OSHIDORI INTERNATIONAL HOLDINGS LIMITED
威華達控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock code: 622)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2020

The board of directors (the "**Board**") of Oshidori International Holdings Limited (the "**Company**") announces the audited consolidated annual results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2020 as follows:

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	**2020** ***HK$'000***	2019 *HK$'000*
Revenue			
Advisory, commission income and other fee income		**3,344**	2,118
Net gain on sales of financial assets at fair value through profit or loss ("**FVPL**")		**105,704**	99,420
Interest income		**150,953**	93,562
Dividend income		**20,458**	87,233
Total revenue	*3*	**280,459**	282,333
Other income	*4*	**12,880**	26,428
Other net gains	*5*	**495,820**	26,617
Net unrealised fair value gain (loss) on financial assets at FVPL	*7*	**2,649,597**	(419,809)
Gain on disposal of loan receivables	*15(d)*	**134,537**	–
Impairment loss in respect of loan receivables, net	*15(d)*	**(76,907)**	(92,431)
Depreciation and amortisation expenses		**(38,882)**	(30,295)
Employee benefits expenses	*7*	**(57,673)**	(51,486)
Other expenses	*7*	**(167,428)**	(96,178)
Share of results of associates	*13*	**(2,245)**	(2,856)
Finance costs	*6*	**(21,069)**	(38,424)
Profit (Loss) before taxation	*7*	**3,209,089**	(396,101)
Income tax (expense) credit	*8*	**(389,631)**	36,087
Profit (Loss) for the year		**2,819,458**	(360,014)

	Note	2020 HK$'000	2019 HK$'000
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Fair value change on equity investments measured at fair value through other comprehensive income ("**Designated FVOCI**")	*12(a)*	**615,646**	211,392
Items that are reclassified or may be reclassified subsequently to profit or loss			
Fair value change on debt investments measured at fair value through other comprehensive income ("**Mandatory FVOCI**")		**(180)**	(560)
Fair value change on Mandatory FVOCI reclassified to profit or loss upon disposal		**740**	–
Exchange differences arising on translation to presentation currency		**13,034**	(9,231)
		13,594	(9,791)
Total other comprehensive income for the year		**629,240**	201,601
Total comprehensive income (loss) for the year		**3,448,698**	(158,413)
Profit (Loss) for the year attributable to:			
Owners of the Company		**2,819,555**	(360,031)
Non-controlling interests		**(97)**	17
		2,819,458	(360,014)
Total comprehensive income (loss) attributable to:			
Owners of the Company		**3,451,264**	(152,357)
Non-controlling interests		**(2,566)**	(6,056)
		3,448,698	(158,413)
		HK cents	*HK cents*
Earnings (Losses) per share	*10*		
Basic		**46.92**	(6.19)
Diluted		**46.80**	(6.19)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2020

	Note	2020 HK$'000	2019 HK$'000
Non-current assets			
Property and equipment		**184,499**	260,214
Right-of-use assets	*11*	**9,900**	16,715
Financial assets at fair value through other comprehensive income ("**FVOCI**")	*12*	**3,271,186**	3,007,433
Financial assets at FVPL	*17*	**270,827**	–
Interests in associates	*13*	**–**	2,324
Intangible assets	*14*	**8,866**	3,908
Other deposits		**442**	503
Loan receivables	*15*	**55,926**	210,653
		3,801,646	3,501,750
Current assets			
Trade, loan and other receivables	*15*	**1,802,685**	473,543
Income tax recoverable		**1,953**	17,050
Promissory note receivable	*16*	**192,146**	–
Financial assets at FVPL	*17*	**4,413,163**	2,132,047
Bank balances – trust and segregated accounts		**7,655**	19,928
Cash and cash equivalents		**683,299**	695,894
		7,100,901	3,338,462
Current liabilities			
Trade and other payables	*18*	**305,481**	470,806
Lease liabilities	*19*	**7,997**	10,521
Income tax payable		**6,065**	1,674
Loan payable	*20*	**235,068**	150,855
		554,611	633,856
Net current assets		**6,546,290**	2,704,606
Total assets less current liabilities		**10,347,936**	6,206,356

	Note	2020 HK$'000	2019 HK$'000
Non-current liabilities			
Deferred taxation		**408,705**	25,532
Lease liabilities	*19*	**2,062**	6,335
		410,767	31,867
NET ASSETS		**9,937,169**	6,174,489
Capital and reserves			
Share capital		**305,680**	290,588
Reserves		**9,629,684**	5,879,530
Equity attributable to owners of the Company		**9,935,364**	6,170,118
Non-controlling interests		**1,805**	4,371
TOTAL EQUITY		**9,937,169**	6,174,489

1. GENERAL

Oshidori International Holdings Limited (the “**Company**”) is a public limited company incorporated in Bermuda as an exempted company and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company and its subsidiaries (together the “**Group**”) principally engages in investment holdings, tactical and/or strategical investments, and the provisions of (i) securities brokerage services, (ii) margin financing services, (iii) placing and underwriting services, (iv) corporate finance advisory services, (v) investment advisory and asset management services, and (vi) credit and lending services.

Certain group entities are licensed under the Hong Kong Securities and Futures Ordinance with the following regulated activities:

Type 1: Dealing in securities
Type 2: Dealing in futures contracts
Type 4: Advising on securities
Type 6: Advising on corporate finance
Type 9: Asset management

A group entity obtained the licence in dealing in futures contracts during the year ended 31 December 2019 but the application of such trading rights is still in progress during the year ended 31 December 2020. The business of dealing in futures contracts has not yet been commenced during the year ended 31 December 2020.

On 6 October 2020, another group entity applied for the licence for Type 8 (securities margin financing) regulated activity and the application of such licence is still in progress during the year ended 31 December 2020.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2019 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year.

Adoption of new/revised HKFRSs

Amendments to HKASs 1 and 8: Definition of Material

The amendments clarify the definition of material and align the definition used across HKFRSs.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

(A) Revenue

	Note	**2020**	2019
		HK$'000	*HK$'000*
Advisory, commission income and other fee income		**3,344**	2,118
Net gain on sales of financial assets at FVPL	*(a)*	**105,704**	99,420
Interest income from:			
– margin clients		**37,068**	29,863
– loan receivables		**105,028**	49,382
– listed bonds at FVPL		**–**	8,222
– unlisted callable fixed coupon notes at FVPL		**4,859**	–
– unlisted convertible notes at FVPL		**2,761**	5,505
– listed bonds at Mandatory FVOCI		**1,237**	590
		150,953	93,562
Dividend income from			
– financial assets at FVPL		**4,799**	28,841
– Designated FVOCI held at the reporting date		**15,659**	58,327
– Designated FVOCI derecognised during the reporting period		**–**	65
		20,458	87,233
	(b)	**280,459**	282,333

Notes:

(a) The amount represented the proceeds from the sale of financial assets at FVPL of approximately HK$667,851,000 (2019: approximately HK$1,213,980,000) less relevant costs and carrying value of the investments sold of approximately HK$562,147,000 (2019: approximately HK$1,114,560,000).

(b) In addition to the information shown in segment disclosures, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	Financial services (as defined in note (B) below)	
	2020	2019
	HK$'000	*HK$'000*
Timing of revenue recognition:		
Commission income		
– at a point in time	**3,066**	1,588
Advisory and other fee income		
– over time	**278**	530
Total revenue from contracts with customers within HKFRS 15	**3,344**	2,118

(B) Segment information

The Group determines its operating segment and measurement of segment profit based on the internal reports to executive directors, the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment.

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

Financial services	Provision of securities brokerage, margin financing, placing and underwriting, investment advisory, assets management and corporate finance advisory services
Tactical and/or strategical investments	Investment in financial instruments
Credit and lending services	Provision of credit and money lending services

Segment revenue and results

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

For the year ended 31 December 2020

	Financial services *HK$'000*	**Tactical and/or strategical investments** *HK$'000*	**Credit and lending services** *HK$'000*	**Consolidated** *HK$'000*
Revenue				
Advisory, commission income and other fee income	**3,344**	**–**	**–**	**3,344**
Net gain on sales of financial assets at FVPL	**–**	**105,704**	**–**	**105,704**
Interest income	**37,068**	**8,857**	**105,028**	**150,953**
Dividend income		**20,458**		**20,458**
Total revenue	**40,412**	**135,019**	**105,028**	**280,459**
Net unrealised fair value gain on financial assets at FVPL	**–**	**2,649,597**	**–**	**2,649,597**
Segment revenue	**40,412**	**2,784,616**	**105,028**	**2,930,056**
Segment profit	**29,748**	**3,191,791**	**127,672**	**3,349,211**
Unallocated other income				**5,550**
Unallocated exchange gain				**337**
Unallocated other net gains				**2,745**
Share of results of associates				**(2,245)**
Unallocated finance costs				**(2,878)**
Central corporate expenses				**(143,631)**
Profit before taxation				**3,209,089**

For the year ended 31 December 2019

	Financial services *HK$'000*	Tactical and/or strategical investments *HK$'000*	Credit and lending services *HK$'000*	Consolidated *HK$'000*
Revenue				
Advisory, commission income and other fee income	2,118	–	–	2,118
Net gain on sales of financial assets at FVPL	–	99,420	–	99,420
Interest income	29,863	14,317	49,382	93,562
Dividend income	–	87,233	–	87,233
Total revenue	31,981	200,970	49,382	282,333
Net unrealised fair value loss on financial assets at FVPL	–	(419,809)	–	(419,809)
Segment revenue	31,981	(218,839)	49,382	(137,476)
Segment profit (loss)	10,978	(311,826)	(192,576)	(493,424)
Unallocated other income				16,124
Net exchange gain				17,505
Unallocated other net gains				142,256
Share of results of associates				(2,856)
Unallocated finance costs				(12,412)
Central corporate expenses				(63,294)
Loss before taxation				(396,101)

Segment revenue includes revenue from financial services, tactical and/or strategical investments and credit and lending services. In addition, the chief operating decision makers also consider net unrealised fair value gain (loss) on financial assets at FVPL as segment revenue.

