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FORWARD FASHION  
HOLDINGS

**Forward Fashion (International) Holdings Company Limited**

**尚晉(國際)控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2528)**

**ANNUAL RESULTS ANNOUNCEMENT FOR  
THE YEAR ENDED 31 DECEMBER 2020**

The board of directors (the “**Board**”) of Forward Fashion (International) Holdings Company Limited (the “**Company**”) is pleased to announce the audited consolidated financial statements 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. The financial information has been approved by the Board.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

		<b>Year ended 31 December</b>	
		<b>2020</b>	<b>2019</b>
	<i>Notes</i>	<i>HKD'000</i>	<i>HKD'000</i>
<b>Revenue</b>	3	<b>884,463</b>	1,513,817
Cost of sales	3,6	<u>(488,177)</u>	<u>(725,950)</u>
<b>Gross profit</b>		<b>396,286</b>	787,867
Selling and marketing expenses	6	<b>(423,704)</b>	(596,118)
General and administrative expenses	6	<b>(92,521)</b>	(128,943)
Other income	4	<b>12,057</b>	8,745
Other (losses)/gains – net	5	<u>(1,217)</u>	<u>8,934</u>
<b>Operating (loss)/profit</b>		<b>(109,099)</b>	80,485
Finance income	8	<b>1,109</b>	380
Finance costs	8	<b>(25,885)</b>	(32,033)
Finance costs – net		<u>(24,776)</u>	<u>(31,653)</u>
<b>(Loss)/profit before income tax</b>		<b>(133,875)</b>	48,832
Income tax expenses	9	<u>(2,485)</u>	<u>(11,061)</u>
<b>(Loss)/profit for the year</b>		<b><u>(136,360)</u></b>	<b><u>37,771</u></b>
<b>(Loss)/profit is attributable to:</b>			
Equity holders of the Company		<b>(131,144)</b>	37,170
Non-controlling interests		<u>(5,216)</u>	<u>601</u>
		<b><u>(136,360)</u></b>	<b><u>37,771</u></b>
<b>(Losses)/earnings per share for profit attributable to equity holders of the Company</b>			
Basic and diluted (losses)/earnings per share (HKD)	10	<u>(0.33)</u>	<u>0.12</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
<i>Notes</i>	<i>HKD'000</i>	<i>HKD'000</i>
<b>(Loss)/profit for the year</b>	<b>(136,360)</b>	<b>37,771</b>
<b>Other comprehensive income/(loss) for the year</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Currency translation differences	<u>7,856</u>	<u>(2,419)</u>
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<u>7,856</u>	<u>(2,419)</u>
<b>Total comprehensive (loss)/income for the year</b>	<b><u>(128,504)</u></b>	<b><u>35,352</u></b>
<b>Total comprehensive (loss)/income for the year is attributable to:</b>		
Equity holders of the Company	<b>(122,934)</b>	<b>34,723</b>
Non-controlling interests	<b><u>(5,570)</u></b>	<b><u>629</u></b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31 DECEMBER 2020*

		<b>As of 31 December</b>	
		<b>2020</b>	2019
	<i>Notes</i>	<b>HKD'000</b>	<b>HKD'000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>141,369</b>	168,191
Right-of-use assets		<b>285,421</b>	374,953
Intangible assets		<b>18,730</b>	8,635
Investment in insurance contract		<b>32,486</b>	31,355
Deferred tax assets		<b>27,551</b>	15,756
Prepayment	14	<b>309</b>	1,306
Other receivables and deposit	15	<b>26,082</b>	42,955
<b>Total non-current assets</b>		<b>531,948</b>	643,151
<b>Current assets</b>			
Inventories	12	<b>297,674</b>	383,831
Trade receivable	13	<b>56,118</b>	70,494
Prepayment	14	<b>25,404</b>	54,018
Other receivables and deposit	15	<b>44,561</b>	46,359
Restricted cash		<b>24,892</b>	37,908
Term deposits with initial term of over three months		<b>90,027</b>	–
Cash and cash equivalents		<b>209,639</b>	72,605
<b>Total current assets</b>		<b>748,315</b>	665,215
<b>Total assets</b>		<b>1,280,263</b>	1,308,366
<b>Equity</b>			
Share capital		<b>4,000</b>	–
Share premium		<b>859,232</b>	691,000
Reserves		<b>(584,052)</b>	(592,532)
Accumulated losses/retained earnings		<b>(11,188)</b>	140,226
<b>Capital and reserve attributable to equity holders of the Company</b>		<b>267,992</b>	238,694
Non-controlling interest in equity		<b>(4,082)</b>	(634)
<b>Total equity</b>		<b>263,910</b>	238,060

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (*Continued*)  
AS AT 31 DECEMBER 2020

		<b>As of 31 December</b>	
		<b>2020</b>	2019
	<i>Notes</i>	<b>HKD'000</b>	<b>HKD'000</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	16	<b>111,741</b>	156,408
Lease liabilities	17	<b>149,474</b>	223,211
Provisions		<b>1,934</b>	2,255
Financial liabilities at fair value through profit or loss		<b>5,026</b>	5,883
Other non-current liabilities		<b>34,083</b>	13,571
Deferred tax liabilities		<b>3,556</b>	2,923
Other payables	18	<b>15,422</b>	5,784
<b>Total non-current liabilities</b>		<b>321,236</b>	410,035
<b>Current liabilities</b>			
Trade and other payables	18	<b>192,149</b>	217,810
Amount due to related parties		<b>60,818</b>	134,292
Other current liabilities		<b>36,981</b>	9,451
Contract liabilities	19	<b>4,685</b>	1,333
Lease liabilities	17	<b>166,344</b>	179,984
Provisions		<b>8,771</b>	4,116
Financial liabilities at fair value through profit or loss		<b>2,970</b>	–
Income tax liabilities		<b>19,010</b>	15,596
Borrowings	16	<b>203,389</b>	97,689
<b>Total current liabilities</b>		<b>695,117</b>	660,271
<b>Total liabilities</b>		<b>1,016,353</b>	1,070,306
<b>Net assets</b>		<b>263,910</b>	238,060

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

Forward Fashion (International) Holdings Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 16 May 2019. The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together the “**Group**”) are principally engaged in the retail of fashion apparel of international brands ranging from established designer label brands, popular global brands to up-and-coming brands through our multi-brand and multi-store business model (the “**Business**”) in Mainland China, Macau, Hong Kong and Taiwan.

The ultimate holding company of the Company is Gold Star Fashion Limited, a company incorporated in the British Virgin Islands (the “**BVI**”) and is wholly-owned by Mr. Fan Wing Ting (“**Mr. Fan**”), the ultimate controlling shareholder (the “**Controlling shareholder**”) of the Group.

The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 13 January 2020.

The financial statements for the year ended 31 December 2020 are presented in Hong Kong dollars (“**HKD**”) and all values are rounded to the nearest thousand (HKD’000), unless otherwise stated. The financial statements for the year ended 31 December 2020 have been approved for issue by the board of directors of the Company (the “**Board**”) on 23 March 2021.

## 2 BASIS OF PREPARATION

### (i) Compliance with IFRS and Hong Kong Companies Ordinance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) issued by International Accounting Standards Board (“**IASB**”) and requirements of the Hong Kong Companies Ordinance Cap. 622.

### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial liabilities – measured at fair value
- investment in insurance contracts – measured at cash surrender value

### (iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7
- Revised Conceptual Framework for Financial Reporting

The group also elected to adopt the following amendments early.

- Annual Improvements to HKFRS Standards 2018–2020 Cycle
- Covid–19–Related Rent Concessions – amendments to IFRS 16.

Most of the amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods, except for the Amendment to IFRS 16 set out above.

**(iv) New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### **3 SEGMENT INFORMATION**

The Group is principally engaged in the retailing and wholesale of luxury and fashion clothes and products in Mainland China, Macau, Hong Kong and other places. The performance of the Group's retail stores is subject to seasonal fluctuations and certain holiday seasons.

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the CODM. The CODM considers the business from geographic perspective and assesses the performance of the geographical segments mainly based on segment revenues and segment result. Assets and liabilities are regularly reviewed on a consolidated basis.

The revenues from external customers reported to CODM are measured as segment revenues, which are the revenues derived from customers of each segment.

Segment result is equal to revenue from external customers deducted by cost of sales and selling and marketing expenses from each segment.

