overdue, the entire outstanding balance of factoring loan receivables is classified as overdue.

	2020	2019
	RMB'000	*RMB'000*
Neither overdue nor credit-impaired	**48,524**	103,570
Overdue but not credit-impaired		
– overdue within 30 days	**13,320**	44,417
– overdue within 31–90 days	**103,744**	–
Overdue and credit-impaired	**17,261**	15,000
	182,849	162,987
Less: Allowance for ECLs	**(6,143)**	–
	176,706	162,987

(c) Small loan receivables

It primarily represented the micro-credit loans and guaranteed loans granted to the customers. The loan periods granted to each of the customers is generally for a period of 3 months to 3 years (2019: 3 months to 3 years). The effective interest rate of the above small loans receivables is ranging from 8.0% to 27.8% (2019: 12.0% to 27.8%) per annum as at 31 December 2020.

As at 31 December 2020, certain loan receivables are mainly secured by (i) real estates such as buildings with fair values of approximately RMB21,767,000 and (ii) motor vehicles with fair values of approximately RMB509,000. (2019: (i) real estates such as buildings with fair values of approximately RMB34,851,000 and (ii) equity interests with fair values of approximately RMB10,144,000).

The ageing analysis of small loan receivables, determined based on the schedule to repay of receivable since the effective dates of relevant loan contracts, as at the end of the reporting period, is as follows:

	2020	2019
	RMB'000	*RMB'000*
0 to 30 days	**67,520**	92,993
31 to 90 days	**96,305**	135,546
91 to 365 days	**368,614**	479,570
Over 365 days	**4,731**	8,601
	537,170	716,710
Less: Allowance for ECLs	**(43,699)**	(43,793)
	493,471	672,917

The following is a credit quality analysis of small loan receivables. In the event that an instalment repayment is overdue, the entire outstanding balance of small loan receivables is classified as overdue.

	2020	2019
	RMB'000	*RMB'000*
Neither overdue nor credit-impaired	**490,335**	649,982
Overdue but not credit-impaired		
– overdue within 30 days	**3,688**	16,170
– overdue within 31 to 90 days	**4,695**	6,528
Overdue and credit-impaired	**38,452**	44,030
	537,170	716,710
Less: Allowance for ECLs	**(43,699)**	(43,793)
	493,471	672,917

(d) Other loan receivables

It represented the unsecured loans granted to the customers. The loan periods granted to each of customers is generally for a period of 1 year (2019: 1 year). The effective interest rate of the above other loan receivables is 12% (2019: 12% to 18%) per annum as at 31 December 2020.

The ageing analysis of other loan receivables, determined based on the schedule to repay of receivable since the effective dates of relevant loan contracts, as at the end of the reporting period, is as follows:

	2020	2019
	RMB'000	*RMB'000*
0 to 30 days	**–**	–
31 to 90 days	**–**	–
91 to 365 days	**23,478**	29,718
Over 365 days	**–**	–
	23,478	29,718
Less: Allowance for ECLs	**(3,329)**	(3,457)
	20,149	26,261

The following is a credit quality analysis of other loan receivables. In the event that an instalment repayment is overdue, if any, the entire outstanding balance of other loan receivables would be classified as overdue.

	2020	2019
	RMB'000	*RMB'000*
Neither overdue nor credit-impaired	**23,478**	29,718
Less: Allowance for ECLs	**(3,329)**	(3,457)
	20,149	26,261

(e) Account receivables

Balances comprise receivables in respect of securities dealing and broking services and financial advisory and loan facilitation services, represented as follows:

		2020	2019
	Notes	***RMB'000***	*RMB'000*
Account receivables from securities dealing and broking services:	i		
– Hong Kong Securities Clearing Company Limited ("**HKSCC**")		**1,945**	–
– Cash clients		**303**	4
– Margin clients		**7,963**	8,777
		10,211	8,781
Account receivables from financial advisory and loan facilitation services	ii	**1,607**	8,222
		11,818	17,003
Less: Allowance for ECLs		**(5,035)**	(2,534)
Total account receivables, net		**6,783**	14,469

Notes:

(i) Account receivables from cash clients and securities clearing houses arising from securities dealing business are repayable on demand subsequent to the settlement date. The normal settlement terms of said account receivables are, in general, two days after trade date. The Group allows a credit period mutually agreed with the contracting parties for receivables from margin clients.

No ageing analysis by invoice date is disclosed for account receivables from securities dealing business as, in the opinion of the Directors, an ageing analysis is not meaningful in view of the business nature.