The accounting policies of the segment reporting are set out as the Group's accounting policies. Segment result represents the profit earned or loss incurred by each segment without allocation of certain other income, certain other net gains, share of results of associates, certain finance costs and the central corporate expenses. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

4. OTHER INCOME

	Note	2020 HK$'000	2019 HK$'000
Interest income on:			
– bank deposits		**2,961**	3,331
– promissory note receivable	*16*	**721**	7,771
– other investment		**–**	4,832
– others		**75**	59
		3,757	15,993
Government subsidies	*(a)*	**1,992**	–
Referral fee		**–**	5,501
Others		**7,131**	4,934
		12,880	26,428

Note:

(a) During the year ended 31 December 2020, the Group recognised government subsidies of approximately HK$1,992,000 in respect of the Employment Support Scheme under Anti-epidemic Fund of the Hong Kong SAR Government due to the COVID-19 pandemic.

5. OTHER NET GAINS

	Note	2020 HK$'000	2019 HK$'000
Bad debt written off		**–**	(10,671)
Net exchange (loss) gain		**(1,581)**	17,505
Amortisation of deferred day-one gain	*17(b)*	**5,611**	10,692
Loss on disposal of property and equipment		**(5,610)**	–
Gain on disposal of a subsidiary		**1**	–
Gain on disposal of an associate	*13*	**8,433**	–
Impairment loss on goodwill	*13*	**(79)**	–
Profit from disposal of a Designated at FVOCI under the tactical and/or strategical investment segment	*12(a)*	**489,785**	–
Loss on disposal of Mandatory FVOCI	*12(b)*	**(740)**	–
Loss on deemed disposal of an associate		**–**	(3,310)
Gain on conversion of unlisted convertible notes at FVPL		**–**	6,385
Recovery of doubtful consideration receivables		**–**	145,566
Write-off of non-refundable deposit paid for purchase of a debt investment		**–**	(30,000)
Loss on settlement of loan receivables		**–**	(109,550)
		495,820	26,617

6. FINANCE COSTS

	2020	2019
	HK$'000	*HK$'000*
Interest on loan payable	**8,255**	5,770
Interest on margin financing	**12,309**	25,914
Interest on the promissory note payable	**–**	6,230
Imputed interest on lease liabilities	**505**	510
	21,069	38,424

7. PROFIT (LOSS) BEFORE TAXATION

This is stated after charging (crediting):

	2020	2019
	HK$'000	*HK$'000*
Employee benefits expenses (including directors' emoluments)		
Salaries and other benefits	**26,907**	26,113
Retirement benefit scheme contributions	**595**	653
Share-based payment expenses	**30,171**	24,720
	57,673	51,486
Net unrealised fair value (gain) loss on financial assets at FVPL	**(2,649,597)**	419,809
Other expenses		
Auditor's remuneration	**2,333**	2,080
Business development expenses	**40,114**	39,939
Business registration fee, statutory fees and listing fees	**680**	1,372
Financial information charge	**2,216**	2,394
Handling and settlement expenses	**367**	234
Investment transaction cost	**1,790**	4,668
Legal and professional fees	**8,883**	11,409
Marketing expenses	**9,351**	20,138
Other operating expenses	**26,897**	11,664
Share-based payment expenses to service providers	**72,521**	–
Short-term leases	**2,276**	2,280
	167,428	96,178

8. INCOME TAX EXPENSE (CREDIT)

The profits tax rate for the first HK$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK$2,000,000 will continue be taxed at the rate of 16.5%. As only one of the subsidiaries in the Group is eligible to elect the two-tiered profits tax rates, profits of the remaining subsidiaries of the Group will continue to be taxed at a flat rate of 16.5%.

For the years ended 31 December 2020 and 2019, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime.

	2020	2019
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax		
– Current year	**5,204**	811
– Under provision in prior year	**1,254**	1,827
	6,458	2,638
Deferred taxation		
Origination and reversal of temporary difference	**383,173**	(38,725)
Income tax expense (credit)	**389,631**	(36,087)

9. DIVIDENDS

The directors of the Company do not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: The directors of the Company declared and paid a final dividend in respect of the year ended 31 December 2018 of HK$0.015 per share amounting to approximately HK$87,177,000 during the year ended 31 December 2019 and do not recommend the payment of final dividend for the year ended 31 December 2019).

During the year ended 31 December 2020, the directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2020 (2019: declared and paid an interim dividend of approximately HK$29,059,000 in respect of the six months ended 30 June 2019).

10. EARNINGS (LOSSES) PER SHARE

The calculation of the basic and diluted earnings (losses) per share is based on profit (loss) attributable to the equity holders of the Company and the weighted average number ordinary shares in issue during the year as follows:

Earnings (Losses)

	2020	2019
	HK$'000	*HK$'000*
Profit (Loss) for the year attributable to equity shareholders of the Company, for the purpose of basic and diluted earnings (losses) per share	**2,819,555**	(360,031)

Number of shares

	Note	2020	2019
Weighted average number of ordinary shares, for the purpose of basic earnings (losses) per share		**6,008,795,790**	5,811,766,282
Effect of dilutive potential ordinary shares:			
– Exercise of share award		**16,170,993**	–
Weighted average number of ordinary shares, for the purpose of diluted earnings (losses) per share		**6,024,966,783**	5,811,766,282
		HK cents	*HK cents*
Basic earnings (losses) per share		**46.92**	(6.19)
Diluted earnings (losses) per share	*(a)*	**46.80**	(6.19)

Note:

(a) Diluted earnings per share for the year ended 31 December 2020 is calculated by adjusting the weighted average number of ordinary shares in issue during the year with the weighted average number of ordinary shares deemed to be issued assuming the dilutive impact on the shares under the share award scheme. Diluted losses per share for the year ended 31 December 2019 and 2020 did not assume the exercise of share option since their assumed exercise during the years would have an anti-dilutive effect on the basic losses per share amount presented.

11. RIGHT-OF-USE ASSETS

	Buildings
	HK$'000
Reconciliation of carrying amount – year ended 31 December 2019	
At beginning of the year – upon adoption of HKFRS 16	8,874
Additions	18,037
Depreciation	(10,196)
At the end of the reporting period	16,715
Reconciliation of carrying amount – year ended 31 December 2020	
At beginning of the reporting period	16,715
Additions	6,070
Reassessment of lease liabilities	(1,608)
Depreciation	(11,277)
At the end of the reporting period	**9,900**
At 31 December 2019	
Cost	26,911
Accumulated depreciation	(10,196)
Net carrying amount	16,715
At 31 December 2020	
Cost	18,637
Accumulated depreciation	(8,737)
Net carrying amount	**9,900**

The Group leases various premises for its daily operations. Lease terms are 2 years with no renewal or termination option. The interest expenses on lease liabilities are set out in note 6.

The Group has recognised the following amounts for the year:

	2020	2019
	HK$'000	*HK$'000*
Lease payments:		
Short-term leases	**2,276**	2,280
Expenses recognised in profit or loss	**2,276**	2,280
Lease payments on lease liabilities	**11,764**	10,565
Total cash outflow for leases	**14,040**	12,845

Commitments under leases

At 31 December 2020, the Group was committed to approximately HK$350,000 (2019: approximately HK$1,686,000) for short-term leases.

12. FINANCIAL ASSETS AT FVOCI

		2020	2019
	Note	***HK$'000***	*HK$'000*
Designated FVOCI			
Equity securities - listed			
Listed in Hong Kong		**3,114,571**	2,096,293
Listed in the United States		**22,861**	45,855
		3,137,432	2,142,148
Equity securities - unlisted		**133,754**	846,686
	(a)	**3,271,186**	2,988,834
Mandatory FVOCI			
Debt securities - listed			
Listed in Singapore	*(b)*	**–**	18,599
		3,271,186	3,007,433

Notes:

(a) At the date of initial recognition, the Group irrevocably designated certain investments in equity securities as Designated FVOCI because these equity securities represent investments that the Group intends to hold for long term for strategic purposes. The Group considers the accounting treatments under this classification provide more relevant information for those investments.