The segment information for the years ended 31 December 2019 and 2020 are as follows:

	Year ended 31 December 2020			Total HKD'000
	Mainland China HKD'000	Macau HKD'000	Hong Kong and others HKD'000	
Segment revenue	455,248	387,280	96,684	939,212
Inter-segment revenue	(7,538)	(4,359)	(42,852)	(54,749)
Revenue from external customers	<u>447,710</u>	<u>382,921</u>	<u>53,832</u>	<u>884,463</u>
Cost of sales	(230,872)	(230,680)	(26,625)	(488,177)
Selling and marketing expenses	<u>(176,128)</u>	<u>(211,225)</u>	<u>(36,351)</u>	<u>(423,704)</u>
Segment result	<u>40,710</u>	<u>(58,984)</u>	<u>(9,144)</u>	<u>(27,418)</u>
General and administrative expenses				(92,521)
Other income				12,057
Other losses				(1,217)
Finance income				1,109
Finance costs				(25,885)
Finance costs – net				<u>(24,776)</u>
<b>Loss before income tax expenses</b>				(133,875)
Income tax expense				<u>(2,485)</u>
<b>Loss for the year</b>				<u><u>(136,360)</u></u>
Depreciation and amortisation	(71,595)	(196,762)	(27,455)	(295,812)
Provision for impairment of property, plant and equipment and right-of-use assets	(6,475)	(14,878)	–	(21,353)
Provision for impairment of inventories	<u>(1,439)</u>	<u>(4,964)</u>	<u>(410)</u>	<u>(6,813)</u>
Segment non-current assets	119,134	350,021	62,793	531,948
Segment current assets	<u>214,476</u>	<u>332,234</u>	<u>201,605</u>	<u>748,315</u>



	Year ended 31 December 2019			
	Mainland China HKD'000	Macau HKD'000	Hong Kong and others HKD'000	Total HKD'000
Segment revenue	586,185	872,563	142,014	1,600,762
Inter-segment revenue	(14,699)	(3,498)	(68,748)	(86,945)
Revenue from external customers	<u>571,486</u>	<u>869,065</u>	<u>73,266</u>	<u>1,513,817</u>
Cost of sales	(314,474)	(380,870)	(30,606)	(725,950)
Selling and marketing expenses	<u>(213,251)</u>	<u>(337,051)</u>	<u>(45,816)</u>	<u>(596,118)</u>
Segment result	<u>43,761</u>	<u>151,144</u>	<u>(3,156)</u>	<u>191,749</u>
General and administrative expenses				(128,943)
Other income				8,745
Other gains				8,934
Finance income				380
Finance costs				(32,033)
Finance costs – net				<u>(31,653)</u>
<b>Profit before income tax expenses</b>				48,832
Income tax expense				<u>(11,061)</u>
<b>Profit for the year</b>				<u><u>37,771</u></u>
Depreciation and amortisation	(85,767)	(175,556)	(27,865)	(289,188)
Provision for impairment of property, plant and equipment and right-of-use assets	(5,245)	(2,022)	(116)	(7,383)
Reversal/(provision) for impairment of inventories	<u>2,327</u>	<u>392</u>	<u>(139)</u>	<u>2,580</u>
Segment non-current assets	144,838	460,225	38,088	643,151
Segment current assets	<u>251,713</u>	<u>364,456</u>	<u>49,046</u>	<u>665,215</u>

(a) Revenue by business line and nature

	Year ended 31 December	
	2020 HKD'000	2019 HKD'000
Retail	867,625	1,425,489
Store management and consignment service	14,361	63,953
Wholesale	<u>2,477</u>	<u>24,375</u>
Total	<u><u>884,463</u></u>	<u><u>1,513,817</u></u>

(b) **Timing of Revenue Recognition**

	Year ended 31 December	
	2020	2019
	HKD'000	HKD'000
Revenue at a point in time	870,102	1,449,864
Revenue over time	14,361	63,953
	<u>884,463</u>	<u>1,513,817</u>
Total	<u><b>884,463</b></u>	<u><b>1,513,817</b></u>

(c) **Information about unsatisfied performance obligation**

The Group elects not to disclose the information for remaining performance obligation of contracts as the contracts have an original expected duration of less than one year or the portion with variable consideration as a practical expedient.

4 **OTHER INCOME**

	Year ended 31 December	
	2020	2019
	HKD'000	HKD'000
Government grants (a)	8,861	252
Sale of exhibition materials	–	203
Subsidy from franchisor on operating loss (b)	3,161	7,783
Others	35	507
	<u>12,057</u>	<u>8,745</u>
	<u><b>12,057</b></u>	<u><b>8,745</b></u>

(a) Government grants represent subsidies received from government for anti-epidemic assistance.

(b) In 2019 and 2020, franchisors of the Group agreed to grant certain amount of subsidies to the Group in relation to the operating loss of certain stores for the purpose of maintaining long term cooperation relationship.

5 **OTHER (LOSSES)/GAINS – NET**

	Year ended 31 December	
	2020	2019
	HKD'000	HKD'000
Net changes in cash surrender value of investment in insurance contracts	1,125	1,105
Elimination of liabilities (a)	935	6,392
Gains on the derecognition of right-of-use assets and lease liabilities	1,893	768
Donation	–	(1,304)
Exchange gains/(losses)	2,518	(2,608)
Fair value gains on financial liabilities at fair value through profit or losses – net	404	5,747
Net loss on disposal of property, plant and equipment	(5,269)	(986)
Provision for litigation expenses (b)	(2,328)	–
Others	(495)	(180)
	<u>(1,217)</u>	<u>8,934</u>
	<u><b>(1,217)</b></u>	<u><b>8,934</b></u>

- (a) It represents the gains due to the elimination of contract liabilities as well as the remission of other payables. The early termination of contract by some counterparty result in the elimination of contract liabilities, and the remission of other payables mainly result from the operating support fund from landlord.
- (b) In 2020, a claim was lodged against a subsidiary of the Group by one shopping mall in relation to violation of right of use and occupation agreement. The subsidiary has disclaimed liability and is defending the action. No judgement has been handed down by the date of this report. The Group considers it to be probable that the judgement will not be in its favor and has therefore recognised a provision in relation to this claim.

## 6 EXPENSES BY NATURE

	Year ended 31 December	
	2020 HKD'000	2019 HKD'000
Change in inventories	465,113	668,570
Depreciation of right-of-use assets	229,546	225,291
Employee benefit expenses ( <i>Note 7</i> )	178,623	254,472
Depreciation of property, plant and equipment ( <i>Note 11</i> )	61,188	60,445
Operating lease expenses	42,118	69,424
Utilities and electricity expenses	24,681	27,930
Property management fee	22,026	18,133
Advertising and promotion expenses	17,192	19,447
Payment processing fee	8,833	13,563
Labour cost	4,346	12,408
Provision/(reversal) of inventories impairment	6,813	(2,580)
Provision for bad debts	837	–
Travelling, entertainment and communication expenses	3,935	10,733
Impairment loss on property, plant and equipment ( <i>Note 11</i> )	5,056	4,843
Repair and maintenance	6,187	3,731
Amortisation of intangible assets	5,078	3,452
Delivery expenses	2,127	6,029
Office expenses	3,785	2,520
Impairment loss on right-of-use assets	16,297	2,540
Professional service fees	4,342	2,642
Auditor's remuneration	3,044	2,611
Listing expenses	2,025	27,393
Rent concession related to covid-19	(119,081)	–
Other expenses	10,291	17,414
	<b>1,004,402</b>	<b>1,451,011</b>

**7 EMPLOYEE BENEFIT EXPENSES**

(a) Employee benefit expenses are analysed as follows:

	<b>Year ended 31 December</b>	
	<b>2020</b>	2019
	<b><i>HKD'000</i></b>	<i>HKD'000</i>
Salaries, wages and bonuses	<b>163,585</b>	224,856
Other social security costs, housing benefits and other employee benefits	<b>9,068</b>	14,911
Pension costs – defined contribution plan	<b>5,970</b>	14,705
	<u><b>178,623</b></u>	<u>254,472</u>

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2020 include four (2019: three) directors whose emoluments are reflected in the analysis shown in Note 22. The emoluments payable to the remaining one (2019: two) individuals during the year are as follows:

	<b>Year ended 31 December</b>	
	<b>2020</b>	2019
	<b><i>HKD'000</i></b>	<i>HKD'000</i>
Basic salaries, housing allowances, share options, other allowances and benefits in kind	<b>1,114</b>	1,961
Contribution to pension scheme	<b>25</b>	22
Total	<u><b>1,139</b></u>	<u>1,983</u>

The emoluments fell within the following bands:

	<b>Number of individuals</b>	
	<b>Year ended 31 December</b>	
	<b>2020</b>	2019
HKD 0–500,000	–	–
HKD 500,001–1,000,000	–	2
HKD 1,000,001–1,500,000	<b>1</b>	–
	<u><b>1</b></u>	<u>2</u>

## 8 FINANCE INCOME AND EXPENSES

	Year ended 31 December	
	2020	2019
	<i>HKD'000</i>	<i>HKD'000</i>
Finance income		
– Interest income	<u>1,109</u>	<u>380</u>
Finance expenses		
– Interest and finance charges paid/payable for lease liabilities	(15,051)	(18,392)
– Other interest expense	<u>(10,834)</u>	<u>(13,641)</u>
	<u>(25,885)</u>	<u>(32,033)</u>
Finance expenses – net	<u><u>(24,776)</u></u>	<u><u>(31,653)</u></u>

## 9 INCOME TAX EXPENSE

### (a) Income tax expense

	Year ended 31 December	
	2020	2019
	<i>HKD'000</i>	<i>HKD'000</i>
Current income tax	12,656	12,633
Deferred income tax related to the temporary differences	<u>(10,171)</u>	<u>(1,572)</u>
	<u><u>2,485</u></u>	<u><u>11,061</u></u>

The Group's principal applicable taxes and tax rates are as follows:

#### *Cayman Islands*

Under the prevailing laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, no Cayman Islands withholding tax is payable on dividend payments by the Company to its shareholders.