(ii) Balances comprise receivables in respect of financial advisory and loan facilitation services. The account receivables are recognised when the services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Revenue from such services is recognised based on the price stipulated in the contracts. No element of financing is deemed present as the services are made with a credit period not more than one week after revenue recognition.

The ageing analysis of account receivables from financial advisory and loan facilitation services, determined based on the schedule to repay of receivable since the effective dates of relevant contracts, as at the end of the reporting period, is as follows:

	2020	2019
	RMB'000	*RMB'000*
0 to 30 days	**1,139**	8,222
31 to 90 days	**–**	–
91 to 365 days	**468**	–
Over 365 days	**–**	–
	1,607	8,222
Less: Allowance for ECLs	**(963)**	(2,088)
	644	6,134

The following is a credit quality analysis of account receivables from financial advisory and loan facilitation services. In the event that an instalment repayment is overdue, the entire outstanding balance of account receivables is classified as overdue.

	2020	2019
	RMB'000	*RMB'000*
Neither overdue nor credit-impaired	**468**	–
Overdue but not credit-impaired		
– overdue within 30 days	**104**	5,609
– overdue within 31–90 days	**72**	530
Overdue and credit-impaired	**963**	2,083
	1,607	8,222
Less: Allowance for ECLs	**(963)**	(2,088)
	644	6,134

Except for receivables from margin clients, the Group does not hold any collateral or other credit enhancements over these balances.

Account receivables of securities margin clients are secured by the clients' pledged securities with fair value of approximately RMB64,923,000 (2019: RMB42,537,729) as at 31 December 2020. All of the pledged securities are equity and debt securities listed in Hong Kong and overseas. The account receivables of securities margin clients are repayable on demand subsequent to settlement date and carrying interest typically ranged from 6% to 12% and Hong Kong Prime rate to Hong Kong Prime rate + 7% (2019: Hong Kong Prime rate + 6%) per annum as at 31 December 2020. Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collaterals are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collateral held can be repledged and can be sold at the Group's discretion to settle any outstanding amount owed by the margin clients.

As at 31 December 2020, the allowance for ECLs on account receivables of approximately RMB5,035,000 (2019: approximately RMB2,534,000) is considered as adequately provided for as the Directors have individually evaluated their account receivables after taking into account the loan-to-collateral value for each borrower, and other information available of those borrowers in default of settlement to determine the net present value of expected future cash inflow.

The Directors consider that the fair values of current portion of loan receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception. The fair value of the non-current portion of loan receivables has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. As such, the amortised cost of the non-current portion approximates its fair value.

12. ACCOUNT PAYABLES

	2020	2019
	RMB'000	*RMB'000*
HKSCC	**246**	1,792
Cash clients	**3,391**	1,459
Margin clients	**20,935**	3,375
	24,572	6,626

Account payables arising from securities dealing business are interest-free and repayable on the settlement day of the relevant trades.

The normal settlement terms of account payables to cash clients and securities clearing house are two days after trade date.

Account payables to HKSCC, margin clients and cash clients are repayable on demand after settlement date. No ageing analysis is disclosed as in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of this business.

The account payables amounting to approximately RMB24,326,000 (2019: approximately RMB4,804,000) were payable to clients in respect of the trust and segregated bank balances received and held for clients in the course of conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits place.

13. BANK AND OTHER BORROWINGS

	2020	2019
	RMB'000	*RMB'000*
Bank borrowings – secured*:		
Within one year	**420,340**	221,387
More than one year, but not exceeding two years	**77,405**	257,216
More than two years, but not exceeding five years	**7,331**	96,756
More than five years	**–**	–
Other borrowings – unsecured		
Within one year	**–**	151,811
	505,076	727,170
Less: Amount shown under current liabilities	**(420,340)**	(373,198)
Amount shown under non-current liabilities	**84,736**	353,972

* The amounts due are based on scheduled repayment dates set out in the respective loan agreements.

As at 31 December 2020, the Group's bank borrowings were variable-rate borrowings which carried annual interest per annum ranging from 105% to 110% (2019: 105% to 110%) of the benchmark rate offered by the People's Bank of China. As at 31 December 2020, the effective interest rates of the Group's secured bank borrowings were ranging from 5.0% to 8.3% (2019: 5.0% to 8.3%) per annum.

As at 31 December 2019, the other borrowings carried annual interest ranging from 12% to 16% per annum.

