CLSA Premium Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6877)

AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

The board (the "**Board**") of directors (the "**Director**(s)") of CLSA Premium Limited (the "**Company**", together with its subsidiaries, the "**Group**") presents the audited consolidated annual results of the Group for the year ended 31 December 2020.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	**2020** *HK$'000*	2019 *HK$'000*
Leveraged foreign exchange and other trading income	*3*	**3,832**	11,667
Cash dealing income	*3*	**785**	(1,360)
Fee and commission income	*3*	**91**	3,299
Reversal of provision for expected credit loss		**490**	–
Other income	*4*	**6,661**	4,412
Total income		**11,859**	18,018
Referral expenses and other charges		**(2,048)**	(17,075)
Staff costs		**(18,611)**	(27,434)
Depreciation – property, plant and equipment and amortisation of intangible assets		**(3,120)**	(15,442)
Depreciation – right-of-use assets		**(11,723)**	(11,701)
Other operating expenses	*5*	**(56,922)**	(113,438)
Total expenses		**(92,424)**	(185,090)

	Notes	**2020**	2019
		HK$'000	*HK$'000*
Operating loss		**(80,565)**	(167,072)
Finance cost		**(593)**	(13,385)
Loss before tax		**(81,158)**	(180,457)
Income tax credit	*6*	**9,522**	469
Loss for the year		**(71,636)**	(179,988)
Other comprehensive expense			
Item that may be reclassified to profit or loss			
Currency translation difference		**13,680**	(1,303)
Other comprehensive income/(expense) for the year, net of tax		**13,680**	(1,303)
Total comprehensive expense for the year		**(57,956)**	(181,291)
Loss per share for loss attributable to the equity holders of the Company for the year			
– Basic and diluted (HK cents per share)	*8*	**(3.52)**	(8.85)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 HK$'000	2019 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**3,431**	5,900
Intangible assets		**–**	2
Right-of-use assets	*9*	**10,422**	21,894
Deferred tax assets		**855**	1,712
Total non-current assets		**14,708**	29,508
Current assets			
Other receivables, prepayments and deposits	*10*	**8,631**	8,711
Tax prepayment		**4**	4,680
Financial assets at fair value through profit and loss		**3,056**	–
Derivative financial instruments		**5,914**	11,416
Balances due from agents		**47,827**	26,202
Cash and bank balances and client trust bank balances		**350,296**	423,727
Total current assets		**415,728**	474,736
Total assets		**430,436**	504,244
EQUITY AND LIABILITIES			
Equity			
Share capital	*13*	**20,333**	20,333
Reserves	*13*	**312,723**	370,648
Total equity		**333,056**	390,981

	Notes	**2020** *HK$'000*	2019 *HK$'000*
Current liabilities			
Lease liabilities	*11*	**9,365**	11,718
Tax payable		**–**	2,069
Other payables and accrued liabilities	*12*	**13,605**	27,063
Derivative financial instruments		**1,915**	833
Clients' balances		**68,918**	56,146
Total current liabilities		**93,803**	97,829
Non-current liabilities			
Lease liabilities	*11*	**1,334**	10,531
Deferred tax liabilities		**2,243**	4,903
Total non-current liabilities		**3,577**	15,434
Total liabilities		**97,380**	113,263
Total equity and liabilities		**430,436**	504,244

NOTES

1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements of the Company and its subsidiaries (together the "**Group**") have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") and applicable requirements of the Hong Kong Companies Ordinance (Chapter 622). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

2. ADOPTION OF NEW OR AMENDED HKFRSs

(a) Adoption of new or revised HKFRSs – effective 1 January 2020

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

None of these new or amended HKFRSs has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period. Impact on the applications of these amended HKFRSs are summarised below.

A. Amendments to HKFRS 3 – Definition of a Business

The amendments clarify the definition of a business and introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election to apply the concentration test is made for each transaction. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is met, the set of activities and assets is determined not to be a business. If the concentration test is failed, the acquired set of activities and assets is further assessed based on the elements of a business.