#### *British Virgin Islands*

The Group's entities incorporated in the British Virgin Islands are not subject to tax on income or capital gains.

#### *Hong Kong*

The entities within the Group incorporated and operated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% for the years ended 31 December 2019 and 2020.

#### *Mainland China corporate income tax ("CIT")*

CIT was made on the estimated assessable profits of the entities within the Group incorporated and operated in Mainland China and was calculated in accordance with the relevant tax rules and regulations of Mainland China. The general CIT rate is 25% for the years ended 31 December 2019 and 2020.

### **Macau**

The entities within the Group incorporated and operating in Macau are subject to Macau profits tax at progressive rates ranging from 3% to 9% on the taxable income above MOP 32,000 but below MOP 300,000, and thereafter at a fixed rate of 12%. In addition, a special tax incentive has provided to effect that tax free income threshold amounting to MOP 600,000 for the years ended 31 December 2019 and 2020.

### **Taiwan**

The entities within the Group operating in Taiwan are subject to Taiwan profits tax at the rate of 20% for the year ended 31 December 2020.

### **Withholding tax on undistributed profits**

According to the relevant tax rules and regulations of the PRC, distribution to foreign investors of profits earned by PRC companies since 1 January, 2008 is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investors' foreign incorporated immediate holding companies.

#### **(b) Numerical reconciliation of income tax expense**

	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>HKD'000</b>	<b>HKD'000</b>
(Loss)/profit before income tax	<b>(133,875)</b>	48,832
Tax calculated at applicable statutory tax rate of respective entities	<b>(13,420)</b>	9,517
Effect of progressive tax rate before statutory tax rate	–	(69)
Tax preference	<b>(16)</b>	(1,022)
Withholding income tax on the profits to be distributed by the group companies in the mainland China	<b>(510)</b>	289
Tax effect of unrecognised tax losses	<b>15,211</b>	542
Utilisation of previously unrecognised tax losses	<b>(405)</b>	–
Items not deductible for tax purposes	<b>1,625</b>	1,804
Income tax expense	<b>2,485</b>	11,061

The weighted average applicable tax rate is influenced by the change in the profitability of the Group's subsidiaries in the respective regions. There is no change of the tax rate of the respective regions during for the years ended 31 December 2019 and 2020.

## 10 (LOSSES)/EARNINGS PER SHARE

### (a) Basic (losses)/earnings per share

Basic (losses)/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 outstanding during the financial year.

	<b>Year ended 31 December</b>	
	<b>2020</b>	2019
(Loss)/profit attributable to equity holders of the Company (HKD'000)	<b>(131,144)</b>	37,170
Weighted average number of ordinary shares in issue	<b>395,833,333</b>	300,000,000
Basic (losses)/earnings per share (HKD) (note)	<b>(0.33)</b>	0.12

*Note:* Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year. The weighted average number of shares used for such purpose has been retrospectively adjusted for the effects of the issue of shares in connection with the Reorganisation and the effect of the capitalisation of reserves in January 2020.

(b) No diluted earnings per share is presented as the Group has no dilutive potential ordinary shares during the reporting period.

## 11 PROPERTY, PLANT AND EQUIPMENT

	<b>Buildings</b>	<b>Leasehold improvements</b>	<b>Vehicle</b>	<b>Office furniture and equipment</b>	<b>Computer and electronic equipment</b>	<b>Total</b>
	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>	<i>HKD'000</i>
<b>At 31 December 2018</b>						
Cost	17,324	230,864	4,084	21,833	7,974	282,079
Accumulated depreciation and impairment provision	(2,226)	(144,180)	(2,795)	(15,117)	(5,849)	(170,167)
Net book amount	<b>15,098</b>	<b>86,684</b>	<b>1,289</b>	<b>6,716</b>	<b>2,125</b>	<b>111,912</b>
<b>Year ended 31 December 2019</b>						
Opening net book amount	15,098	86,684	1,289	6,716	2,125	111,912
Additions	66,253	50,264	361	2,668	4,843	124,389
Depreciation	(1,419)	(52,973)	(427)	(3,918)	(1,708)	(60,445)
Impairment provision	–	(4,417)	–	(400)	(26)	(4,843)
Exchange differences	–	(692)	–	(87)	(62)	(841)
Disposals	–	(1,711)	(223)	(38)	(9)	(1,981)
Net book amount	<b>79,932</b>	<b>77,155</b>	<b>1,000</b>	<b>4,941</b>	<b>5,163</b>	<b>168,191</b>

	Buildings <i>HKD'000</i>	Leasehold improvements <i>HKD'000</i>	Vehicle <i>HKD'000</i>	Office furniture and equipment <i>HKD'000</i>	Computer and electronic equipment <i>HKD'000</i>	Total <i>HKD'000</i>
<b>At 31 December 2019</b>						
Cost	83,577	275,064	4,128	22,070	12,525	397,364
Accumulated depreciation and impairment provision	<u>(3,645)</u>	<u>(197,909)</u>	<u>(3,128)</u>	<u>(17,129)</u>	<u>(7,362)</u>	<u>(229,173)</u>
Net book amount	<u>79,932</u>	<u>77,155</u>	<u>1,000</u>	<u>4,941</u>	<u>5,163</u>	<u>168,191</u>
<b>Year ended 31 December 2020</b>						
Opening net book amount	79,932	77,155	1,000	4,941	5,163	168,191
Additions	-	43,397	-	69	1,834	45,300
Depreciation	(1,640)	(53,892)	(208)	(2,987)	(2,461)	(61,188)
Impairment provision	-	(5,056)	-	-	-	(5,056)
Exchange differences	-	2,030	-	136	154	2,320
Disposals	<u>-</u>	<u>(6,954)</u>	<u>(516)</u>	<u>(338)</u>	<u>(390)</u>	<u>(8,198)</u>
Net book amount	<u>78,292</u>	<u>56,680</u>	<u>276</u>	<u>1,821</u>	<u>4,300</u>	<u>141,369</u>
<b>At 31 December 2020</b>						
Cost	83,577	292,646	3,172	20,889	13,849	414,133
Accumulated depreciation and impairment provision	<u>(5,285)</u>	<u>(235,966)</u>	<u>(2,896)</u>	<u>(19,068)</u>	<u>(9,549)</u>	<u>(272,764)</u>
Net book amount	<u>78,292</u>	<u>56,680</u>	<u>276</u>	<u>1,821</u>	<u>4,300</u>	<u>141,369</u>

As at 31 December 2020, the Group performed impairment test on the property, plant and equipment used in the retail stores with discounted cash flow analysis and recognised impairment loss of HKD 5,056,000 (2019: HKD 4,843,000).

As at 31 December 2020, a building with carrying amount of approximately HKD 61,068,000 is pledged for first mortgage of bank borrowings (2019: HKD 62,365,000).

Depreciation of the Group's property, plant and equipment has been recognised in the consolidated statements of profit or loss as follows:

	<b>Year ended 31 December</b>	
	<b>2020</b> <i>HKD'000</i>	2019 <i>HKD'000</i>
Selling and marketing expenses	56,810	55,892
Administrative expenses	<u>4,378</u>	<u>4,553</u>
	<u>61,188</u>	<u>60,445</u>



## 12 INVENTORIES

	As of 31 December	
	2020	2019
	HKD'000	HKD'000
Fashion wears and accessories	321,728	407,169
Electronic devices	3,598	–
Skincare and cosmetic products	3,060	–
Less: provision for impairment	<u>(30,712)</u>	<u>(23,338)</u>
	<b><u>297,674</u></b>	<b><u>383,831</u></b>
Inventory measured at cost	229,577	335,228
Inventory measured at net realisable value	<u>68,097</u>	<u>48,603</u>
	<b><u>297,674</u></b>	<b><u>383,831</u></b>

Provision for impairment was recognised for the amount by which the carrying amount of the inventories exceeds its net realisable value, and was recorded in “cost of sales” in the consolidated statements of profit or loss.