As at 31 December 2020, all (2019: all) of the Group's bank borrowings were secured by charges over certain leased assets and financial leasing receivables except for (i) bank borrowing amounting to approximately RMB140,815,000 (2019: approximately RMB154,838,000) which was secured by charges over certain equity interests in the Company by Wealthy Rise and certain leased assets; and (ii) one bank borrowing amounting to RMB92,800,000 (2019: RMB126,000,000) which was secured by charges over one property with fair value of approximately RMB24,590,000 (2019: RMB24,590,000) (which is jointly owned by Mr. Lo and his wife), one property with fair value of approximately RMB8,980,000 (2019: RMB8,980,000) (which is owned by Mr. Wang Jiansen, director of a related company), and one property with fair value of approximately RMB35,100,000 (2019: RMB35,100,000) (which is owned by Mr. Lu Qing Ming, nephew of Mr. Lo) and jointly guaranteed by a related company, which Mr. Lu Nuanpei ("**Mr. Lu**"), Mr. Lo's sibling is the controlling party and Mr. Lu, with an aggregate amount up to RMB150,000,000 (2019: RMB150,000,000).

As at 31 December 2019, the Group's unsecured other borrowing obtained from an independent third party, was jointly guaranteed by a related company and Mr. Lu (with an aggregate amount up to RMB150,000,000).

In March 2021, the Group has received an early repayment demand note notice from one bank in relation to a bank borrowing, principal amount of approximately RMB140,815,000, which was secured by charges over certain equity interests in the Company by Wealthy Rise and the relevant leased assets.

In the same month, the Group has entered into certain arrangements with certain banks in respect of early repayment of bank borrowings secured by certain leased assets with aggregate principal amount of approximately RMB220,800,000. The respective financial leasing receivables in relation to the aforementioned leased assets were assigned to the Assignee as disclosed in Note 11(a). The aforementioned bank borrowings were fully repaid up to the date of announcement.

14. SHARE CAPITAL

	Number of ordinary shares	Amount
		HK$'000
Ordinary shares of HK$0.01 of each		
Authorised:		
At 1 January 2019, 31 December 2019, 1 January 2020 and 31 December 2020	20,000,000,000	200,000

	Number of ordinary shares	Amount
		RMB'000
Issued and fully paid:		
At 1 January 2019	144,000,000	1,248
Issue of shares upon exercise of share options	11,523,000	101
At 31 December 2019, 1 January 2020 and 31 December 2020	155,523,000	1,349

During the year ended 31 December 2019, 11,523,000 share options were exercised at the exercise price of HK$6.02 to HK$7.00 (equivalent to RMB5.09 to RMB6.00) per share. The total cash consideration received from the issuance 11,523,000 shares was approximately RMB66,140,000, of which approximately RMB101,000 was credited to issued share capital and the remaining balance of approximately RMB66,039,000 was credited to the share premium account. In addition, amount attributable to the related share options of approximately RMB9,145,000 has been transferred from share option reserve to the share premium account.

All the shares issued during the year ended 31 December 2019 rank *pari passu* with the then existing shares in all respects.

15. COMMITMENTS

As at 31 December 2020, the Group had capital commitments contracted in relation to the further acquisition of interest in a non-wholly owned subsidiary, Shenzhen Haosen Credit Joint Stock Limited, but not provided for in the amount of RMB77,000,000 (2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The macro environment was full of challenges for the PRC in 2020. The outbreak of COVID-19 pandemic seriously affected the economy of both the PRC and the world, and the air airline transport industry has been among some of the first industries to bear the brunt of the decline. Grand China Air Co., Ltd* (大新華航空有限公司) ("**GCA**"), an important customer of the Group, has also been hard-hit in this pandemic, causing a tremendous impact on the business, and in turn resulting in the loss, of the Group.

Apart from GCA, most customers of the Group are small and medium enterprises ("**SMEs**"), and all SMEs have been affected in this pandemic, albeit to different degrees. The management will continue to monitor the impacts of relevant factors on our business, and strengthen risk management measures accordingly. In the said reporting period, revenue of the Group was mainly derived from financial leasing interest income, factoring service income, loan facilitation service income, loan interest income and advisory services income, interest income from margin financing, and commission and brokerage income which accounted for approximately RMB36.6 million, RMB23.4 million, RMB35.2 million, RMB76.9 million, RMB1.1 million, RMB1.4 million and RMB1.3 million of the total revenue of the Group, respectively. The financial leasing and factoring businesses of the Group are mainly carried out in the Greater Bay Area focusing on providing flexible and fast financial leasing and factoring services to SMEs in cities like Shenzhen, Dongguan, Guangzhou and Foshan, where the manufacturing industry is thriving. The small loan business of the Group also has a clientele comprising mainly the SMEs and individuals in Shenzhen, offering flexible short-term loan facilities. Following the implementation of the new Civil Code of the PRC and the mortgage system in the PRC, the Group will develop the real estate second mortgage business in Shenzhen. The real estate mortgage business will remain a main target of the development for the Company's small loan business. The securities dealing business of the Group is mainly conducted through providing customers with securities dealing services in Hong Kong by Grand Partners Securities Limited, a wholly-owned subsidiary by the Group. The provision of financial leasing, factoring and advisory services to different customers and the granting of small loans to personal customers and other small private companies have been beneficial to the expansion of our client base. The Group will provide flexible financing services targeting potential customers of various scales in different industries.