During the year ended 31 December 2020, the Group has no any acquisition of a set of activities and assets. Amendments to HKFRS 3 had no impact on the Group's financial performance for the year ended 31 December 2020.

B. Amendments to HKAS 1 and HKAS 8 – Definition of Material

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the preliminary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

C. Amendments to HKAS 39, HKFRS 7 and HKFRS 9 – Interest Rate Benchmark Reform

The Group has applied the amendments for the first time in the current year. The amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reform. The amendments are relevant to the Group given that it applies hedge accounting to its benchmark interest rate exposures.

The amendments had no impact on the consolidated financial statements of the Group as the Group's designated hedged items/assessment of hedge effectiveness is not affected by the interest rate benchmark reform.

(b) New or revised HKFRSs that have been issued but are not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 16	Covid-19-Related Rent Concession[1]
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[2]
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1 First-time Adoption of HKFRSs, HKFRS 9 Financial Instruments, HKFRS 16 Leases, and HKAS 41 Agriculture[3]
Amendments to HKAS 16	Proceeds before Intended Use[3]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[3]
Amendments to HKFRS 3	Reference to the Conceptual Framework[4]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[6]

1 Effective for annual periods beginning on or after 1 June 2020.

2 Effective for annual periods beginning on or after 1 January 2021.

3 Effective for annual periods beginning on or after 1 January 2022.

4 Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

5 Effective for annual periods beginning on or after 1 January 2023.

6 The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

Amendment to HKFRS 16, Covid-19-Related Rent Concessions

HKFRS 16 was amended to provide a practical expedient to lessees in accounting for rent concessions arising as a result of the Covid-19 pandemic, by including an additional practical expedient in HKFRS 16 that permits entities to elect not to account for rent concessions as modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of Covid-19 pandemic and only if all of the following criteria are satisfied:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) the reduction in lease payments affects only payments originally due on or before 30 June 2021; and

(c) there is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with this practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of lease modification. Lessees shall apply other requirements of HKFRS 16 in accounting for the rent concession.

As the Group has no rent concessions during the year ended 31 December 2020, the directors of the Company considered that the effective of amendments on HKFRS 16 had no significant impact on the Group's consolidated financial statement.

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 – Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the "**Reform**"). The amendments complement those issued in November 2019 and relate to (a) changes to contractual cash flows in which an entity will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; (b) hedge accounting in which an entity will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and (c) disclosures in which an entity will be required to disclose information about new risks arising from the Reform and how it manages the transition to alternative benchmark rates.

The Company's directors do not anticipate that the application of the amendments in the future will have an impact on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2018-2020 – Amendments to HKFRS 1 First-time Adoption of HKFRSs, HKFRS 9 Financial Instruments, HKFRS 16 Leases, and HKAS 41 Agriculture

The annual improvements amends a number of standards, including:

- HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, which permit a subsidiary that applies paragraph D16(a) of HKFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to HKFRSs.

- HKFRS 9, Financial Instruments, which clarify the fees included in the '10 per cent' test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other's behalf are included.

- HKFRS 16, Leases, which amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

- HKAS 41, Agriculture, which remove the requirement to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The Company's directors do not anticipate that the application of the amendments in the future will have an impact on the Group's consolidated financial statements.

Amendments to HKAS 16 – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

The Company's directors is currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

Amendments to HKAS 37 – Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The Company's directors is currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

Amendments to HKFRS 3 – Reference to the Conceptual Framework

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC)-Int 21 Levies, the acquirer applies HK(IFRIC)-Int 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The Company's directors do not anticipate that the application of the amendments in the future will have an impact on the Group's consolidated financial statements.

Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Int 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Int 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

The Company's directors do not anticipate that the application of the amendments and revision in the future will have an impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The Company's directors anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transaction arise.