For the year ended 31 December 2020, the cost of inventories recognised as expense and included in “cost of sales” amounted to HKD 471,926,000 (2019: HKD 665,990,000).

## 13 TRADE RECEIVABLE

	As of 31 December	
	2020	2019
	HKD'000	HKD'000
<b>Trade receivables</b>		
Due from third parties	56,676	70,494
Less: provision for impairment of trade receivables	<u>(558)</u>	<u>–</u>
Net trade receivables	<b><u>56,118</u></b>	<b><u>70,494</u></b>

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The loss allowance increased by HKD 558,000 for trade receivables during the current reporting period. Information about the impairment of trade receivables and the Group’s exposure to credit risk and foreign currency risk can be found in Note 3.1.

Trade receivables are denominated in the following currencies:

	<b>As of 31 December</b>	
	<b>2020</b>	2019
	<i><b>HKD'000</b></i>	<i>HKD'000</i>
RMB	<b>39,493</b>	49,612
MOP	<b>11,555</b>	15,020
HKD	<b>5,070</b>	3,258
TWD	<b>–</b>	2,604
	<b>56,118</b>	70,494

The credit terms of trade receivables granted by the Group are generally 1–3 months. For the years ended 31 December 2019 and 2020, the ageing analysis of the trade receivables based on invoice date is as follows:

	<b>As of 31 December</b>	
	<b>2020</b>	2019
	<i><b>HKD'000</b></i>	<i>HKD'000</i>
Within 3 months	<b>55,545</b>	69,960
Over 3 months and within 6 months	<b>326</b>	278
Over 6 months and within 1 year	<b>501</b>	256
Over 1 year	<b>304</b>	–
	<b>56,676</b>	70,494

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

#### **14 PREPAYMENTS**

	<b>As of 31 December</b>	
	<b>2020</b>	2019
	<i><b>HKD'000</b></i>	<i>HKD'000</i>
Included in current assets		
– Prepayments to supplier	<b>20,426</b>	37,099
– Capitalised listing expense	<b>–</b>	8,178
– Other prepayments	<b>4,978</b>	8,741
	<b>25,404</b>	54,018
Included in non-current assets		
– Prepayments for leasehold improvement and furniture	<b>309</b>	1,306
	<b>25,713</b>	55,324

**15 OTHER RECEIVABLES AND DEPOSIT**

	<b>As of 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>HKD'000</b>	<b>HKD'000</b>
Included in current assets		
– Rental deposits	<b>24,364</b>	12,181
– Value-added tax recoverable	<b>9,285</b>	12,042
– Compensation receivables	–	9,618
– Staff advance	<b>860</b>	875
– Construction allowance receivables	–	4,904
– Others	<b>10,052</b>	6,739
	<b>44,561</b>	46,359
	<b>44,561</b>	46,359
Included in non-current assets		
– Rental deposits	<b>26,082</b>	42,955
	<b>70,643</b>	89,314
	<b>70,643</b>	89,314

**16 BORROWINGS**

	<b>As of 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>HKD'000</b>	<b>HKD'000</b>
<b>Non-current</b>		
Bank loans (a)	<b>111,741</b>	156,408
<b>Current</b>		
Bank loans (a)	<b>107,144</b>	52,187
Letter of credit loans (b)	<b>96,245</b>	45,502
	<b>203,389</b>	97,689
	<b>315,130</b>	254,097
	<b>315,130</b>	254,097

- (a) All borrowings are guaranteed and pledged as shown below:

	As of 31 December	
	2020	2019
	HKD'000	HKD'000
Guaranteed by Mr. Fan and pledged by his properties	139,894	66,443
Guaranteed by Mr. Fan and pledged by his properties and time deposit	52,450	22,590
Guaranteed by Mr. Fan and pledged by his properties, time deposit and insurance contract	79,511	119,312
Pledged by buildings ( <i>Note 11</i> )	43,275	45,752
	<u>315,130</u>	<u>254,097</u>

- (b) Letter of credit loans represent loans granted by banks in connection with inward cargoes.

- (c) The Group's bank borrowings for the years ended 31 December 2019 and 2020 are denominated in the following currencies:

	As of 31 December	
	2020	2019
	HKD'000	HKD'000
RMB	17,062	29,708
HKD	252,155	190,056
USD	26,489	23,431
EURO	19,424	10,902
	<u>315,130</u>	<u>254,097</u>

- (d) The weighted average effective interest rates at the balance sheet dates are set out as follows:

	As of 31 December	
	2020	2019
Bank borrowings	<u>4.40%</u>	<u>3.85%</u>

- (e) The following tables sets forth the ranges of the effective interest rate on our bank borrowings as of the dates indicated:

	As of 31 December	
	2020	2019
	%	%
Fixed-rate bank borrowings	4.00–5.00	4.00–5.88
Floating-rate bank borrowings	HIBOR+1.75; LIBOR+1.25;	HIBOR+1.75– HIBOR+3.00; LIBOR+1.25– LIBOR+3.00; 3.00–3.88
	2.63–3.88	

- (f) The borrowings were repayable by repayment day as follows:

	<b>As of 31 December</b>	
	<b>2020</b>	2019
	<i>HKD'000</i>	<i>HKD'000</i>
Within 1 year	<b>203,389</b>	97,689
Between 1 and 2 years	<b>37,504</b>	22,883
Between 2 and 5 years	<b>27,693</b>	61,358
Over 5 years	<b>46,544</b>	72,167
	<b>315,130</b>	254,097

- (g) The fair values of the Group's borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

- (h) Compliance with loan covenants

The Group complied with the financial covenants of its borrowing facilities throughout the reporting period.

## 17 LEASE LIABILITIES

	<b>As of 31 December</b>	
	<b>2020</b>	2019
	<i>HKD'000</i>	<i>HKD'000</i>
Current	<b>166,344</b>	179,984
Non-current	<b>149,474</b>	223,211
	<b>315,818</b>	403,195

Liabilities arising from a lease are initially measured on a present value basis. Leases of entities operating in Mainland China are discounted at the rate of 6.0% and leases of entities operating in Macau and Hong Kong are discounted at the rate of 3.5%. The finance cost of leases is charged to profit or loss over the lease period at the same rate.

## 18 TRADE AND OTHER PAYABLES

	As of 31 December	
	2020	2019
	<i>HKD'000</i>	<i>HKD'000</i>
<b>Current</b>		
Trade payables (a)	70,389	102,310
Salaries payable	40,054	52,123
Variable lease payable	36,028	20,478
Listing expense payable	–	6,221
Other taxes payable	3,727	1,576
License fee payable	7,779	2,290
Operating support fund	2,237	11,722
Renovation service fee payables	17,805	5,268
Other payables	14,130	15,822
	<u>192,149</u>	<u>217,810</u>
<b>Non-current</b>		
Operating support fund (b)	12,832	5,046
License fee payables (c)	2,590	738
	<u>15,422</u>	<u>5,784</u>
	<u><b>207,571</b></u>	<u><b>223,594</b></u>

- (a) Trade payables primarily represent payables for inventories. The ageing analysis of the trade payables based on invoice date is as follows:

	As of 31 December	
	2020	2019
	<i>HKD'000</i>	<i>HKD'000</i>
Within 3 months	50,262	100,784
Over 3 months and within 1 year	20,127	1,526
	<u>70,389</u>	<u>102,310</u>

- (b) Operating support fund is provided by the shopping malls for the Group to operate its retail stores. The fund shall be repaid upon the earlier of the date when the store meets specific operating condition agreed and the date when the leases expire.

- (c) License fee payables in respect of the acquisition of licence rights are initially recognised at fair value of the consideration given to acquire the licence at the time of the acquisition, which represent the present values of the fixed minimum periodic payments to be made in subsequent years. They are subsequently stated at amortised cost using the effective interest method less amounts paid.

Interest is accreted and represents changes in the licence fee payables due to passage of time calculated by applying an effective interest rate to the amount of licence fee payables at the beginning of the period.

The corresponding intangible assets are amortised on a straight-line basis over the term of the franchise agreement.

## 19 CONTRACT LIABILITIES

Contract liabilities primarily comprise advance payments received from wholesalers for goods that have not yet been delivered to the wholesaler.