FINANCIAL REVIEW

The following discussion and analysis pertains to the financial information of the Group.

Revenue

The Group's revenue was derived from (i) interest income from financial leasing; (ii) interest income from factoring; (iii) financial leasing related advisory services income; (iv) other financial advisory services income; (v) loan facilitation service income; (vi) interest income from small loans and other loans; (vii) commission and brokerage income from security dealing; and (viii) interest income from margin financing. The Group's financial leasing services include sale-leaseback as well as direct financial leasing.

The revenue recorded a decrease by approximately RMB20.5 million, or approximately 10.4%, from approximately RMB196.6 million for the year ended 31 December 2019 to approximately RMB176.1 million for the year ended 31 December 2020. The decrease was mainly resulted from the slowdown of the economy in the PRC under the impact of COVID-19 resulting in less new origination of loan facilitation and contracts. For the year ended 31 December 2020, the interest income from financial leasing contributed approximately RMB36.6 million with a drop (2019: approximately RMB42.5 million). The interest income from financial leasing related factoring contributed approximately RMB23.4 million for the year ended 31 December 2020 with a slight rise (2019: approximately RMB18.0 million).

The Group's advisory services mainly include financial leasing advisory services, and other financial advisory services, which contributed at aggregate of approximately RMB1.0 million for the year ended 31 December 2020 (2019: approximately RMB2.3 million). Moreover, the Group continued to provide loan facilitation service which contributed approximately RMB35.2 million to the revenue for the year ended 31 December 2020 (2019: approximately RMB43.5 million).

The Group also derived interest income from small loans through our non-wholly owned subsidiary, Shenzhen Haosen Credit Joint Stock Limited ("**Shenzhen Haosen**"), contributing at aggregate of approximately RMB73.2 million (2019: approximately RMB88.1 million) and interest income from other loans of approximately RMB3.6 million (2019: approximately RMB1.1 million) was contributed by our wholly owned subsidiary, Grand Partners Finance Limited, for the year ended 31 December 2020. The Group also recorded commission and brokerage income from security dealing contributing approximately RMB1.3 million (2019: approximately RMB0.3 million), while the interest income from margin financing also contributed approximately RMB1.3 million (2019: approximately RMB0.7 million) from our wholly owned subsidiary, Grand Partners Securities Limited, for the year ended 31 December 2020.

The Directors intend to remain focused on the financial leasing services, factoring and microlending in the future.

Other income

Other income increased by approximately RMB3.7 million, or approximately 38.5%, from approximately RMB9.7 million for the year ended 31 December 2019 to approximately RMB13.4 million for the year ended 31 December 2020, mainly arising from the dividend income derived from financial assets at FVOCI of approximately RMB10.4 million.

Employee benefit expenses

Employee benefit expenses included primarily employee salaries and costs associated with other benefits. The employee benefit expenses increased by approximately RMB9.2 million, or approximately 40.7%, from approximately RMB22.6 million for the year ended 31 December 2019 to approximately RMB31.9 million for the year ended 31 December 2020, mainly due to the increase in the commission paid for securities dealing business.

Other operating expenses

Other operating expenses mainly consisted of (i) audit fee of approximately RMB0.9 million (2019: approximately RMB0.9 million); (ii) building management fee of approximately RMB1.0 million (2019: approximately RMB1.0 million); (iii) commission fee of approximately RMB13.6 million (2019: approximately RMB13.5 million) which mainly comprised of (a) commission paid for loan referral of approximately RMB2.8 million (2019: approximately RMB10.3 million), and (b) service charge of loan collection of approximately RMB7.6 million (2019: approximately RMB3.2 million) in relation to the small loan business, and (c) asset management in relation to factoring services of approximately RMB3.2 million (2019: Nil); (iv) equity settled share-based payment of approximately RMB1.4 million (2019: approximately RMB6.9 million) which referred to the grant of share option to external consultants on 22 January 2020; (v) legal and professional fee of approximately RMB2.7 million (2019: approximately RMB2.7 million); (vi) bad debt written off of approximately RMB6.8 million (2019: approximately RMB8.9 million) ; (vii) exchange difference of approximately RMB0.9 million (2019: Nil); and (viii) sundry items of approximately RMB9.9 million (2019: approximately RMB7.3 million).