During the year ended 31 December 2020, the net fair value gain on Designated FVOCI of approximately HK$615,646,000 (2019: approximately HK$211,392,000) was recognised in other comprehensive income.

The fair values of the listed investments are determined on the basis of quoted market price at the end of the reporting period.

During the year ended 31 December 2020, Designated FVOCI with fair value of approximately HK$666,555,000 (2019: approximately HK$208,179,000) were disposed to realise the value which is in line with the completion of the Group's inherent investment strategy. The cumulative loss of approximately HK$358,532,000 (2019: approximately HK$18,858,000) that was previously included in the investment revaluation reserve (non-recycling) was transferred directly to retained earnings during the year ended 31 December 2020.

The major disposal of Designated FVOCI during the year ended 31 December 2020 is the disposal of Seekers Partners Limited ("**Seekers Partners**", formerly known as Satinu Resources Group Limited). On 12 August 2020 and 14 December 2020, the Group entered into sale and purchase agreements with High Rhine Limited, an independent third party, to dispose a total of 145,000,000 ordinary shares of Seekers Partners (the "**Disposals**"), representing 11.68% of the issued share capital of Seekers Partners, at a total consideration of HK$925,000,000 which was settled by cash of HK$725,000,000 and a zero-coupon promissionary note receivable of HK$200,000,000. The Disposals were completed on 16 September 2020 and 14 December 2020 respectively. Upon completion of the Disposals, the Group has no equity interests in Seekers Partners.

The fair value of the promissory note was approximately HK$191,425,000 at issue date. The transactions resulted in a gain on disposal of approximately HK$489,785,000 which was calculated based on the difference between fair value of Seekers Partners at the date of derecognition and the consideration received and has been credited to profit or loss during the year ended 31 December 2020. The accumulated gain of approximately HK$396,496,000 in respect of the 11.68% equity interests in Seekers Partners which was previously included in the investment revaluation reserve (non-recycling) was transferred directly to retained earnings during the year ended 31 December 2020.

(b) During the year ended 31 December 2020, the net fair value loss on Mandatory FVOCI of approximately HK$180,000 (2019: approximately HK$560,000) was recognised in other comprehensive income.

During the year ended 31 December 2020, Mandatory FVOCI with fair value of approximately US$2,367,500 (equivalent to approximately HK$18,419,000) was disposed to realise the value which is in line with the completion of the Group's inherent investment strategy. The cumulated loss of approximately HK$740,000 that was previously included in the investment revaluation reserve (recycling) was reclassified to profit or loss as loss on disposal during the year ended 31 December 2020.

13. INTERESTS IN ASSOCIATES

	2020	2019
	HK$'000	*HK$'000*
Unlisted shares		
Shares of net assets	–	2,205
Goodwill	–	119
	–	2,324

Details of the associates at the end of the reporting period are as follows:

Name of entities	Country of incorporation	Principal place of operation	Class of shares held	Proportion of ownership interest held by the Group %		Principal activities
				2020	2019	
Eternal Billion Holding Group Limited ("**Eternal**")	BVI	Hong Kong	Ordinary	**25**	25	Investment holding, investment advisory and management services
Topwish Holdings Limited ("**Topwish**")	BVI	Hong Kong	Ordinary	–	25	Investment holding and trading and investment of securities

On 12 June 2020, the Group entered into a sales and purchase agreement with an independent third party incorporated in the British Virgin Islands, to dispose all shareholding in Topwish at a consideration of HK$8,433,000 which was settled by cash. The transaction resulted in a gain on disposal of HK$8,433,000 recognised during the year ended 31 December 2020. The transaction was completed on the same day.

Fair value of investments

At the end of the reporting period, the Group's associate is a private company and there was no quoted market price available for the investments.

14. INTANGIBLE ASSETS

	Trading rights *HK$'000* *(Note a)*	Club membership *HK$'000*	Total *HK$'000*
Reconciliation of carrying amount - year ended 31 December 2019			
At the beginning and the end of the reporting period	3,908	–	3,908
Reconciliation of carrying amount - year ended 31 December 2020			
At the beginning of the reporting period	3,908	–	3,908
Additions	–	5,000	5,000
Amortisation	–	(42)	(42)
At the end of the reporting period	**3,908**	**4,958**	**8,866**
At 31 December 2019			
Cost	3,908	–	3,908
Accumulated amortisation and impairment losses	–	–	–
	3,908	–	3,908
At 31 December 2020			
Cost	3,908	5,000	8,908
Accumulated amortisation and impairment losses	–	(42)	(42)
	3,908	**4,958**	**8,866**

Note:

(a) Trading rights that confer eligibility on the Group to trade on the Stock Exchange. The trading rights have no foreseeable limit to the period over which the Group can use to generate cash flows. As a result, the trading rights are considered by the management of the Group as having indefinite useful lives because they are expected to contribute to net cash inflows indefinitely. The trading rights will not be amortised until its useful life is determined to be finite.

15. TRADE, LOAN AND OTHER RECEIVABLES

	Note	2020 HK$'000	2019 HK$'000
Trade receivables			
Trade receivables arising from the business of securities brokerage			
– cash clients		**93**	102
– margin clients	*(b)*	**552,121**	138,873
– Hong Kong Securities Clearing Company Limited ("**HKSCC**")	*(c)*	**9,526**	598
	(a)	**561,740**	139,573
Trade receivable arising from the provision of corporate finance advisory services		**320**	340
		562,060	139,913
Loan receivables			
Loan and interest receivables			
– from independent third parties		**1,297,944**	475,053
– from a related party		**–**	151,414
		1,297,944	626,467
Less: Loss allowance		**(43,423)**	(102,376)
	(d)	**1,254,521**	524,091
Less: Non-current portion		**(55,926)**	(210,653)
Current portion		**1,198,595**	313,438
Other receivables			
Deposits with securities brokers	*(e)*	**9,555**	886
Consideration receivable from disposal of unlisted Designated FVOCI		**9,442**	–
Other receivables, deposits and prepayments		**23,033**	19,306
		42,030	20,192
	(f)	**1,802,685**	473,543

Notes:

(a) No aging analysis by invoice date is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of brokerage business. The Group offsets certain trade receivable and trade payable when the Group currently has a legally enforceable right to set off the balances; and intends to settle on a net basis or to realise the balances simultaneously.

(b) Trade receivables from margin clients are repayable on demand and bear interest ranging from 8% to 30% (2019: 8% to 30%) per annum for year ended 31 December 2020. The loans are secured by pledged marketable securities with a total fair value of approximately HK$1,758,248,000 (2019: approximately HK$434,135,000). The Group is permitted to sell or repledge the marketable securities if the customers default on the payment when requested by the Group. During the years ended 31 December 2020 and 2019, no margin loans were granted to the directors of the Company or directors of subsidiaries.

(c) The settlement terms of trade receivables arising from the provision of securities brokerage business with HKSCC are usually two days after trade date.

(d) As at 31 December 2020, the Group's net loan receivables included both fixed and variable rate loan advances to independent third parties, of which approximately HK$788,779,000 (2019: approximately HK$160,916,000) were secured by the pledge of certain collaterals and personal guarantees, bearing interest ranging from 3% to 24% (2019: 3% to 15%) per annum and had contractual loan period between 6 months and 30 years (2019: between 6 months and 30 years) under the Group's credit and leading services, the remaining balance included both fixed and variable rate loan advances to independent third parties of approximately HK$465,742,000 which were unsecured, bearing interest ranging from 5% to 36% per annum (2019: unsecured fixed and variable rate loan advances to independent third parties of approximately HK$211,761,000 bearing interest ranging from 5% to 36% per annum and that to a related company of approximately HK$151,414,000 with interest rate at 8% per annum respectively). The contractual loan period for majority of the unsecured loan receivables from third parties is between 6 months and 5 years (2019: between 3 months and 5 years).

During the year ended 31 December 2020, the Group recovered two loan receivables by way of loan participation to an independent third party at their loan principal value of HK$155,000,000 which was settled by cash. The then carrying amount of these loans was approximately HK$20,463,000 and such recovery contributed a gain of approximately HK$134,537,000.

Aging analysis of loan receivables (net of loss allowance) prepared based on loan commencement date set out in the relevant contracts is as follows:

	2020	2019
	HK$'000	*HK$'000*
Less than 1 month	**240,981**	115,332
1 to 3 months	**94,034**	151,414
4 to 6 months	**438,181**	64,504
7 to 12 months	**212,153**	180,878
Over 12 months	**269,172**	11,963
At the end of the reporting period	**1,254,521**	524,091

Aging analysis of loan receivables (net of loss allowance) prepared based on contractual due date is as follows:

	2020	2019
	HK$'000	*HK$'000*
Not yet past due	**1,254,521**	495,966
Less than 1 month past due	**–**	2,940
4 to 6 months past due	**–**	4,059
7 to 12 months past due	**–**	21,071
Over 12 months past due	**–**	55
At the end of the reporting period	**1,254,521**	524,091

The amount granted to individuals and corporates depends on management's assessment of credit risk of the customers by evaluation on background check (such as their background, and financial position for individual borrowers and their industry and financial position for corporate borrowers) and repayment abilities. During the year ended 31 December 2020, net impairment loss of approximately HK$76,907,000 (2019: approximately HK$92,431,000) is recognised for the loan receivables.