3 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the executive directors and senior management of the Group. The Group's operating businesses are structured and managed separately according to the natures of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments. The Board of Directors considers the business from a geographical and product perspective.

Summary details of the business segments are as follows:

(a) the margin dealing segments engage in the provision of leveraged foreign exchange, commodity and index trading services in Australia, Hong Kong and New Zealand; and

(b) the unleveraged cash dealing segment engages in the provision of non-leveraged foreign exchange trading services in New Zealand. Unleveraged cash dealing services were provided to corporate clients, in particular, those clients engaged in money changing business for the purpose of hedging their cash positions and meeting settlement obligations. The Group is rewarded by the spread between the price quoted to our clients and the price offered by our market makers.

Inter-segment transactions, if any, are conducted with reference to the prices charged to third parties and there was no change in the basis during the years ended 31 December 2020 and 2019.

The segment information provided to the management for the reportable segments for the years ended 31 December 2020 and 2019 is as follows:

For the year ended 31 December 2020

	New Zealand margin dealing *HK$'000*	Hong Kong margin dealing *HK$'000*	Australia margin dealing *HK$'000*	New Zealand cash dealing *HK$'000*	Unallocated *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue and other income:							
Foreign exchange and other trading income earned from external customers	7,371	(603)	(2,936)	785	–	–	4,617
Segment revenue	7,371	(603)	(2,936)	785	–	–	4,617
Fee and commission income	91	–	–	–	–	–	91
Reversal of provision for expected credit loss	–	–	–	–	490	–	490
Other income	343	455	2,089	–	3,774	–	6,661
Total revenue and other income	7,805	(148)	(847)	785	4,264	–	11,859
Segment profit/(loss)	(14,389)	(19,589)	(16,718)	785	4,264	–	(45,647)
Unallocated staff costs					(2,195)		(2,195)
Unallocated other operating expenses					(33,316)		(33,316)
Loss before tax							(81,158)
Income tax credit							9,522
Loss for the year							(71,636)
Other segment information:							
Depreciation and amortisation	142	844	2,282	–	11,575		14.843
Lease payments	–	–	–	–	1,408		1,408
Finance cost	1	353	239	–	–		593

For the year ended 31 December 2019

	New Zealand margin dealing *HK$'000*	Hong Kong margin dealing *HK$'000*	Australia margin dealing *HK$'000*	New Zealand cash dealing *HK$'000*	Unallocated *HK$'000*	Elimination *HK$'000*	Total *HK$'000*
Segment revenue and other income:							
Foreign exchange and other trading income earned from external customers	13,659	1	(1,999)	(1,360)	–	6	10,307
Inter-segment sales	–	3,478	–	–	–	(3,478)	–
Segment revenue	13,659	3,479	(1,999)	(1,360)	–	(3,472)	10,307
Fee and commission income	3,238	–	61	–	–	–	3,299
Other income	2,159	–	(203)	–	2,456	–	4,412
Total revenue and other income	19,056	3,479	(2,141)	(1,360)	2,456	(3,472)	18,018
Segment profit/(loss)	(24,794)	(2,040)	(2,927)	(1,416)	688	–	(30,489)
Unallocated staff costs					(9,553)		(9,553)
Unallocated other operating expenses					(140,415)		(140,415)
Loss before tax							(180,457)
Income tax credit							469
Loss for the year							(179,988)
Other segment information:							
Depreciation and amortisation	–	1,343	27	–	25,773		27,143
Lease payments	–	394	–	–	3,362		3,756
Finance cost	–	–	–	–	13,385		13,385

The Company is domiciled in Hong Kong. The Group's major income from external customers is derived from its operations in Australia and New Zealand.