Finance cost

The finance cost decreased by approximately RMB6.8 million, or approximately 11.0%, from approximately RMB61.9 million for the year ended 31 December 2019 to approximately RMB55.1 million for the year ended 31 December 2020 mainly due to the repayment of bank and other borrowings during the year.

Loss for the year attributable to the owners of the Company

References are made to the announcements of the Company dated 1 February 2021, 16 March 2021 and 29 March 2021, due to the default of repayment in principle and interest from GCA and significant increase in credit risks of certain debtors, loss for the year attributable to the owners of the Company for the year ended 31 December 2020 was approximately RMB106.8 million after an allowance for the expected credit losses on loan and account receivables of approximately RMB196.6 million and an impairment loss on intangible assets amounted to RMB5.3 million has also been record, whereas profit for the year ended 31 December 2019 was approximately RMB41.4 million.

Dividend

The Board does not recommend the payment of a final dividend to shareholders of the Company for the year ended 31 December 2020 (2019: HK5 cents).

Liquidity, financial resources and capital resources

As at 31 December 2020, the cash and cash equivalents were approximately RMB118.6 million (2019: approximately RMB42.7 million). The working capital (current assets less current liabilities) and the total equity of the Group were approximately RMB544.6 million (2019: approximately RMB865.0 million) and approximately RMB673.9 million (2019: approximately RMB794.3 million), respectively. The drop in working capital is due to the additional allowance of ECL made for the loan receivables relating to GCA.

As at 31 December 2020, the Group's bank borrowings with maturity within one year amounted to approximately RMB420.3 million (2019: approximately RMB221.4 million) and the Group's bank borrowings with maturity exceed one year decreased to approximately RMB84.7 million (2019: approximately RMB354.0 million). There was no remaining portion of the indebtedness representing unsecured other borrowings (2019: approximately RMB151.8 million). The decrease in bank borrowings was brought by the repayment of bank borrowings.

Gearing ratio (total bank and other borrowings/total equity) as at 31 December 2020 was approximately 75.0% (2019: approximately 91.5%). Such decrease was due to the early repayment of bank borrowings.

Loan and account receivables

Loan and account receivables consisted of (i) financial leasing receivables including the principal and interest of financial leasing; (ii) factoring loan receivables; (iii) small loan receivables; (iv) other loan receivables and (v) account receivables in respect of securities dealing and broking services, financial advisory and loan facilitation services. As at 31 December 2020, the loan and account receivables were approximately RMB1,006.5 million (2019: approximately RMB1,524.9 million), and this decrease was mainly due to the additional allowance for ECL of approximately RMB167.7 million made for the default airline customer, GCA during the year.

Capital commitments

Further Acquisitions of Shenzhen Haosen

As disclosed in the announcement of the Company dated 27 April 2020 and circular of the Company dated 28 May 2020, Wealthy Way International Finance Limited (富道國際金融有限公司) (the "**Purchaser**"), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, entered into an agreement with, among others, Guangdong Hengfeng Investment Group Limited* (廣東恒豐投資集團有限公司), Mr. Lei Ting* (雷霆) and Ms. Kang Jing* (康靜) (the "**Vendors**"), and Mr. Lu Nuanpei.

As additional time is required for the fulfillment of the conditions precedent as set out in the Agreement, the Vendors and the Purchaser (collectively, the "**Parties**") entered into a supplemental agreement to extend the long stop date to 30 June 2021 (or such other date as may be agreed among the Parties in writing).

Pursuant to the agreement, the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire remaining 45% equity interests in Shenzhen Haosen at the consideration of RMB180,000,000 (subject to adjustment, where applicable). For details, please refer to the announcements of the Company dated 27 April 2020 and 24 December 2020, and the circular of the Company dated 28 May 2020.

As at 31 December 2020, a deposit of RMB103,000,000 has been paid to Vendors and the outstanding capital commitment shall be RMB77,000,000.

Upon completion of the aforesaid acquisition, the Group will hold 100% equity interests in Shenzhen Haosen.

Employees and remuneration policy

As at 31 December 2020, the Group employed 139 full time employees (2019: 144) for its principal activities. Employees' benefits expenses (including Directors' emoluments) amounted to approximately RMB31.9 million for the year ended 31 December 2020 (2019: approximately RMB22.6 million). The Group recognises the importance of retaining high calibre and competent staff and continues to provide remuneration packages and incentives to employees with reference to the performance of the Group, the performance of individuals and prevailing market rates so that the increase was mainly due to commission of approximately RMB0.7 million incurred to stimulate the growth in our securities dealing business. Other various benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the share option scheme adopted by the Company. Share award scheme has also been adopted and awarded shares will be granted to eligible employees of the Group in accordance with the terms of the share award scheme.