During the year ended 31 December 2020, the Group recognised a loss allowance of approximately HK$43,423,000 (2019: approximately HK$102,376,000) on its loan receivables. The movement in the loss allowance for loan receivables during the year is summarised below.

	2020			
	12-month ECL	**Lifetime ECL**		
	Performing *HK$'000*	**Under-performing** *HK$'000*	**Not performing** *HK$'000*	**Total** *HK$'000*
At the beginning of the reporting period	**6,829**	**93,973**	**1,574**	**102,376**
Increase in allowance	**24,005**	**60,759**	**12,761**	**97,525**
Reversal of allowance upon recovery of loan	**(12,392)**	**–**	**(8,226)**	**(20,618)**
Written off upon disposal	**–**	**(135,860)**	**–**	**(135,860)**
At the end of the reporting period	**18,442**	**18,872**	**6,109**	**43,423**

	2019			
	12-month ECL	Lifetime ECL		
	Performing *HK$'000*	Under-performing *HK$'000*	Not performing *HK$'000*	Total *HK$'000*
At the beginning of the reporting period	3,262	5,109	1,574	9,945
Increase in allowance	3,567	125,503	–	129,070
Reversal of allowance upon recovery of loan	–	(36,639)	–	(36,639)
At the end of the reporting period	6,829	93,973	1,574	102,376

At 31 December 2020, no loss allowance was recognised for loans receivables with carrying amounts of approximately HK$233,289,000 (2019: approximately HK$150,795,000) due to the relevant pledged assets of approximately HK$365,164,000 (2019: approximately HK$212,087,000).

The management closely monitors the credit quality of the loans and there are no indications that the loan receivables neither past due nor impaired will be uncollectible.

(e) Deposits with securities brokers represented the funds deposited with the brokers' houses for securities trading purpose.

(f) The trade, loan and other receivables are expected to be recovered within one year, except for the deposits of approximately HK$17,963,000 (2019: approximately HK$13,525,000).

16. PROMISSORY NOTE RECEIVABLE

As set out in the note 12(a), a zero-coupon promissory note at principal amount of HK$200,000,000 maturing on 30 June 2021 was received as part of the consideration of disposal of Designated FVOCI. During the year ended 31 December 2020, included in other income, the Group recognised imputed interest of approximately HK$721,000.

17. FINANCIAL ASSETS AT FVPL

		2020	2019
	Note	***HK$'000***	*HK$'000*
Mandatorily measured at FVPL			
– Listed shares in Hong Kong		**4,330,031**	2,022,155
– Listed shares in the United States		**3,235**	–
– Unlisted investment funds	*(a)*	**350,724**	77,512
– Unlisted convertible notes	*(b)*	**–**	32,380
		4,683,990	2,132,047
Analysed as:			
Non-current		**270,827**	–
Current		**4,413,163**	2,132,047
		4,683,990	2,132,047

Notes:

(a) The unlisted investment funds are mainly subscribed from independent financial institutions. The portfolios of these funds mainly comprise securities listed in Hong Kong and overseas and unlisted debt and equity securities in Asia-Pacific region. The funds are redeemable at the discretion of the Group from time to time and the intention of holding them was for short-term investment, except for the unlisted investment funds of approximately HK$270,827,000 which was held for long-term investment.

(b) The unlisted convertible notes are subscribed from an independent third party at a consideration of HK$40,500,000 on 18 June 2019. The convertible notes are bearing coupon interest rate of 8% per annum in a principal amount of HK$81,000,000 which will mature on 31 December 2020. Based on conversion price of HK$0.05 per share, the Group could convert into a maximum of 1,620,000,000 ordinary shares of the issuer which is a listed entity.

At the date of purchase, the convertible notes was recognised at fair value of HK$78,880,000 which was determined based on valuation carried out by independent professional valuer. The difference between the transaction price and fair value of the convertible notes at purchase date of HK$38,380,000 was adjusted to deferred day-one gain. Subsequently, the deferred day-one gain is amortised over the term of the convertible notes on straight line basis.

In August 2020, the Group disposed of the entire interests in such unlisted convertible notes at a consideration of HK$40,000,000. During the year ended 31 December 2020, the Group recognised a realised gain on disposal of HK$2,009,000 (including the release of the unrealised fair value loss of HK$12,509,000).

During the year ended 31 December 2020, interest income from the convertible notes amounting to approximately HK$2,761,000 (2019: approximately HK$1,197,000) was settled by scrip from the note issuer. The fair value of the shares at the date of distribution of interest was approximately HK$2,761,000 (2019: approximately HK$1,197,000) which is determined by the quoted market price. The Group irrevocably designated the shares received as Designated FVOCI at the date of distribution of interest.

The movement of the investment in unlisted convertible notes is as follows:

	Fair value	**Deferred day-one gain**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At date of purchase	78,880	(38,380)	40,500
Fair value change	43,460	–	43,460
Amortisation *(Note 5)*	–	10,692	10,692
Derecognition upon conversion	(49,017)	11,122	(37,895)
Derecognition upon disposal	(31,324)	6,947	(24,377)
At 31 December 2019 and 1 January 2020	41,999	(9,619)	32,380
Fair value change	(12,509)	–	(12,509)
Amortisation *(Note 5)*	–	5,611	5,611
Derecognition upon disposal	(29,490)	4,008	(25,482)
At 31 December 2020	–	–	–

18. TRADE AND OTHER PAYABLES

	Note	2020 HK$'000	2019 HK$'000
Trade payables			
Trade payables arising from the business of securities brokerage			
– cash clients	*(a)*	**510**	1,711
– margin clients	*(a)*	**8,172**	20,754
Secured margin loans from securities brokers	*(b)*	**273,285**	415,516
	15(a)	**281,967**	437,981
Other payables			
Other payables and accrued charges		**23,514**	32,825
		305,481	470,806

Notes:

(a) Trade payables to cash and margin clients are repayable on demand. In the opinion of the directors of the Company, no aging analysis is disclosed as the aging analysis does not give additional value.

(b) For secured margin loans from securities brokers, the loans are repayable on demand (except certain balances arising from trades pending settlement or margin deposits) and are interest-bearing at a range from 1.56% to 12% per annum (2019: 2.97% to 7.236% per annum). The total market value of debt and equity securities pledged as collateral in respect of the loans was approximately HK$4,789,885,000 (2019: approximately HK$2,318,260,000) as at 31 December 2020.

19. LEASE LIABILITIES

At 31 December 2020, the weighted average discount rate applied was 4.05% (2019: 4.52%) per annum.

Commitments and present value of lease liabilities:

	Minimum lease payments 2020 HK$'000	Present value of minimum lease payments 2020 HK$'000
Amounts payable:		
Within one year	**8,221**	**7,997**
In the second to fifth years inclusive	**2,086**	**2,062**
	10,307	**10,059**
Less: future finance charges	**(248)**	**–**
Total lease liabilities	**10,059**	**10,059**

	Minimum lease payments 2019 *HK$'000*	Present value of minimum lease payments 2019 *HK$'000*
Amounts payable:		
Within one year	11,044	10,521
In the second to fifth years inclusive	6,449	6,335
	17,493	16,856
Less: future finance charges	(637)	–
Total lease liabilities	16,856	16,856

20. LOAN PAYABLE

	2020 *HK$'000*	2019 *HK$'000*
Unsecured borrowing		
– Other loan	**235,068**	150,855

Note:

The above loan from an independent third party as at 31 December 2020 is unsecured, interest bearing of 5% (2019: 6.5%) per annum and repayable within 1 year from drawdown date.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group principally engages in investment holdings, tactical and/or strategical investments, and provisions of financial services including the Securities and Futures Commission (the "**SFC**") regulated activities namely Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management); and the provision of credit and lending services regulated under the Money Lenders Ordinance. The Group is still pursuing the development of an integrated resort in Nagasaki, Japan (the "**IR Project**") and is collaborating with Mohegan Gaming & Entertainment, a master developer and operator of premier global integrated entertainment resorts, on a unique proposal in order to be successfully selected as an integrated resort operator for the Nagasaki Prefecture.

A. Financial Services (SFC Type 1, 2, 4, 6 and 9 Regulated Activities)

Oshidori Securities Limited ("**OSL**", formerly known as Win Wind Securities Limited) is a wholly owned subsidiary of the Company which runs the Group's securities brokerage and financial services business. OSL is licensed by the SFC to conduct regulated activities including Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management). In order to trade securities through the trading facilities of the Stock Exchange, OSL, among other things, holds a Stock Exchange Trading Right and is an Exchange Participant of the Stock Exchange. Being a Stock Exchange Participant, OSL is a licensed corporation under the Securities and Futures Ordinance (the "**SFO**") for Type 1 (dealing in securities) regulated activity and complies with the financial resources requirements specified by the Financial Resources Rules and the Stock Exchange. OSL is also a China Connect Exchange Participant and China Connect Clearing Participant, offering clients a platform to trade eligible stocks listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange.