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	<b>Year ended 31 December</b>	
	<b>2020</b>	2019
	<b>HKD'000</b>	HKD'000
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Wholesale Contract	<u>1,333</u>	<u>3,203</u>

## 20 DIVIDENDS

The payment of dividends in 2020 relates to the final dividend for the year ended 31 December 2019, totalling HKD 20,000,000 (HKD 0.05 per share). No dividend was paid in 2019 and no dividend in respect of the year ended 31 December 2020 is to be proposed.

	<b>2020</b>	2019
	<b>HKD'000</b>	HKD'000
Interim dividend paid of HKD nil (2019: HKD nil) per ordinary share	–	–
Proposed final dividend of HKD nil (2019: HKD 0.05) per ordinary share	<u>–</u>	<u>20,000</u>

## 21 RELATED PARTY TRANSACTIONS

### (a) Parent entity

The Group is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest	
			2020	2019
Gold Star Fashion Limited	Immediate/ultimate parent company	BVI	75%	100%

### (b) Subsidiaries

Interests in subsidiaries are set out in note 23.

(c) **Key management compensation**

Key management includes directors (executive and non-executive) and the senior management of the Group.

The compensation paid or payable to key management for employee services is shown below:

	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<i>HKD'000</i>	<i>HKD'000</i>
Salaries, wages and bonus	<b>6,841</b>	5,475
Pension cost – defined contribution plan	<b>116</b>	95
Other social security costs, housing benefits and other employee benefits	<b>56</b>	132
	<b>7,013</b>	<b>5,702</b>

(d) **Transactions with other related parties**

The following transactions occurred with related parties:

	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<i>HKD'000</i>	<i>HKD'000</i>
<b>Purchase of goods</b>		
Company with significant influence over a subsidiary	<b>697</b>	2,079
<b>Purchase of decoration services</b>		
Controlled by a close family member of Mr. Fan	<b>1,433</b>	17,572
<b>Purchase of rental services (with variable lease payment)</b>		
Fellow subsidiaries	<b>6,356</b>	6,161
<b>Purchase of management, promotion and administration services</b>		
Fellow subsidiary	<b>6,645</b>	16,224
<b>Interest expense</b>		
Controlling shareholder of the company	<b>573</b>	3,164

In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.



(e) Year end balances with related parties

(1) Due to related parties

	As of 31 December	
	2020 HKD'000	2019 HKD'000
<b>Loans from related parties – non-trade</b>		
Mr. Fan	7,882	90,366
Ying Yu Investment Company Ltd.	2,640	–
Bo Jian Company Ltd.	7,997	–
Shun Ao Co. Ltd.	9,309	–
<b>Amount due to related parties – non-trade</b>		
Ieng Nam Singapore Pte. Ltd.	–	767
<b>Amount due to related parties – trade</b>		
SJ Synergy Engineering Company Limited	30,196	35,999
Sao Hang Investment Company Limited	2,794	7,160
	<b>60,818</b>	<b>134,292</b>

Loans from Mr. Fan were unsecured with term of one year and an interest rate of 4%.

Loans from related parties were unsecured with term of one year and an interest rate of 4%.

Amount due to related parties represents unsecured, interest-free and repayable on demand amount paid on behalf of the Group by related parties.

In December 2019, the Group and Bank of China Macau came into an agreement with a total facilities of HKD120,000,000 and an initial term of six months. In January 2020, the Group has drawn a total amount of HKD90,000,000 to repay the loans from related parties and cleared all the amount due to Mr. Fan before its listing on the Main Board of The Stock Exchange of Hong Kong Limited on 13 January 2020.

(f) **Guarantees**

Guarantees provided by the controlling shareholder to the Group are set out in Note 16.

(g) **Leases as lessee with other related parties**

The following amounts of leases are related to related parties:

	<b>As at 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b><i>HKD'000</i></b>	<b><i>HKD'000</i></b>
<b>Lease liabilities</b>		
Controlling shareholder of the Company	<b>8,880</b>	<b>7,350</b>
	<b><u>8,880</u></b>	<b><u>7,350</u></b>
	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b><i>HKD'000</i></b>	<b><i>HKD'000</i></b>
<b>Addition in right-of-use assets</b>		
Controlling shareholder of the Company	<b>1,479</b>	<b>1,812</b>
	<b><u>1,479</u></b>	<b><u>1,812</u></b>
<b>Interest of lease liabilities</b>		
Controlling shareholder of the Company	<b>479</b>	<b>460</b>
Fellow subsidiaries	<b>–</b>	<b>1</b>
	<b><u>479</u></b>	<b><u>461</u></b>

## 22 BENEFITS AND INTERESTS OF DIRECTORS

### (a) Directors' and chief executive's emoluments

Remuneration of every director and chief executive is set out below:

	Year ended 31 December 2020					Total HKD'000
	Fees HKD'000	Salaries, wages and bonus HKD'000	Pension cost-defined contribution plan HKD'000	Other social security costs, housing benefits and other employee benefits HKD'000	Share-based compensation expense HKD'000	
<b>Chairman:</b>						
Mr. Fan Wing Ting	-	2,100	17	-	-	2,117
<b>Executive directors:</b>						
Ms. Chen Xingyi	-	1,114	28	21	-	1,163
Mr. Kevin Trantallis	-	1,050	18	-	-	1,068
Mr. Fong Yat Ming	-	973	11	-	-	984
Ms. Fan Tammy	-	525	17	-	-	542
<b>Independent non-executive directors:</b>						
Mr. Chau Kwok Keung (Note a)	-	202	-	-	-	202
Mr. Yu Chun Kau (Note a)	-	202	-	-	-	202
Mr. Cheung Chun Yue (Note a)	-	202	-	-	-	202
<b>Chief executive:</b>						
Ms. Fung Sze Nga	-	739	18	-	-	757
Mr. Choi Chin Chung	-	733	18	-	-	751
	-	7,840	127	21	-	7,988

	Year ended 31 December 2019					
				Other social security costs, housing		
	Fees	Salaries, wages and bonus	Pension cost-defined contribution plan	benefits and other employee benefits	Share-based compensation expense	Total
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
<b>Chairman:</b>						
Mr. Fan Wing Ting	–	440	15	–	–	455
<b>Executive directors:</b>						
Ms. Chen Xingyi	–	2,053	11	40	–	2,104
Mr. Kevin Trantallis	–	1,116	18	–	–	1,134
Mr. Fong Yat Ming	–	1,281	12	–	–	1,293
Ms. Fan Tammy	–	457	18	–	–	475
<b>Independent non-executive directors:</b>						
Mr. Chau Kwok Keung (Note a)	–	–	–	–	–	–
Mr. Yu Chun Kau (Note a)	–	–	–	–	–	–
Mr. Cheung Chun Yue (Note a)	–	–	–	–	–	–
<b>Chief executive:</b>						
Ms. Fung Sze Nga	–	739	18	–	–	757
Mr. Choi Chin Chung	–	733	18	–	–	751
	–	6,819	110	40	–	6,969

*Notes:*

- (a) Appointed on 17 December 2019.
- (b) No retirement or termination benefits have been paid to the Company's directors for the years ended 31 December 2019 and 2020, respectively.
- (c) No loans, quasi-loans or other dealings were entered into by the Company in favor of directors, controlled body corporates by and connected entities with such directors for the years ended 31 December 2019 and 2020, respectively.
- (d) Save as disclosed in Note 21, significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during the years ended 31 December 2019 and 2020.
- (e) No consideration was provided to third parties for making available directors' services during the years ended 31 December 2019 and 2020.