RISK MANAGEMENT

The Group's business operations are conducted in the financial leasing market in the PRC. Accordingly, the Group's business, financial position, results of operations and prospects are significantly affected by economic, political and legal developments in the PRC.

Being a financial leasing service provider, the Group has implemented a risk management system to mitigate the risks arising from its daily operations. The risk management structure of the Group consists of the risk control committee at the top, under which are (i) the risk management department, (ii) the business development department, and (iii) the accounting and finance department. Potential business opportunities are assessed by the business development department based on the potential customer's background, credit records, financial position and the underlying assets. The risk management department reviews all given information meticulously and considers relevant risk factors. Where necessary, external legal advisors may be engaged to evaluate potential legal issues. The Group's accounting and finance department also works closely with the risk management department to assist in risk assessment by providing financial and tax opinions. The risk control committee as the final decision maker has the ultimate authority to approve each project. The Group also periodically conducts post-leasing management on the customers and monitors financial leasing receivables to review the ongoing risk exposure of the Group.

The Directors take both macro and micro economic conditions into account before making business decisions. Under the impact of COVID-19, the Group has taken closer monitoring to assess risks of existing customers to respond to the fast changing market. Moreover, given the recent volatility in the economy and financial market of the PRC, the Group has been more prudent in the selection of high-quality customers. The Group will continue to raise its risk management standards with better allocation of resources and fine-tuning its operational process, such as the introduction of credit assessment and approval procedures, to enhance the customer selection process.

In addition, the Group intends to improve the information technology system to assist in the collection of information with better accuracy and the review of the financial and operational status of the customers with better efficiency. The Group will also continue to expand the risk management team to handle the additional work arising from our expanding business operations, and allocate sufficient manpower to maintain an appropriate risk reward balance.

SHARE OPTION SCHEME

On 19 June 2017, the Company conditionally approved and adopted the share option scheme (the "**Share Option Scheme**") in accordance with the provision of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to enable the Company to grant options to the employee, advisor, consultant, service provider, agent, customer, partner or joint venture partner of the Company or any subsidiary (including any director of the Company or any subsidiary) who is in full-time or part time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the Board, has contributed or may contribute to the Group (the "**Participants**") as incentive or reward for their contribution to the Group to subscribe for the Shares thereby linking their interest with that of the Group. On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules (in particular as to grant of options to Directors, chief executives and substantial shareholders of the Company or their respective associates), the Board shall be entitled at any time within 10 years after the date of adoption of the Share Option Scheme to make an offer for the grant of an option to any participant as the Board may determine. The number of Shares which may be issued pursuant to the exercise of the options to be granted under the Share Option Scheme is 15,552,300 shares of the Company in total.

On 4 July 2018, under the Share Option Scheme, 4,320,000 share options to subscribe for an aggregate of 4,320,000 ordinary shares of HK$0.01 each of the Company were granted to certain employees with validity period of the options from 4 July 2018 to 4 July 2019, and exercise price of HK$6.02. All options have been exercised. On 24 April 2019, under the Share Option Scheme, 10,075,000 share options to subscribe for an aggregate of 10,075,000 ordinary shares of HK$0.01 each of the Company were granted to certain employees or other eligible participants under the Share Option Scheme with validity periods of the options vary from (i) 24 April 2019 to 23 April 2022; (ii) 24 April 2019 to 23 April 2020; (iii) 24 April 2020 to 23 April 2021; and (iv) 24 April 2021 to 23 April 2022, and exercise price of HK$7.00.

On 22 January 2020, under the Share Option Scheme, 10,200,000 share options to subscribe for an aggregate of 10,200,000 ordinary shares of HK$0.01 each of the Company were granted to certain employees or other eligible participants under the Share Option Scheme with validity period of the options from 22 January 2020 to 21 January 2023, and exercise price of HK$6.12 and no options have been exercised up to 31 December 2020.

For options granted under the Share Option Scheme under 4 July 2018, 24 April 2019 and 22 January 2020, the exercise price in relation to each option was determined by the Board, but in any event would not be less than the highest of (i) the closing price of the Company's shares as stated in the Exchange's daily quotations sheet on the date of grant, which must be a business day or (ii) the average of the closing prices of the Company's shares as stated in the Exchange's daily quotations sheet for the five business days immediately preceding the date of grant or (iii) the par value of a share of the Company. For further details of the grant of share option, please refer to the announcements of the Company published on the websites of the Company and the Exchange on 4 July 2018, 24 April 2019 and 22 January 2020.