	2020	2019
	HK$'000	*HK$'000*
Australia	**(2,936)**	(1,999)
New Zealand	**8,156**	12,299
Others	**(603)**	7
	4,617	10,307

The locations of its non-current assets (excluding deferred tax assets) are as follows:

	2020	2019
	HK$'000	*HK$'000*
Hong Kong	**10,318**	22,337
New Zealand	**179**	271
Australia	**3,341**	5,116
Mainland China	**15**	72
	13,853	27,796

None of the external customers contributes more than a majority of the Group's trading income individually in the respective years.

Information on segment assets and liabilities are not disclosed as this information is not presented to the Board of Directors as they do not assess performance of reportable segments using information on assets and liabilities.

4 OTHER INCOME

	2020	2019
	HK$'000	*HK$'000*
Interest income	**1,034**	5,108
(Loss)/gain on disposal of property, plant and equipment	**(2)**	11
Amortisation of deferred losses on conversion component of the convertible bonds	**–**	(828)
Loss on redemption of the convertible bonds	**–**	(981)
Management fee income	**2,538**	1,044
Reversal of provision for audit fee	**946**	–
Government subsidies *(Note)*	**1,833**	–
Unrealised gain from financial assets at fair value through profit and loss	**61**	–
Others	**251**	58
	6,661	4,412

Note:

Included in profit or loss is HK$1,833,000 (2019: Nil) of government subsidies obtained from JobKeeper Scheme (the "**Scheme**") launched by the Australia Government to support the payroll of the Group's employees. Under the Scheme, the Group had to commit to spend these grants on payroll expenses for a specified period of time. The Group does not have other unfulfilled obligations relating to this program.

5 OTHER OPERATING EXPENSES

	2020	2019
	HK$'000	*HK$'000*
Management fees paid to the then immediate holding company	**–**	619
Other office occupation expenses	**2,643**	3,128
Auditors' remuneration		
– Audit services	**2,799**	4,021
– Non-audit services	**747**	307
Information services expenses	**3,459**	2,577
Professional and consultancy fee	**19,908**	25,007
Repair and maintenance (including system maintenance)	**7,183**	20,044
Marketing, advertising and promotion expenses	**35**	7,597
Handling fee expenses	**–**	211
Travelling expenses	**463**	2,464
Entertainment expenses	**56**	370
Insurance	**1,824**	831
Bank charges	**262**	875
Staff training	**63**	37
Client's debit balances written off	**–**	78
Impairment of fixed asset	**5**	400
Impairment of intangible assets	**2**	37,506
Donations	**–**	59
Net foreign exchange losses	**9,630**	1,947
Lease payments under land and building	**1,408**	3,756
Others	**6,435**	1,604
	56,922	113,438

6 INCOME TAX CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profit during the years. Taxation on overseas profits has been calculated on the estimated assessable profit during the years at the rates of taxation prevailing in the countries in which the Group operates. The income tax expenses of the Group are charged at a tax rate of 28% (2019: 28%) in New Zealand, 30% (2019: 30%) in Australia and 25% (2019: 25%) in Mainland China in accordance with the local tax authorities.

	2020	2019
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax		
Charge for the year	**–**	–
Over-provision in prior year	**–**	(533)
New Zealand Income Tax		
Charge for the year	**–**	64
Tax concession *(Note)*	**(7,627)**	–
Deferred tax:		
Credit for the year	**(1,895)**	–
Income tax credit	**(9,522)**	(469)

	2020	2019
	HK$'000	*HK$'000*
Loss before income tax	**(81,158)**	(180,457)
Tax at the Hong Kong statutory tax rate	**(13,391)**	(29,701)
Effect of different taxation rates in other countries	**322**	(11,596)
Income not subject to tax	**(769)**	(478)
Expenses not deductible for tax	**3,987**	6,812
Temporary differences not recognised	**7,956**	35,027
Over-provision in prior year	**–**	(533)
Tax concession *(Note)*	**(7,627)**	–
Income tax credit	**(9,522)**	(469)

Note:

Effective from 15 April 2020, a temporary tax loss carry-back measure that would allow a business that is or anticipate being in loss either the 2019–20 or 2020–21 tax year, to carry-back some or all of that loss to the immediately preceding income year, such measure forms part of the New Zealand Government's response to the impacts of the COVID-19 outbreak. A subsidiary of the Company had incurred tax loss for the year ended 31 December 2019, which tax loss is eligible to carry-back and thus obtained tax refund from the Inland Revenue of New Zealand.