OSL has been trying to expand its scope of operations to cover futures brokerage. In 2019, OSL applied for and was successfully granted a Type 2 regulated activity licence (dealing in futures contracts) from the SFC. OSL is in the process of applying as a participant of Hong Kong Futures Exchange Limited and HKFE Clearing Corporation Limited. It is expected that commencing from the second quarter of 2021, the brokerage services of dealing in futures contracts will bring another stream of commission income to the Group.

Oshidori Corporate Finance Limited ("**OCFL**", formerly known as Enerchine Corporate Finance Limited) is a wholly owned subsidiary of the Company which runs the Group's corporate finance business. OCFL is licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activity since 2005. The client base of the Group's corporate finance business has been expanded in 2020. Various listed companies appointed OCFL as their respective corporate financial advisor to provide advice on their corporate activities in relation to compliance with the Listing Rules.

The Group has set up a new company, Win Wind Finance Limited, to strengthen its revenue stream by obtaining a SFC licence Type 8 (securities margin financing), so that the Group can attract clients with sound financial background, particularly for clients who hold significant shareholding of a single stock, but are unable to seek additional financing for acquisition of securities and/or for the continuation of holding securities from banks and/or other brokers. The proposed new margin financing service is part of the Group's plan to expand its scope of business.

(i) Securities Brokerage Services and Margin Financing Services

Brokerage commission income generated from securities brokerage services increased by 50% from HK$1.6 million for the year ended 31 December 2019 (the "**Previous Year**") to HK$2.4 million for the year ended 31 December 2020 (the "**Year**"). Interest income generated from provision of margin financing services increased by 24.1% from HK$29.9 million for the Previous Year to HK$37.1 million for the Year.

In pursuing further development of margin financing business, the Group will continue to balance risk and return and maintain a cautious approach to the credit control of its margin financing business.

(ii) Placing and Underwriting Services

Despite difficult market conditions, the Group, through its wholly-owned subsidiary OSL, completed three underwriting projects in 2020. OSL acted as either an underwriter or a sub-underwriter for equity fund raising activities conducted by listed companies on the Stock Exchange, with a total underwriting commitment of HK$118 million. These projects generated an underwriting commission of HK$0.7 million for the Group for the Year, compared to approximately HK$3,000 for the Previous Year.

In exploring business opportunities for placing and underwriting services, the Group has maintained and will continue to adopt a cautious approach before committing to placing and underwriting services during these times of market turbulence.

(iii) Corporate Finance Advisory

Various listed companies appointed OCFL to provide corporate finance advisory services. The income generated from corporate finance advisory slightly decreased from HK$0.5 million for the Previous Year to HK$0.3 million for the Year. Given prevailing sentiments of market uncertainty in recent years and regulatory changes, the approach of the market to fund-raising and substantial acquisitions has been increasingly conservative. In line with prevailing market sentiments, the Group's approach to fund-raising activities (in a corporate financial advisory capacity) has also been increasingly conservative. Therefore, although the client base of the Group's corporate finance business was expanded in 2020, the relevant fund-raising projects require a comparatively longer period for completion and have not been completed by the end of the Year.

(iv) Asset Management

Currently the Group offers a discretionary investment management service for clients who would like to diversify their investments with a customized solution.

The Group has been working on building its client network and forming strong relationships with clients and is focused on building its reputation and presence so as to attract various types of customers.

The Group is also reviewing the possibilities of offering fund investment services for clients who may have a need to look for investments other than equities. The ability to offer a portfolio of investment products should appeal to clients who would wish to diversify across different asset classes as well as different regions for their investment needs.

B. Credit and Lending Services

Chapter 163 of the Laws of Hong Kong, the Money Lenders Ordinance, is a principal statute which governs the money lending business in Hong Kong. The Company's credit and lending business obtained money lenders licences granted by the Licensing Court and renew their money lenders licences annually.

The credit and lending business performed well in the Year. Interest income from loan receivables increased by 112.6% from HK$49.4 million for the Previous Year to HK$105.0 million for the Year. The significant improvement was mainly attributable to the increasing demand of the Group's credit and lending service.

C. Tactical and/or Strategical Investments

The Group engages in tactical and/or strategical investments of a diversified portfolio, which is overseen by a professional investment team that holds Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), and Type 9 (asset management) licences under the SFO.

Vision

The Group's vision is to implement its corporate strategy through building a successful portfolio of investments that is resilient, sound and of value to the shareholders of the Company.

Investment Strategy

The Group is a prudent deal-maker and has generated significant businesses under the Group's tactical and/or strategical investments segment, mainly arising from capital appreciation of the Group's strategically sound portfolio. It aligns with the Group's overall strategy, creates value through investment selection and disposal, and demonstrates resilience through the Group's outstanding performance and financial position.

Since the past year, the Group has been engaging in certain operational shifts to support and accelerate next major growth initiatives and made efforts to be more open and accessible both internally and externally. As the Group comes across various opportunities to invest in different assets, it has formulated an investment philosophy to identify the appropriate investments, establish the criteria for evaluation, consider the opportunity for its strategic value and categorize such investments to reflect their significance and contribution to the Group. The holding size and holding periods are mainly dependent upon the reasons for the acquisition, the strategic value of the investments, and potential returns. The Group may consider realizing certain investments based on the internal resources' requirements, the increase/decrease in valuations that trigger the threshold for disposal, and the availability of alternative investment opportunities that may be superior in returns than existing holdings from time to time.

Performance

The Group's tactical and/or strategical investments segment achieved remarkable performance during the Year. There was a turnaround from segment loss of HK$311.8 million for the Previous Year to segment profit of HK$3,191.8 million for the Year. The drastic improvement was mainly attributable to significant growth of the Group's deal making revenue, arising from capital appreciation of the Group's shareholding, in particular China Evergrande New Energy Vehicle Group Limited, a listed company on the Stock Exchange (stock code: 708).

FINANCIAL REVIEW

The Group's audited consolidated profit for the Year was HK$2,819.5 million, a turnaround from the audited consolidated loss of HK$360.0 million for the Previous Year. The Group achieved its highest profit ever for the Year since its listing. Return on equity (calculated based on profit for the year divided by total equity at the end of the year) was 28.4% for the Year. Basic and diluted earnings per share for the Year were HK46.92 cents and HK46.80 cents respectively, as compared to basic and diluted losses per share for the Previous Year of HK6.19 cents.

The turnaround was mainly attributable to the significant growth in deal making revenue under the Group's tactical and/or strategical investments segment for the Year, mainly arising from capital appreciation of the Group's shareholding, in particular China Evergrande New Energy Vehicle Group Limited, a listed company on the Stock Exchange (stock code: 708). Going forward, the Group will realise its tactical and/or strategical investments to prepare its pursuit in developing the IR Project.

The Group's asset base continued to increase for the Year. The Group's total asset value increased significantly by 59.4% and reached HK$10,902.5 million as at 31 December 2020 (2019: HK$6,840.2 million). The net asset value of the Group also increased by 60.9% and reached HK$9,937.2 million as at 31 December 2020 (2019: HK$6,174.5 million). Apart from financial assets being held by the Group for its tactical and/or strategical investments, the Group also holds substantive assets which mainly comprise tangible assets such as cash and bank balances and trade, loan and other receivables.

As at 31 December 2020, the Group's gearing ratio remained at a low level of 2.4% (2019: 2.4%).

In light of the Group's total assets exceeding HK$10 billion as at 31 December 2020 and a low gearing ratio of less than 3%, it indicates that the Group is effectively using its capital without heavy reliance on credit facilities. This efficient use of capital can be seen clearly in the Group's growing asset base and net worth over the past few years. A growing asset base coupling with low gearing ratio are good indicators that the Group's business operation is stable, sustainable and has sufficient financial and operational strength.

SIGNIFICANT INVESTMENTS

As at 31 December 2020, the Group's significant investments were as follows:

Name of significant investments	Notes	Number of shares held as at 31 Dec 2020	Percentage of shareholding held as at 31 Dec 2020 %	Realised and unrealised gain for the year ended 31 Dec 2020 HK$'000	Dividends received for the year ended 31 Dec 2020 HK$'000	Approximate% to the Group's total assets as at 31 Dec 2020 %	Investment cost HK$'000	Market value as at 31 Dec 2020 HK$'000
Listed shares in Hong Kong								
– China Evergrande New Energy Vehicle Group Limited (Stock code: 708)	1	138,245,000	1.57	3,270,180	–	38.29	1,005,456	4,174,999
– Shengjing Bank Co., Ltd. (Stock code: 2066)	2	193,034,000	8.25	123,280	–	12.80	1,272,356	1,395,636

The performance and prospects of the Group's significant investments during the Year are detailed as follows:

1. **China Evergrande New Energy Vehicle Group Limited ("Evergrande New EV") (Stock Code: 708)**

   Evergrande New EV and its subsidiaries engage in technology research and development, production and sales of new energy vehicles in the PRC and other countries, as well as "Internet+" community health management, international hospitals, and elderly care and rehabilitation in the PRC.