Set out below are details of the outstanding options under the Share Option Scheme as at 31 December 2020:

Name of Grantee	Grant date	Exercise period	Exercise price	Number of share options: Outstanding as at 1.1.2020	Granted during the year ended 31.12.2020	Exercised during the year ended 31.12.2020	Lapsed during the year ended 31.12.2020	Outstanding as at 31.12.2020
Director of the Company or its subsidiary								
XIE Weiquan	24 April 2019	24 April 2019 – 23 April 2020	HK$7.00	30,000	–	–	(30,000)	–
	24 April 2019	24 April 2020 – 23 April 2021	HK$7.00	30,000	–	–	–	30,000
	24 April 2019	24 April 2021 – 23 April 2022	HK$7.00	40,000	–	–	–	40,000
Senior Management of the Company or its subsidiary								
Shi Lei	24 April 2019	24 April 2019 – 23 April 2020	HK$7.00	30,000	–	–	(30,000)	–
	24 April 2019	24 April 2020 – 23 April 2021	HK$7.00	30,000	–	–	–	30,000
	24 April 2019	24 April 2021 – 23 April 2022	HK$7.00	40,000	–	–	–	40,000
Xie Zhouchou	24 April 2019	24 April 2019 – 23 April 2020	HK$7.00	22,500	–	–	(22,500)	–
	24 April 2019	24 April 2020 – 23 April 2021	HK$7.00	22,500	–	–	–	22,500
	24 April 2019	24 April 2021 – 23 April 2022	HK$7.00	30,000	–	–	–	30,000
Shi Yumei	24 April 2019	24 April 2019 – 23 April 2020	HK$7.00	22,500	–	–	(22,500)	–
	24 April 2019	24 April 2020 – 23 April 2021	HK$7.00	22,500	–	–	–	22,500
	24 April 2019	24 April 2021 – 23 April 2022	HK$7.00	30,000	–	–	–	30,000
Wong Mun Po	24 April 2019	24 April 2019 – 23 April 2020	HK$7.00	30,000	–	–	(30,000)	–
	24 April 2019	24 April 2020 – 23 April 2021	HK$7.00	30,000	–	–	–	30,000
	24 April 2019	24 April 2021 – 23 April 2022	HK$7.00	40,000	–	–	–	40,000
Other employees of the Company or its subsidiary or other eligible participants under the Share Option Scheme								
	24 April 2019	24 April 2019 – 23 April 2022	HK$7.00	847,000	–	–	–	847,000
	24 April 2019	24 April 2019 – 23 April 2020	HK$7.00	472,500	–	–	(472,500)	–
	24 April 2019	24 April 2020 – 23 April 2021	HK$7.00	472,500	–	–	(67,500)	405,000
	24 April 2019	24 April 2021 – 23 April 2022	HK$7.00	630,000	–	–	(90,000)	540,000
	22 January 2020	22 January 2020 – 21 January 2023	HK$6.12	–	10,200,000	–	(1,500,000)	8,700,000
				2,872,000	10,200,000	–	(2,265,000)	10,807,000

Share Award Scheme

The Company has adopted a share award scheme on 6 November 2019 (the "**Share Award Scheme**") for the purposes of, amongst others, effectively recognising employee's contribution to the Group and/or providing an incentive to employee to remain with or join the Group, for participation in the Scheme as a selected employee and determine the purchase, subscription and/or allocation of awarded shares according to the terms of the Share Sward Scheme. However, until so selected, no Employee shall be entitled to participate in the scheme.

The Share Award Scheme became effective on the adoption date and, unless otherwise terminated or amended, will remain in force for 10 years from that date, i.e., 6 November 2029.

Since the adoption of the Share Award Scheme and up to the date of this announcement, none of the issued Shares has been purchased or issued nor any awards have been granted under the Share Award Scheme.

EVENTS AFTER THE REPORTING PERIOD

As set out in the announcement of the Company dated 1 February 2021, the Group has become aware that an application regarding a customer, GCA, together with its subsidiaries in the PRC has been filed to and accepted by the Hainan Higher People's Court* (海南省高級人民法院) for debt restructuring and reorganisation (the "**Debt Structuring and Reorganisation**") by its debtors. The customer is a private airline operator based in Hainan Province, the PRC, which is the largest shareholder of a Hainan airline operator listed on The Shanghai Stock Exchange.

In light of the Debt Restructuring and Reorganisation, the Board is of the view that the Debt Restructuring and Reorganisation is likely to have significant impact on the Group's business or financial condition, after taking into consideration of the chance of success of recovering the respective receivables with legal advice from the Group's legal advisers and market value of the corresponding collaterals assessed by an independent valuer. As such, the Group is actively taking appropriate action to minimise the financial impact to the Group.