## 23 SUBSIDIARIES

The Group's principal subsidiaries at 31 December 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of incorporation/ establishment and kind of legal entity	Principal activities	Particulars of issued share capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %
World First International Holdings Limited	BVI, limited liability company	Investment holding company	USD1,000	100%	100%	-	-
Fortune Fashion Limited	BVI, limited liability company	Investment holding company	USD10	100%	100%	-	-
Frontline Fashion Limited	BVI, limited liability company	Investment holding company	USD10	100%	100%	-	-
NB China Limited (盈冠商貿有限公司)	HK, limited liability company	Procurement of fashion apparel	HKD105,000	60%	60%	40%	40%
Yingnan Asia Limited (盈南中華有限公司)	HK, limited liability company	Investment holding company	HKD1	100%	100%	-	-
World First Holdings Limited (科盈集團有限公司)	HK, limited liability company	Investment holding company	HKD103,000,000	100%	100%	-	-
Wide Spread (China) Limited (康弘(中國)有限公司)	HK, limited liability company	Retail of fashion apparel	HKD5,000,000	100%	100%	-	-
Ying Yi Hong Kong Limited (盈奕商貿有限公司)	HK, limited liability company	Retail of skincare and cosmetic products	HKD1	100%	-	-	-
Yuan Zhi Holdings Limited (媛芝商貿有限公司)	HK, limited liability company	Wholesale of skincare and cosmetic products	HKD1	100%	-	-	-
Macau Ieng Nam Limited (澳門盈南有限公司)	Macau, limited liability company	Retail of fashion apparel	MOP100,000	100%	100%	-	-
Sao Wai Investment Company Limited (首威投資有限公司)	Macau, limited liability company	Retail of fashion apparel	MOP25,000	100%	100%	-	-
Ieng Weng Company Limited (盈榮有限公司)	Macau, limited liability company	Retail of fashion apparel	MOP25,000	100%	100%	-	-
Ieng Leong Company Limited (盈亮有限公司)	Macau, limited liability company	Retail of fashion apparel	MOP25,000	100%	100%	-	-
Lan Yuan Company Limited (蘭媛有限公司)	Macau, limited liability company	Retail of fashion apparel	MOP25,000	100%	100%	-	-
Macau Ieng Kun Company Limited (澳門盈冠有限公司)	Macau, limited liability company	Retail of fashion apparel	MOP25,000	62%	62%	38%	38%
Sao Wai Limited (首威商貿有限公司)	HK, limited liability company	Investment holding company	HKD10,000	100%	100%	-	-
首威貿易(深圳)有限公司 (a)	PRC, limited liability company	Retail of fashion apparel	HKD100,000,000	100%	100%	-	-
蘭媛商貿(上海)有限公司 (a)	PRC, limited liability company	Retail of fashion apparel	HKD15,000,000	100%	100%	-	-

Name of entity	Place of incorporation/ establishment and kind of legal entity	Principal activities	Particulars of issued share capital	Ownership interest held by the Group		Ownership interest held by non-controlling interests	
				2020 %	2019 %	2020 %	2019 %
盈昭商貿(上海)有限公司 (a)	PRC, limited liability company	Retail of fashion apparel	HKD16,500,000	60%	60%	40%	40%
盈亮貿易(深圳)有限公司 (a)	PRC, limited liability company	Retail of fashion apparel	HKD50,000,000	100%	100%	-	-
媛芝商貿(深圳)有限公司 (a)	PRC, limited liability company	Wholesale and retail of skincare and cosmetic products	HKD25,000,000	100%	-	-	-
珠海橫琴盈華商貿有 限公司 (a)	PRC, limited liability company	Retail of fashion apparel	HKD4,000,000	100%	100%	-	-
Sao Hang Limited (首恆商貿有限公司)	HK, limited liability company	Investment holding company	HKD 10,000	100%	100%	-	-

*Note:*

(a) Registered as wholly foreign owned enterprises under PRC law.

**(i) Significant restrictions**

Cash and short-term deposits held in PRC are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from those countries, other than through normal dividends.

For the year ended 31 December 2020, the carrying amount of the assets included within the consolidated financial statements to which these restrictions apply was HKD 69,605,000. (2019: HKD 33,875,000)

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

The Group principally engages in the retail of fashion apparel of international brands ranging from established designer label brands, popular global brands to up-and-coming brands in Mainland China, Macau, Hong Kong and Taiwan (collectively, “**Greater China**”). The Group adopts a multi-brand and multi-store business model. As at 31 December 2020, the Group operated 209 self-operated retail stores in Greater China, of which 181 retail stores are mono-brand stores operated under the brand name of the merchandise to cater for the brand’s target customers and 28 retail stores are multi-brand stores that offer a broad assortment of the Group’s selected fashion apparel and lifestyle merchandise from different international brands and the Group’s own brands. As at 31 December 2020, the Group’s brand portfolio had 124 brands, of which 121 brands were international brands owned by third-party brand owners or their master/authorised licensors and three were its own brands, namely, *UM*, *UM•IXOX* and *IXOX*.

The outbreak of COVID-19 pandemic (“**Pandemic**”) in 2020 has severely impacted the economy of Greater China in which the Group operates. The GDP growth in Mainland China contracted from 6.1% in 2019 to 2.3% in 2020 and the growth rate of consumer goods consumption in 2020 recorded a negative growth of 3.4%. Among the consumer goods, the growth rate of retail value of apparel in 2020 dwindled by 8.1% comparing with 2019. The lockdown of borders between Mainland China and Hong Kong, Macau and Taiwan impacted seriously on the number of tourists visiting these areas. The number of visitors to Macau in 2020 diminished by 85.0% comparing with 2019 and the total visitor expenditure decreased by 78.5% year-over-year (“**yoy**”) while the retail value of apparel of Hong Kong contracted 41.3% yoy in 2020.

Against these backdrops, the Group experienced a shrink of 41.6% yoy in revenue in 2020. Of the decrease in revenue of HKD629.3 million, Macau and Mainland China recorded a decrease of HKD486.2 million and HKD123.8 million, or 77.3% and 19.7% of total decrease in revenue, respectively. At present, non-Macau residents are still subject to various travel restrictions and this has significantly deterred visitors from visiting Macau.

In the light of this tough business environment, the Group has been closely monitoring the market conditions and adjusted its business strategies and operations to minimize the negative impact, including proactive cost control measures on merchandise costs, rental expenses and staff costs to ensure that a healthy cashflow position is maintained.

## FINANCIAL REVIEW

### Revenue

The Group's revenue decreased to HKD884.5 million for 2020, representing a yoy 41.6% decrease. The negative growth rate of revenue of 2020 was mainly due to slowdown of economy in Greater China resulting from the social distancing and the curb on travelling as preventive measures of combating the Pandemic. Both mono-brand stores and mutli-brand stores recorded a decrease of 39.5% and 39.3% yoy, respectively while the Group achieved a growth rate of 152.0% over the online sales through different media platforms. Both store management and consignment services and wholesale also recorded a shrinkage of 77.6% and 89.8% yoy, respectively. Notwithstanding the adverse consumption contraction during the Pandemic, the Group managed to increase the average sales floor area from 33,690 m<sup>2</sup> in 2019 to 35,025 m<sup>2</sup> in 2020, mainly in Hong Kong and Taiwan with expectation to capture the rebound of consumption upon the economic recovery and reopening of tourism by the end of the Pandemic. At the same time, the Group streamlined the store portfolio by closing those below average performance or high rental expenses without satisfactory concession from the landlords.

Breakdown of revenue by sales channels:

	2020		2019		Change (%)
	<i>HKD million</i>	<i>% of revenue</i>	<i>HKD million</i>	<i>% of revenue</i>	
Retail					
Mono-brand stores	<b>717.6</b>	<b>81.2</b>	1,186.3	78.4	(39.5)
Multi-brand stores	<b>143.7</b>	<b>16.2</b>	236.7	15.6	(39.3)
Online sales	<b>6.3</b>	<b>0.7</b>	2.5	0.1	152.0
	<b>867.6</b>	<b>98.1</b>	1,425.5	94.1	(39.1)
Store management & consignment services	<b>14.4</b>	<b>1.6</b>	64.0	4.3	(77.6)
Wholesale	<b>2.5</b>	<b>0.3</b>	24.3	1.6	(89.8)
Total	<b>884.5</b>	<b>100.0</b>	1,513.8	100.0	(41.6)



Movement of number, floor area and same store growth rate of retail stores:

	No. of retail stores				Sales floor area (m <sup>2</sup> )				Average	No of same stores	Same store growth %
	As at 31/12/2019	Open	Close	As at 31/12/2020	As at 31/12/2019	Open	Close	As at 31/12/2020			
Macau	64	12	(22)	<b>54</b>	10,290	2,300	(2,763)	<b>9,727</b>	10,059	35	(65.1)
Mainland China	143	27	(34)	<b>136</b>	21,799	4,539	(4,865)	<b>21,473</b>	21,636	96	(10.9)
HK & Taiwan	8	14	(3)	<b>19</b>	1,800	3,419	(359)	<b>4,860</b>	3,330	4	(38.8)
Total/Overall	<u>215</u>	<u>53</u>	<u>(59)</u>	<u><b>209</b></u>	<u>33,889</u>	<u>10,258</u>	<u>(7,987)</u>	<u><b>36,160</b></u>	<u>35,025</u>	<u>135</u>	<u>(41.7)</u>

Revenue by geographical areas:

	2020		2019		Change (%)
	HKD million	% of revenue	HKD million	% of revenue	
Macau	<b>382.9</b>	<b>43.3</b>	869.1	57.4	(55.9)
Mainland China	<b>447.7</b>	<b>50.6</b>	571.5	37.8	(21.7)
HK & Taiwan	<b>53.9</b>	<b>6.1</b>	73.2	4.8	(26.4)
Total	<u><b>884.5</b></u>	<u><b>100.0</b></u>	<u>1,513.8</u>	<u>100.0</u>	<u>(41.6)</u>

**Macau**

The revenue generated from Macau for 2020 decreased to HKD382.9 million, representing a yoy decrease of 55.9%. The growth rate decelerated from that of 12.2% in 2019, which was mainly attributable to the decline of number of visitors to Macau in 2020 by 78.6% yoy while the total visitor expenditure dropped by 78.5% yoy. The Group managed to adopt proactive marketing strategies like competitive pricing, opening stores in attracting local consumers and active customer marketing to deter the cliff falling and cost-saving measures like closing unsatisfactory stores. As a result of opening 12 stores and closing 22 stores strategically, the Group achieved a lower decrease in revenue of 55.9% yoy comparing with the decrease in same store sales growth of 65.1%.