   Evergrande New EV is developing its new energy vehicle business in full speed and has built a new energy vehicle industry chain which covers power battery, motor powertrain, advanced vehicle manufacturing, vehicle sales and smart charging. Equipped with world-leading core technologies in key aspects, Evergrande New EV has implemented a global integrated research and development model to coordinate research and development works in China, Sweden, Germany, the United Kingdom, the Netherlands, Austria, Italy, Japan, South Korea and other countries. Evergrande New EV strives to become the world's largest and most powerful new energy vehicle group within 3–5 years. On 10 June 2020, Evergrande New EV became the sole shareholder of National Electric Vehicle Sweden, a Sweden-based company focusing in fields such as intelligent electric vehicle manufacturing, motor electronic control, smart charging and vehicle-sharing. Evergrande New EV can benefit from the enormous potential of the new vehicle market to develop its own automobile brand "Hengchi". Since new energy vehicles have become the most important business, it changed its name from Evergrande Health Industry Group Limited to China Evergrande New Energy Vehicle Group Limited in August 2020.

On 3 August 2020, Evergrande New EV announced the six first-phase “Hengchi” vehicle models, covering all major passenger car categories including sedan, sport utility vehicles and multi-purpose vehicles. On 7 August 2020, the Shanghai production base and the Guangdong production base were officially unveiled. At present, the two major bases have been constructed in accordance with Industry 4.0 Standard and have been equipped with 2,545 intelligent robots. The entire manufacturing line has entered the equipment installation and commissioning stages. On 24 January 2021, Evergrande New EV successfully attracted six new investors to subscribe for its new shares at a total consideration of HK$26.0 billion, to strengthen its capital base in order to accelerate the development of new energy vehicle business. On 3 February 2021, Evergrande New EV announced that the winter calibration testing of Hengchi vehicles was officially initiated at the Yakeshi test base of China Automotive Technology & Research Center.

The revenue of Evergrande New EV increased significantly by 174.8% from RMB5,636 million for the year ended 31 December 2019 to RMB15,487 million for the year ended 31 December 2020. The gross profit of Evergrande New EV also increased by 42.8% from RMB1,887 million for the year ended 31 December 2019 to RMB2,695 million for the year ended 31 December 2020.

Evergrande New EV’s extension into the industry of new energy vehicles is an innovative and enlightened approach in response to China’s strategic goal of reinvigoration through science and technology and to protect the environment. The investment in Evergrande New EV will bring a heathy return in the medium to long run.

2. **Shengjing Bank Co., Ltd. (“Shengjing”) (Stock Code: 2066)**

Shengjing and its subsidiaries principally engage in the provision of corporate and personal deposits, loans, and advances, settlement, treasury business and other banking services as approved by the China Banking Regulatory Commission.

As at 30 June 2020, the total asset of Shengjing Bank amounted to RMB1,058,389 million, the total amount of loans and advances to customers amounted to RMB512,775 million, the total amount of deposits amounted to RMB641,707 million, the operating income amounted to RMB9,839 million and the net profit amounted to RMB2,846 million.

In recent years, Shengjing creatively completed domestic and overseas capital increase and share expansion, deepened the reform of the management system and gradually rationalised the operating mechanism of corporate governance. Shengjing also optimised the organisational and personnel structure, and constantly improved the performance remuneration system, cultivated multi-dimensional marketing management system and increased marketing efforts, and strengthened the construction of a comprehensive risk management system, and strictly observed a sound business bottom line.

Shengjing will actively change the development concept by focusing on the strategic vision of "being a sound bank", returning to its roots and adhering to its principal business with aim to comprehensively improve the level of refined management as well as enhancing endogenous growth drivers. Firstly, adhering to the basic policy of "taking deposits as the key foundation of the Bank"(存款立行), focusing on customers of "high quality customers in high quality industries and mainstream customers in mainstream industries", enhance customers loyalty through product and service innovation, increase deposit marketing efforts, and consolidate and expand core deposit growth capabilities. Secondly, strengthen asset and liability management, strengthen interest rate pricing, reasonably control capital costs, further optimize the ratio of interbank liabilities, and create "fortress-style" asset and liability structure. Thirdly, continue to improve the construction of the risk management system, strengthen the effectiveness of the operation of the matrix risk management system, improve the operation efficiency of the resident system of risk supervisors, strengthen unified credit management, and comprehensively enhance the ability to prevent new risks. Fourthly, closely follow the national policy guidance, practice the concept of inclusive finance, help the development of small, medium and micro enterprises, provide precise financial services for the real economy, and achieve integrated and resonant development with the real economy.

From a long-term perspective, Shengjing appears to have good prospects and the Company believes its investment in Shengjing has strategic investment value.

Going forward, the Group will continue to implement corporate strategies by building a successful portfolio of investments that is resilient, sound and of value to our shareholders. The Group expects that the stock market in Hong Kong and the PRC will remain challenging in 2021, as the COVID-19 pandemic continues while economies across the world are still showing signs of uncertainty. The Group will continue to adopt prudent capital management and liquidity risk management policies and practices to preserve adequate capital to meet the challenges ahead.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and cash equivalents was HK$683.3 million as at 31 December 2020 (2019: HK$695.9 million). The cash and cash equivalents and the financial assets at fair value through profit or loss in aggregate were HK$5,367.3 million as at 31 December 2020 (2019: HK$2,827.9 million). The liquidity of the Group was very strong with a current ratio of 12.8 as at 31 December 2020 (2019: 5.3). The Group had loan payables of HK$235.1 million as at 31 December 2020 (2019: HK$150.9 million) and the gearing ratio (expressed as a percentage of loan payables over total equity) maintained at a low level of 2.4% as at 31 December 2020 (2019: 2.4%).

CAPITAL STRUCTURE

During the Year, the Company has not conducted any equity fund raising activities. For the Year, the Company issued shares pursuant to two share swap agreements entered into by the Company, details of which are disclosed under the section headed "Material Transactions" in this announcement. Save for the foregoing, there was no other movement in the number of issued shares of the Company for the Year. As at 31 December 2020, the total number of issued shares of the Company was 6,113,609,139 shares with a par value of HK$0.05 each. Based on the closing price of HK$0.61 per share as at 31 December 2020, the market value of the Company as at 31 December 2020 was approximately HK$3,729 million (2019: approximately HK$5,637 million).

The consolidated net asset value per share of the Company as at 31 December 2020 was approximately HK$1.625 (2019: approximately HK$1.062).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES AND RELATED HEDGES

Save for certain bank balances that are denominated in Renminbi ("**RMB**") and United States dollar ("**USD**"), most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollar. As at 31 December 2020, the bank balances denominated in RMB and USD amounted to HK$138.6 million and HK$11.8 million respectively. Therefore, the Group's exposure to the risk of foreign exchange rate fluctuations is not material. For the Year, the Group did not have any derivatives for hedging against the foreign exchange rate risk. The Directors will continue to monitor the foreign exchange exposure and will consider appropriate action to mitigate such risk, when necessary.

CAPITAL COMMITMENTS

The Group did not have any capital commitments in respect of the acquisition of property and equipment as at 31 December 2020 (2019: Nil).

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2020 (2019: Nil).

CHARGES ON GROUP ASSETS

As at 31 December 2020, debt and equity securities with total market value of HK$4,789.9 million (2019: HK$2,318.3 million) were pledged to securities brokers to secure margin financing facilities provided to the Group. As at 31 December 2020, margin loans of HK$273.3 million (2019: HK$415.5 million) has been drawn from the margin financing facilities.

MATERIAL TRANSACTIONS

(a) Grant of Share Options and Awarded Shares in relation to Proposed Issuance of New Shares

On 22 January 2020, the Board resolved to grant an aggregate of 120,000,000 share options with no vesting conditions to 10 option grantees under the share option scheme, of which, (i) 100,000,000 share options were granted to 9 independent option grantees; and (ii) 20,000,000 share options were granted to Ms. Wong Wan Men Margaret ("**Ms. Wong**"), an executive director of the Company, at an exercise price of HK$0.865 per share.

On 22 January 2020, the Board also resolved to award an aggregate of 95,000,000 awarded shares to the corresponding 10 persons under the share award scheme, of which, (i) 85,000,000 awarded shares were awarded to 9 independent grantees by way of issue and allotment of new shares pursuant to the specific mandate; and (ii) 10,000,000 connected awarded shares were awarded to Ms. Wong by way of issue and allotment of new shares pursuant to the specific mandate. All the awarded shares shall be vested on the fourth anniversary of the date of grant (i.e. 22 January 2024), subject to the grantees remaining as eligible persons on 22 January 2024 and all of the other conditions being satisfied.

Since Ms. Wong is a connected person of the Company, the issue and allotment of the connected awarded shares (the "**Award**") to her constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval by the independent shareholders. The special general meeting was convened and held on 25 March 2020 and the Award to Ms. Wong was approved.

On 9 June 2020, the Board further resolved to grant 60,000,000 share options with no vesting conditions to Mr. Alejandro Yemenidjian, a non-executive director of the Company, under the share option scheme at an exercise price of HK$0.840 per share.