On 16 March 2021, the Group entered into arrangements with an independent third party (the "**Assignee**") to sell and assign the rights, ancillary rights, titles and benefits of two financial leasing receivables agreements (the "**Creditor's Rights**") at an aggregate cash consideration of RMB131,000,000 representing a discount of 39.2% to the principal amount outstanding as at 31 December 2020. The discount is determined based after arm's length negotiation with the Assignee with reference to the valuation of the Creditor's Rights conducted by the independent valuer engaged by the Group which have been taking into consideration (i) weighting of difference scenarios towards durations to realise rights to the relevant financial leasing receivable, (ii) likelihood of recovery outcomes and (iii) market value of the respective leased assets. The Assignee is principally engaged in investment holding. Details of the assignment of Creditor's Rights are set out in the Company's announcements dated 16 March 2021 and 29 March 2021.

Under the assignment's agreements, the Group is not required to reimburse the Assignee for any loss incurred resulting from the default in payment by GCA. The assignment was completed on 16 March 2021 and the cash consideration was fully settled by Assignee on 19 March 2021.

Upon the abovementioned assignment, the corresponding bank borrowings with aggregate principal amount of RMB220,800,000 have been fully repaid.

Other than the events disclosed above, the Group does not have any material subsequent event after 31 December 2020 and up to the date of this announcement.

OUTLOOK AND PLANS

In 2021, the Group will properly handle the impact arising from the bankruptcy and restructuring of GCA, while refocusing on the financial leasing business for the SMEs in the Greater Bay Area and the real estate mortgage business. It will continue to exercise prudence for effective cost control and when developing business with high-quality customers, in order to brace itself for the current challenging environment. The Group will continue to strengthen its risk management capabilities and do business with current and new customers that have good development potential in their respective industries. The Directors consider that in future, the Company will focus on enhancing its internal informatisation and strengthen its risk management abilities with the functions of its systems. More effective measures to cut costs and increase income will also be adopted. Reasonable cost controls will be put in place while capitalising on the advantages of its existing businesses to increase the profitability of the Company. The Company will continue to enhance its financing capacity and develop more partners to enhance its comprehensive service-ability. The major customers of the Company are in the PRC. The Company will continue to pay close attention to the situations of its customers and adjust its business strategies in a flexible manner. The Directors consider that the promotion of digitalisation of business through strengthening the integration of resources among the Group's business departments and the synergy among its subsidiaries will be a main focus of the Company and an effective approach for the Company to tackle with the complicated economic environment.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to promoting good corporate governance and has set up procedures on corporate governance that comply with the principles in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules. During the year ended 31 December 2020, the Company had complied with all code provisions in the CG Code and had adopted most of the recommend best practices set out in the CG Code.

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

Since the Listing date to 31 December 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the year ended 31 December 2020, there was no other material acquisition and disposal of subsidiaries by the Group.

AUDIT COMMITTEE

The Company has an audit committee (the "**Audit Committee**") which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive Directors. The members of the Audit Committee are Mr. Ha Tak Kong, Mr. Ip Chi Wai and Mr. Kam Wai Man. The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2020.

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 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. The Company has made specific enquiries with all of the Directors, each of whom has confirmed that he or she has, throughout the year ended 31 December 2020, complied with the required standards set out therein.

PUBLICATION OF INFORMATION

This announcement is published on the websites of the Company (www.cwl.com) and the Exchange (www.hkexnews.hk). The 2020 annual report will be despatched to shareholders of the Company and available on the above websites in due course.

SCOPE OF WORK OF MOORE STEPHENS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 December 2020 as set out in the preliminary announcement of the Group have been agreed by the Group's auditor, Moore Stephens CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Moore Stephens CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Moore Stephens CPA Limited on the preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 15 June 2021 (Tuesday) to 18 June 2021 (Friday) (both dates inclusive), during which period no transfer of shares will be registered. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on 18 June 2021 (Friday), all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 11 June 2021 (Friday).

By order of the Board
Wealthy Way Group Limited
Lo Wai Ho
Chairman and Executive Director

Hong Kong, 30 March 2021

As at the date of this announcement, the Board comprises Mr. LO Wai Ho, Ms. CHAN Shuk Kwan Winnie and Mr. XIE Weiquan as executive Directors; and Mr. HA Tak Kong, Mr. IP Chi Wai and Mr. KAM Wai Man as independent non-executive Directors.

* *The English name is for identification purpose only*