**Mainland China**

The revenue generated from Mainland China recorded HKD447.7 million in 2020, representing a yoy decrease of 21.7%. The apparel retail value in first half of 2020 in the PRC decreased 21.7% and recovered in slow pace ranging from 4.4% in August 2020 to 12.1% in October 2020 and then decreased to 1.9% in December 2020. The Group streamlined the store portfolio by retaining good performance stores to prevent loss of customers. As such, the number of same stores increased to 96 in 2020 comparing with 82 in 2019 and achieved

a lower negative growth rate of 10.9%. The Group closed 34 stores and opened 27 stores in 2020 with a decrease in average floor area of 2.6% yoy. To meet the pressure on the shrinking demand in our luxury brands, the Group adopted competitive pricing and proactive customer calls to stimulate sales. All in all, the PRC retail revenue dropped 21.7% yoy.

### ***Hong Kong and Taiwan***

The revenue generated from the sales in Hong Kong and Taiwan recorded a yoy decrease of 27.7% and 10.1%, respectively. The value of retail sales of apparel in Hong Kong declined by 41.3% yoy in 2020 given the resistance of rent concession and drop of demand significantly during the Pandemic in 2020. The Group opened 8 stores while closed 1 store in Hong Kong during 2020 with an increase of average floor area of 271 m<sup>2</sup>, representing 18.4% yoy growth. Taiwan area achieved a low-record of COVID-19 cases and GDP yoy growth rate of 3.1% in 2020 and therefore the Group experienced less impact from the Pandemic. The Group opened 6 stores while closed 2 stores in 2020 to expand our sales network in Taiwan. As such, the Group recorded a 10.1% yoy drop in revenue in 2020 given the number of tourists in 2020 recorded a yoy decrease of 98.2%.

### **Gross profit**

The Group's cost of sales consisted of cost of inventory sold for the fashion apparel and lifestyle products and the cost of store management and consignment services rendered to the brand owners. The cost of sales decreased to HKD488.2 million in 2020, or a yoy decrease of 32.8%, primarily attributable to the decrease in sales.

As such, the gross profit in 2020 decreased by HKD391.6 million, or a yoy decrease of 49.7%, to HKD396.3 million and the gross profit margin decreased from 52.0% in 2019 to 44.8% in 2020. Among the Greater China areas, the gross profit margin of sales in the PRC in 2020 recorded an improvement of 340 basis points to 48.4% mainly due to rebound of sales in the second half of 2020 with less discount offer. The gross profit margins of sales in Macau, Hong Kong and Taiwan recorded a decrease of 1,650 basis points and 760 basis points respectively in 2020 resulting from pricing pressure suffered from the declining demands in these areas.

### **Other income and other gains and losses, net**

The Group had other income of HKD12.1 million in 2020 mainly comprising government grants and subsidy from franchisor on operating loss, representing a yoy increase of 37.9%. The Group recorded net other losses of HKD1.2 million, compared with net other gains of HKD8.9 million in 2019, mainly attributable to increase in net loss on disposal of property, plant and equipment and provision for litigation expenses arising from lease dispute of HKD4.3 million and HKD2.3 million, respectively.

## **Operating expenses**

Selling and marketing expenses dwindled to HKD423.7 million in 2020, or a 28.9% yoy decrease, primarily due to rental concession received related to COVID-19 of HKD119.1 million and drop of employee benefit expenses of HKD54.2 million.

General and administrative expenses decreased to HKD92.5 million in 2020, or a yoy decrease of 28.2%, primarily due to decrease in listing expenses and employee benefit expenses of HKD25.4 million and HKD6.0 million, respectively.

## **Finance costs**

Net finance costs decreased to HKD24.8 million in 2020, or a yoy decrease of 21.7%. The decrease was mainly due decrease in interest expenses on lease liabilities of HKD3.3 million mainly resulting from decrease in average sales floor area and decrease in interest on bank borrowing of HKD2.8 million mainly resulting from lower average balance of bank borrowing.

## **Income tax expenses**

There were still income tax expenses of HKD2.5 million, albeit of operating loss suffered mainly due to unrecognised tax losses of HKD15.2 million.

## **(Loss)/profit for the year**

The Group recorded a net loss of HKD136.4 million for 2020 comparing with profit of HKD37.8 million in 2019 mainly attributable to the drop in revenue of HKD629.3 million which exceeded the cost saving made in operation.

## **SEASONALITY**

The Group's sales performance is subject to seasonal fluctuations and it normally generates higher revenue during winter season than summer season as winter apparel generally has a higher unit price than summer apparel. The Group records higher revenue in festive seasons such as Christmas and the month before Chinese New Year and the traditional peak season in Mainland China long holidays. Normally revenue recorded in first half and second half of the year are of equal weighting as they have similar festivals and holidays.

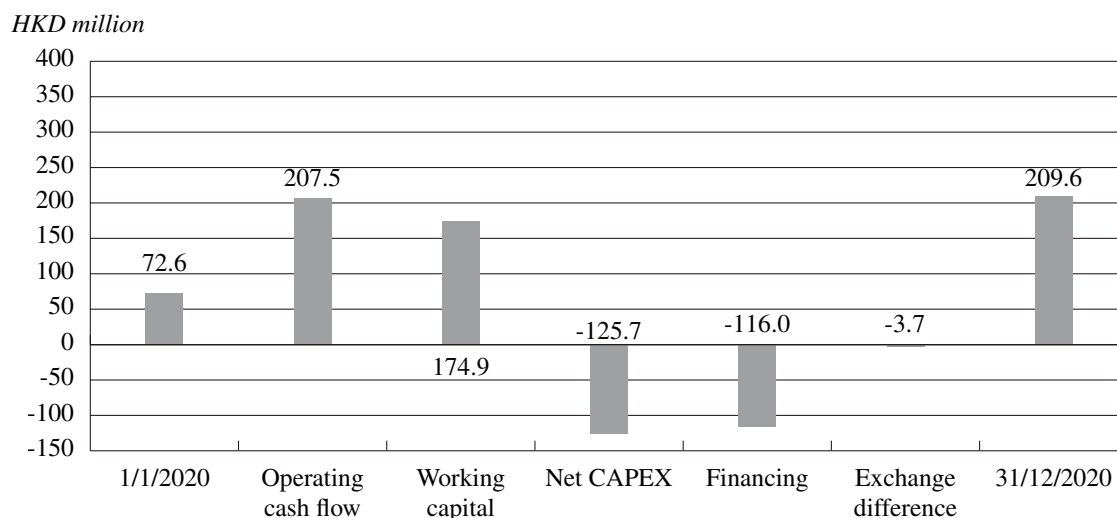
## FINANCIAL

### Working capital structure

The Group's net current assets amounted to HKD53.2 million as at 31 December 2020, representing an increase of HKD48.3 million from 31 December 2019. Such increase was primarily the result of the increase in current assets of HKD83.1 million mainly resulting from the increase in restricted cash, term deposits and cash and cash equivalents of HKD214.0 million mainly resulting from the IPO proceeds which were partially offset by the decrease in inventories, trade receivables, prepayment and other receivables and deposit of HKD86.2 million, HKD14.4 million and HKD30.4 million, respectively and offset by the increase in current liabilities of HKD34.8 million which comprised of increase in bank borrowing of HKD105.7 million which was partially offset by the decrease of other current liabilities of HKD70.9 million.

### Liquidity and financial management

The Group strives to maintain a healthy financial position and liquidity for its normal operation, development needs and ad hoc events. As at 31 December 2020, the cash and cash equivalents were HKD209.6 million, representing an increase of HKD137.0 million comparing with those of 31 December 2019, details are as follows:



The Group's current ratio was 1.1 times as at 31 December 2020, compared to that of 1.0 times as at 31 December 2019. The increase in current ratio was mainly attributable to the increase in cash and cash equivalent overweighted the increase in borrowings.

The gearing ratio of the Group, which is calculated as net debt divided by total capital, was 63% as at 31 December 2020 compared to that of 74% as at 31 December 2019.