(b) Share Swap Agreement with Hao Tian International Construction Investment Group Limited ("Hao Tian")

On 2 April 2020, the Company entered into a share swap agreement with Hao Tian under which the Company would issue shares representing 3.13% of the enlarged issued share capital of the Company and Hao Tian would issue shares representing 12.37% of the enlarged issued share capital of Hao Tian, ("**Hao Tian Share Swap Transaction**"). Hao Tian Share Swap Transaction was completed on 28 April 2020. 187,500,000 shares of the Company were issued at a price of HK$0.70 per share ("**Oshidori Subscription Shares**") to a nominee of Hao Tian in exchange for 625,000,000 shares of Hao Tian as consideration shares at a price of HK$0.21 per share ("**Hao Tian Subscription Shares**") for a total consideration of HK$131,250,000. Details of Hao Tian Share Swap Transaction are set out in the Company's announcements dated 2 April 2020 and 28 April 2020. Hao Tian and its subsidiaries principally engage in the business of (a) provision of financial services and related financial advisory services through subsidiaries licensed to conduct (i) Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO; (ii) money lending activities; and (iii) brokerage of general insurance and long term (including linked long term) insurance; and (b) rental and trading of construction machinery.

On 13 January 2021, the Company and Hao Tian entered into an addendum to the Share Swap Agreement, mutually agreeing to release each other from the restrictions during the lock-up period of 2 years from the date of completion (beginning 28 April 2020) (the "**Lock-Up Period**") such that the Company shall be free to sell, offer to sell, transfer or otherwise dispose of any of the Hao Tian Subscription Shares and, similarly, Hao Tian shall also be free to sell, offer to sell, transfer or otherwise dispose of any Oshidori Subscription Shares. The Company believes the agreement to remove restrictions of the Lock-Up Period will provide the Group with more financial flexibility. For details, please refer to the Company's announcement dated 13 January 2021.

(c) Share Swap Agreement with Imagi International Holdings Limited ("Imagi")

On 6 April 2020, the Company entered into a share swap agreement with Imagi under which the Company would issue shares representing 1.93% of the enlarged issued share capital of the Company and Imagi would issue shares representing 16.63% of the enlarged issued share capital of Imagi, ("**Imagi Share Swap Transaction**"). Imagi Share Swap Transaction was completed on 22 May 2020. 114,342,857 shares of the Company were issued at a price of HK$0.70 per share to a nominee of Imagi in exchange for 138,000,000 shares of Imagi as consideration shares at a price of HK$0.58 per share for a total consideration of HK$80,040,000. Details of Imagi Share Swap Transaction are set out in the Company's announcements dated 6 April 2020, 4 May 2020, 18 May 2020 and 22 May 2020. Imagi and its subsidiaries principally engage in integrated financial services, investment holdings, computer graphic imaging and entertainment business. Imagi Brokerage Limited, a wholly-owned subsidiary of Imagi, is the major financial service arm of Imagi. Imagi Brokerage Limited holds licenses in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the SFO.

While working on the IR project bid, the Directors have also remained vigilant in identifying opportunities for its financial services businesses. Following negotiations to acquire a strategic stake in Hao Tian and Imagi, with intention to strengthen cooperation between the companies' financial services subsidiaries, a work group was formed between the companies' senior management and securities professionals to explore opportunities including (i) the cooperation and implementation of projects that are of mutual interest and benefit; (ii) exchanging and referring business opportunities where the parties think appropriate; and (iii) sharing market knowledge for the benefit and risk management of respective parties' businesses.

(d) Disposal of the Group's entire equity interest in Seekers Partners

On 12 August 2020, Uptown WW Value Investments Limited ("**Uptown**"), a wholly owned subsidiary of the Company, and High Rhine Limited ("**High Rhine**"), an independent third party, entered into a sale and purchase agreement (the "**First Sale and Purchase Agreement**") pursuant to which High Rhine conditionally agreed to acquire and Uptown conditionally agreed to sell 100,000,000 shares of Seekers Partners, representing 8.06% of Seekers Partners' issued share capital at a cash consideration of HK$650 million (the "**First Disposal**"). On 16 September 2020, the conditions precedent under the First Sale and Purchase Agreement were fulfilled and thus the First Disposal was completed. After the completion of the First Disposal, Uptown was interested in 3.62% of the issued share capital of Seekers Partners. For details, please refer to the Company's announcement dated 12 August 2020, 28 August 2020 and 16 September 2020.

On 14 December 2020, Uptown entered into a sale and purchase agreement (the "**Second Sale and Purchase Agreement**") with the High Rhine, pursuant to which High Rhine has conditionally agreed to acquire and Uptown has conditionally agreed to sell its remaining interest in Seekers Partners, i.e. 3.62% of the issued share capital of Seekers Partners at a consideration of HK$275 million (the "**Second Disposal**") which is payable by a combination of cash and promissory note. On the same day, the conditions precedent under the Second Sale and Purchase Agreement were fulfilled and thus the Second Disposal was completed. After the completion of the Second Disposal, Uptown had no beneficial interest in Seekers Partners. For details, please refer to the Company's announcement dated 14 December 2020.

The First Disposal and the Second Disposal represent a disposal of an aggregate 11.68% equity interest in Seekers Partners at an aggregated consideration of HK$925 million. The Board intends to apply the sale proceeds as the general working capital of the Group to finance the Group's financial service segment as well as the Group's IR Project.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events affecting the Group since the end of the reporting period.

LITIGATION

(a) Updates on the previous disposal of shares in Shenzhen Fuhuade Electric Power Co., Ltd. ("Fuhuade")

During the year ended 31 December 2011, the Group disposed of its 100% equity interest in Fuhuade to CNOOC Gas & Power Group (the "**Buyer**"). The total consideration of the disposal of RMB1,037,642,000 (equivalent to approximately HK$1,247,166,000) was payable in instalments, the payment of which was subject to finalisation and confirmation of the results of supplemental audit. As at 31 December 2012, the supplemental audit was not yet finalised and the outstanding instalments were not received from the Buyer. In view of this, the Group made a provision for doubtful consideration receivable of HK$93,132,000 for the year ended 31 December 2012.

As at 31 December 2013, the Group was still not able to secure a satisfactory conclusion on the supplemental audit. Under the circumstances, the Board is of the opinion that the timing and eventual outcome of the finalisation of the supplemental audit and hence the settlement of the outstanding instalments cannot be estimated with reasonable certainty. It is determined that the receivable amount should be fully provided for until such time as the eventual outcome can be reliably estimated. Accordingly, the Group fully wrote down the receivable amount of HK$255,185,000, being the amount of consideration receivable amounting to HK$358,921,000 as originally stated after deducting estimated other taxes payable arising from the disposal of the subsidiary of HK$103,736,000, in the profit and loss account for the year ended 31 December 2013.

On 20 December 2017, the Group received a civil judgement (廣東省深圳市中級人民法院民事判決書[2014]深中法涉外初字第59號) in favour of the Group in relation to the litigation on the previous disposal of shares in Fuhuade, pursuant to which the Group is judged to receive approximately RMB85,545,000 (equivalent to approximately HK$102,327,000) together with related interest of approximately RMB28,326,000 (equivalent to approximately HK$33,883,000) (before tax).

On 16 April 2019, the Group further received a civil judgment (廣東省深圳市中級人民法院民事判決書[2016]粵03民初第662號) in favour of the Group in relation to the litigation on the previous disposal of shares in Fuhuade, pursuant to which the Group is judged to receive approximately RMB113,486,000 (equivalent to approximately HK$129,102,000) (before tax) together with related tax subsidies of approximately RMB29,066,000 (equivalent to approximately HK$33,030,000) (before tax).

Up to 31 December 2020, approximately RMB127,624,000 (equivalent to approximately HK$145,566,000) has been received from CNOOC Gas for settlement of judged consideration receivables of the third instalment of approximately RMB113,486,000 (equivalent to approximately HK$129,102,000) and fuel subsidy of approximately RMB21,025,000 (equivalent to approximately HK$24,335,000) after deducting withholding tax of approximately RMB6,887,000 (equivalent to approximately HK$7,871,000).

Apart from the above, the Group is still awaiting a second instance decision from the Guangdong Provincial People's High Court regarding the amount of fuel subsidy(廣東省深圳市中級人民法院[2016]粵03民初661號).