## **Pledge of assets**

As at 31 December 2020, a building with net book value of HKD61.1 million, restricted cash of HKD24.9 million and the investments in life insurance contract of HKD32.5 million were pledged for a first mortgage, credit loans and credit facilities of bank borrowings, respectively.

## **CAPITAL COMMITMENT**

The Group had no material capital commitment contracted, but not provided for as at year end (2019: Nil).

## **CONTINGENT LIABILITIES**

As of 31 December 2019 and 2020, the Group did not have any material contingent liabilities except pending litigation for which a provision of HKD2.3 million and HKD1.9 million for 2020 and 2019 was made, respectively.

## **FOREIGN EXCHANGE RISK MANAGEMENT**

Merchandise purchased by the Group is mainly denominated in Euros, United States Dollars (USD) and Renminbi (RMB) whereas the retail operation is mainly exposed to RMB, Macanese pataca (MOP), New Taiwan Dollars (TWD) and Hong Kong Dollars (HKD). However, the Group did not expect foreign currency fluctuations to materially impact its operation. The Group did not hedge foreign exchange fluctuation by forward contracts. The Group managed the foreign exchange risk by reviewing its net foreign exchange exposures regularly and endeavored to shrink these exposures through reviewing the exchange rates with the suppliers, the brand owners periodically.

## **OUTLOOK**

The outbreak of the Pandemic occurred in Mainland China, Macau, Hong Kong, and others since January 2020 and later spread globally, which, from the Directors' point of view, has and would further hurt the apparel retail market in Greater China.

As disclosed in our 2019 annual report, the Group's business could be adversely affected by the Pandemic and/or other adverse public health developments in Greater China. Such events could severely disrupt the Group's business operations by having a negative impact on consumer sentiment, the macro-economic condition as well as the financial conditions of the stock markets.

With the launch of nationwide COVID-19 vaccination programme in early this year, the Group expect the impact of the Pandemic would diminish and the economy will be recovered later this year. The retail value of apparel in the PRC in February 2021 recorded a yoy growth rate of 53.1% which is an encouraging signal. The Group is looking forward to opening of borders between Mainland China and Macau later this year to boost our sales in Macau previously accounted for half of total revenue.

The Group is committed to implementing the following strategies to cope with the temporary slowdown in retail environment in Greater China and ride on the opportunity of subsequent recovery:

- To adopt progressive marketing approach for loyal customers by offering attractive package and arrangement of visit time to avoid crowdy shopping;
- To review the mix of our brand portfolio and adopt the pricing strategy to meet fast changing demands;
- Streamlining the store portfolio to optimise the store efficiency; and
- To further strengthen its digital marketing and online sales through existing e-shopping platform and group chat via social media.

## **USE OF PROCEEDS FROM THE LISTING**

The shares of the Company (the “**Shares**”) were listed on the The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 January 2020 (the “**Listing Date**”) and the net proceeds from the global offering of its Shares (the “**Global Offering**”) amounted to HKD140.0 million.

As of 31 December 2020, the Company has used approximately 23.0% of the proceeds from the Global Offering and the net proceeds have been utilised in line with those set out in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 30 December 2019 (the “**Prospectus**”).

The following sets forth a summary of the utilisation of the net proceeds from the Global Offering as of 31 December 2020:

- approximately 16.9% was used for expanding our retail stores
- approximately 1.2% was used for upgrading our existing retail stores
- approximately 2.6% was used for exploring new brands

- approximately 1.0% was used for the set up and implementation of our Centralised Retail Management System
- approximately 1.3% was used for strengthening of our online sales

## **OTHER INFORMATION**

### **Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures**

As disclosed in the announcement of the Company dated 15 July 2020 and the 2020 Interim Report of the Company, Fortune Fashion Limited, a direct wholly-owned subsidiary of the Company entered into an agreement to engage in the business of branded cosmetic and skincare products, namely “SwissPro”, with the intention of expanding its merchandise portfolio and enhancing the capabilities and profitability of its business operation.

### **Employees and Remuneration Policies**

The Group adopts a competitive emolument policy to attract, retain and motivate high quality individuals. Remuneration packages were reviewed regularly to reflect the market practice and employees’ performance. As at 31 December 2020, the Group employed around 1,273 employees (31 December 2019: 1,564). The total staff costs for 2020 was HKD178.6 million (2019: HKD254.5 million), a yoy decrease of 29.8%.

### **Scope of work of PricewaterhouseCoopers**

The figures in respect of the Group’s consolidated statements of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2020 as set out in the preliminary announcement have been agreed by PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

## Dividend

The board of the Company (the “**Board**”) does not recommend the declaration of a final dividend for the year ended 31 December 2020 (2020 interim dividend (in lieu of a final dividend): Nil).

## Purchase, sale and redemption of listed securities

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

## Disclosure of interests

### *Interests and short positions of directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations*

As at 31 December 2020, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix 10 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange were as follows:

<b>Name of Director</b>	<b>Nature of interest</b>	<b>Number of Shares held/ interested</b>	<b>Approximately percentage of shareholding in the Company</b>
Mr. Fan Wing Ting (“ <b>Mr. Fan</b> ”) ( <i>Note 1</i> )	Interest in controlled corporation	300,000,000	75%

#### *Note:*

1. Mr. Fan owns the entire issued share capital of Gold Star Fashion Limited and he was deemed to be interested in the 300,000,000 Shares held by Gold Star Fashion Limited by virtue of the SFO.



### ***Interests and short positions of substantial shareholders in the shares and underlying shares of the Company***

So far as the Directors and chief executive of the Company are aware, as at 31 December 2020, the following shareholders of the Company (other than the interests of the Directors and the chief executives of the Company) had interests in the Shares or underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

<b>Shareholders</b>	<b>Capacity/ Nature of interest</b>	<b>Number of Shares held/ interested</b>	<b>Approximately percentage of shareholding in the Company</b>
Gold Star Fashion Limited ( <i>Note 1</i> )	Beneficial owner	300,000,000	75%
Ms. Cheng King Ling ( <i>Note 2</i> )	Interest of spouse	300,000,000	75%

*Notes:*

1. Mr. Fan owns the entire issued share capital of Gold Star Fashion Limited.
2. Ms. Cheng King Ling is the spouse of Mr. Fan. Therefore, she is deemed to be interested in all the Shares in which Mr. Fan has interest in under the SFO.

### **Model code for securities transactions by directors**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules. The Company, having made specific enquiry of all the Directors, is not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the year ended 31 December 2020.

### **Arrangements to purchase shares or debentures**

During the year ended 31 December 2020, neither the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## **Competing interest**

For the year ended 31 December 2020, the Directors are not aware of any business or interest of the Directors, the Controlling Shareholders, the management, the shareholders and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest.

## **Corporate Governance Code**

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company so as to achieve effective accountability.

The Company has adopted the code provisions of the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules issued by Stock Exchange.

The Company had complied with the code provisions in the CG Code for the year ended 31 December 2020 except for deviations from CG Code A.1.5, A.1.8 and A.2.7. The reasons for the deviations are set out in the Corporate Governance Report to be contained in the Annual Report of the Company for the financial year ended 31 December 2020.

To ensure compliance with the CG Code, the following actions have/will be taken:

- To circulate to the Directors the draft and final versions of the minutes of board meetings and meetings of board committees for their comment and records respectively, within a reasonable time after the meeting;
- The Company has arranged an appropriate Directors’ and Officers’ Insurance in respect of legal action. The Company will ensure that the insurance policy will be renewed annually; and
- The Company has scheduled a meeting among the chairman and the Independent Non-executive Directors (without the presence of other directors) during 2021. The Company will ensure that such meeting will be held annually.

The Company is committed to the objective that the Board should include a balanced composition of Executive Directors and Independent Non-executive Directors so that there is a strong independent element on the Board which can effectively exercise independent judgement.

## **Audit Committee**

The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted, discussed risk management and internal controls and financial reporting matters including a general review of the audited financial results for the year ended 31 December 2020.

## **Annual general meeting**

The annual general meeting of the Company is scheduled to be held on Thursday, 24 June 2021.

## **Closure of register of members**

For determining the entitlement to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from Friday, 18 June 2021 to Thursday, 24 June 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 17 June 2021.

By Order of the Board  
**Forward Fashion (International) Holdings Company Limited**  
**Fan Wing Ting**  
*Chairman*

Hong Kong, 23 March 2021

*As at the date of this announcement, the Board comprises Mr. Fan Wing Ting, Ms. Chen Xingyi, Mr. Kevin Trantallis, Mr. Fong Yat Ming and Ms. Fan Tammy as the Executive Directors; and Mr. Chau Kwok Keung, Mr. Yu Chun Kau and Mr. Cheung Chun Yue, Anthony as the Independent Non-executive Directors.*

*In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*