(b) Legal Proceeding against Mr. Qin Jun ("Mr. Qin")

On 6 May 2016, Oshidori WW Resources Limited ("**OWRL**", formerly known as Win Wind Resources Limited), a wholly owned subsidiary of the Company, commenced legal proceedings as creditor by filing a bankruptcy petition with the Court of First Instance of Hong Kong, against Mr. Qin as debtor regarding an outstanding loan (and accrued interest) in the approximate sum of HK$54.99 million pursuant to a loan agreement dated 29 September 2014 made between OWRL as lender and Mr. Qin as borrower (as supplemented by a supplementary agreement made between the parties dated 29 March 2015). Mr. Qin was declared bankrupt by the Court of First Instance on 27 July 2016. Mr. Qin subsequently filed an application to annul the bankruptcy order, however such application was dismissed by the Court of First Instance at a hearing on 10 April 2017 and costs relating to the application were ordered to be paid by Mr. Qin to OWRL. On 5 May 2017, Mr. Qin filed a Notice of Appeal with the Court of Appeal to appeal against the judgment made on 10 April 2017 by the Court of First Instance. The appeal was heard before the Court of Appeal on 15 August 2018 and it was dismissed with costs ordered to be paid by Mr. Qin on an indemnity basis. On 12 September 2018, Mr. Qin filed a Notice of Motion in the Court of Appeal for leave to appeal the judgement dated 15 August 2018 in the Court of Final Appeal. The application for leave was heard before the Court of Appeal on 16 November 2018 and it was dismissed with costs on an indemnity basis. On 14 December 2018, Mr. Qin filed a Notice of Motion in the Court of Final Appeal for leave to appeal the judgment of the Court of Appeal. The Appeal Committee of the Court of Final Appeal by order dated 31 October 2019 dismissed Mr. Qin's application for leave to appeal on the ground that it discloses no reasonable grounds for leave to appeal.

By an order made by the High Court on 15 January 2021, the bankruptcy period of Mr. Qin was extended for three years from 26 July 2020 (the "**Extension Order**"). Mr. Qin has filed a Notice of Appeal against the Extension Order and the appeal hearing has not yet been heard up to the date of this announcement.

(c) Writs of Summons issued by Allied Weli Development Limited and John Howard Bachelor and Kenneth Fung as Joint and Several Liquidators (the "Liquidators of Allied Weli Development Limited")

OCFL, Win Wind Capital Limited, Win Wind Investment (Holdings) Limited, Enerchine Nominee Limited and OSL (the "**Defendant Parties**"), which as of the date hereof are wholly owned subsidiaries of the Company, have been named, inter alia, as defendants in two separate writ of summons in the High Court of Hong Kong (the "**Writs**") by the plaintiffs, Allied Weli Development Limited (in Liquidation) and John Howard Bachelor and Kenneth Fung as Joint and Several Liquidators (the "**Liquidators**") of Allied Weli Development Limited. The Liquidators have not served the Writs on the Defendant Parties. On 2 February 2018, the Group, through its legal advisors, requested the Liquidators to (i) serve the Writs of Summons on the Defendant Parties by 20 February 2018 as required under the Rules of the High Court (Order 12, rule 8A) or (ii) to discontinue the Writs against the Defendant Parties. On 15 February 2018, the Group received a letter from the Liquidator's lawyers stating, inter alia, that the Liquidators may ultimately decide not to pursue a claim against the Defendant Parties at all. As the Writs have not been served on the Defendant Parties, accordingly no provision has been made in the consolidated financial statements for the ended 31 December 2020. However, the management of the Company considers the Writs are not only groundless but the Liquidator's actions are a flagrant and calculated abuse of the law, designed solely to drag the Group's good name and good will through the Hong Kong Courts in the hopes of profit that they will clearly not be entitled to.

PROSPECTS

The world faced unprecedented challenges during the Year due to the outbreak of the COVID-19 pandemic, putting extraordinary pressure to all of society – from every family in the world to multinationals as well as small businesses, i.e. the vast majority of the work force. Countries around the world including China, Japan and United States have adopted lockdown and quarantine policies that have significantly reduced business activities worldwide. As a company with social responsibility, we are taking actions to support our people, their families, and our clients.

Despite the current difficult market conditions, the Group had made encouraging progress in the operating performance of its principal businesses and attained the highest profit ever for the Year since its listing, which amounted to HK$2,819.5 million. The solid growth for the Year under a challenging environment is a good illustration that the Group has established a viable and sustainable operation which possessed adequate strength and capability in coping with challenging conditions.

It is expected that the global and Hong Kong financial markets will continue to be fluctuant in 2021 under the impact of the uncertainty of the global economic and political situation as well as the continuing influence of COVID-19. Although uncertainties may persist, the Group's overall business development and expansion strategy to broaden the scope of its integrated financial services with full service offering and to enlarge its client base remains unchanged.

The Group has commenced IPO margin financing in January 2021. In addition to providing IPO margin financing, going forward, the business offering of the Group will be further diversified upon the launch of brokerage services of dealing in futures contracts and provision of customized margin financing services to various types of customers under Type 8 (securities margin financing) licence. The Group is in the process of applying for relevant licence and qualification for the aforesaid new businesses. With a more comprehensive profile of financial service offerings by the Group, it shall create synergy effect favourable to the Group's business development and shall enable it to capture the opportunities in the capital market when the COVID-19 pandemic is brought under control. The Group also believes that there will be significant cross selling potential across different business lines, which will broaden revenue sources and enhance client loyalty.

In order to prepare for business expansion, the Group will recruit professionals with extensive experience and leverage on their expertise to mitigate risks as well as to fuel the stable and healthy business growth of the Group. In addition, Group will grow its client base through a combination of the following: (i) leveraging on the established and extensive business network and connections of directors, senior management and licensed persons of the Group; (ii) through the recruitment of seasoned professionals with high caliber customer networks; (iii) obtaining referrals from financial institutions, investment banks, professional parties, business partners, and/or existing clients.

In pursuing the Group's development and expansion strategy for achieving long-term growth, the management will closely monitor market conditions and will remain cautious in managing the Group's operating segments.

The Group is still pursuing the development of the IR Project and is collaborating with Mohegan Gaming & Entertainment ("**MGE**"), a master developer and operator of premier global integrated entertainment resorts, on a unique proposal in order to be successfully selected as an integrated resort operator for the Nagasaki Prefecture. The Company and MGE are not only aiming at collaborating in the development of a world-class integrated resort but also in creating a dynamic community for Nagasaki to become a premier travel destination and a sought-after residential location. Furthermore, the development of the integrated resort will allow the Group to contribute to the continual prosperity of the region.

The Nagasaki Prefecture announced on 12 February 2021 and confirmed that the Company has met the prefecture's initial qualification requirement. It is anticipated that the Nagasaki Prefecture will select their partner in the third quarter of 2021 and the Company remains optimistic of the prospect of winning this bid and subsequently the license at the national level. On 19 March 2021, the Group's IR project was selected as one of the three finalists to be considered as an integrated resort operator by the Government of Japan. The Group will fully devote ourselves to become an integrated resort operator for the Nagasaki Prefecture.

The Group is committed to executing upon its long-term strategy and investing for growth in new businesses and opportunities. The Group will continue to improve its performance in different operating segments and maintain a balanced approach to asset allocation with appropriate risk and potential reward. The Board is confident that the solid growth of the Group's operating segments will further enhance the sustainable development of the Group, and that the Group is well-positioned to deliver higher and more sustainable returns for our shareholders in the future.

FINAL DIVIDEND

The Board does not recommend payments of any final dividend for the Year (2019: Nil).

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The 2021 annual general meeting ("**AGM**") of the Company is scheduled to be held on Thursday, 10 June 2021. The notice of AGM will be published on the Company's website at www.oshidoriinternational.com and the designated website of the Stock Exchange at www.hkexnews.hk in due course.

For determining the qualification as members of the Company to attend and vote at the 2021 AGM, the Company's register of members will be closed from Monday, 7 June 2021 to Thursday, 10 June 2021, both days inclusive, during which period no transfers of shares will be registered. In order to qualify as members to attend and vote at the AGM, investors are required to lodge all transfer documents accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, 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 Friday, 4 June 2021.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, the Group employed 37 (2019: 39) full time employees for its principal activities. The total staff cost amounted to approximately HK$57.7 million (2019: HK$51.5 million). The Group recognises the importance of high calibre and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other various benefits, such as medical and retirement benefits, are also provided. Share options and awarded shares may be granted to eligible employees of the Group in accordance with the terms of the approved share option scheme and share award scheme.

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

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the Year.

CORPORATE GOVERNANCE

During the Year, the Board is committed to maintaining high standards of corporate governance. The Company confirms that it has complied with all code provisions as set out in the Corporate Governance Code in Appendix 14 of the Listing Rules.

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**") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that in respect of the year ended 31 December 2020, all Directors have complied with the required standard set out in the Model Code.

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, namely, Mr. Cheung Wing Ping, Mr. Hung Cho Sing and Mr. Chan Hak Kan. The Audit Committee meets regularly with the Company's senior management and the Company's auditor to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The annual results of the Group for the Year had been audited by the Company's auditor, Messrs. Mazars CPA Limited, and had been reviewed by the Audit Committee.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to the staff and management team of the Group for their contribution during the year and also to give my sincere gratitude to all our shareholders for their continual support all these years.

By order of the Board
Oshidori International Holdings Limited
Wong Wan Men Margaret
Executive Director

Hong Kong, 30 March 2021

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:	*Non-Executive Directors:*	*Independent Non-Executive Directors:*
Ms. Wong Wan Men Margaret	Mr. Alejandro Yemenidjian *(Non-Executive Chairman)*	Mr. Chan Hak Kan
Mr. Wong Yat Fai	Hon. Joseph Edward Schmitz	Mr. Cheung Wing Ping
	Mr. Sam Nickolas David Hing Cheong	Mr. Hung Cho Sing