7 DIVIDENDS

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

8 LOSS PER SHARE

The calculation of the basic and diluted losses per share attributable to the equity holders of the Company is based on the following date:

	2020	2019
	HK$'000	*HK$'000*
Loss attributable to equity holders of the Company	**(71,636)**	(179,988)
	No. of shares	No. of shares
Weighted average number of ordinary shares in issue	**2,033,290,000**	2,033,290,000
Basic and diluted loss per share (HK cents)	**(3.52)**	(8.85)

9 RIGHT-OF-USE ASSETS

(i) Amount recognised in the Consolidated Statement of Financial Position

	31 December 2020	31 December 2019
	HK$'000	*HK$'000*
Right-of-use assets		
Buildings	**10,422**	21,894
Lease liabilities		
Current	**9,365**	11,718
Non-current	**1,334**	10,531
	10,699	22,249

Additions to the right-of-use assets during the 2020 financial year were nil (2019: HK$186,000).

(ii) Amount recognised in the Consolidated Statement of Comprehensive Income

	2020	2019
	HK$'000	*HK$'000*
Depreciation charge of right-of-use assets		
Buildings	**11,723**	11,701
Interest expense (included in finance cost)	**584**	707
Expense relating to short-term leases (included in other operating expenses)	**1,408**	953
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other operating expenses)	**–**	131

The total cash outflow for leases in 2020 was approximately HK$12,337,000 (2019: approximately HK$12,251,000).

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices and warehouse. Rental contracts are typically made for fixed periods of 2 to 3 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

10 OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2020	2019
	HK$'000	*HK$'000*
Rental and utility deposits	**3,392**	3,925
Prepayments	**4,225**	3,498
Other receivables	**1,018**	1,328
Provision for expected credit loss	**(4)**	(40)
Total	**8,631**	8,711

The carrying amounts of the Group's other receivables and deposits approximate to their fair values.

11 LEASE LIABILITIES

Nature of leasing activities (in the capacity as lessee)

The Group leases a number of properties in Hong Kong and Australia. Under the property lease, the periodic rents are fixed over the lease term. The values in the table below reflect the current proportions of lease payments that are fixed.

31 December 2020	**Lease contracts Number**	**Fixed payments per month** *HK$'000*
Properties lease with fixed payments	3	1,028

The movements in lease liabilities:

	HK$'000
Balance as at 1 January 2019	33,456
Additions	186
Interest expense	707
Lease payments	(12,052)
Exchange adjustment	(48)
Balance as at 31 December 2019 and 1 January 2020	22,249
Interest expense	584
Lease payments	(12,337)
Exchange adjustment	203
Balance as at 31 December 2020	10,699

Future lease payments are due as follows:

	Future lease payments *HK$'000*	Interest *HK$'000*	Present value *HK$'000*
As at 31 December 2020			
Not later than one year	9,547	182	9,365
Later than one year and not later than two years	1,362	28	1,334
	10,909	210	10,699
As at 31 December 2019			
Not later than one year	12,138	420	11,718
Later than one year and not later than two years	9,426	129	9,297
Later than two years and not later than five years	1,247	13	1,234
	22,811	562	22,249

The present value of future lease payments are analysed as:

	2020 ***HK$'000***	2019 *HK$'000*
Current liabilities	**9,365**	11,718
Non-current liabilities	**1,334**	10,531
	10,699	22,249

12 OTHER PAYABLES AND ACCRUED LIABILITIES

	Notes	**2020** ***HK$'000***	2019 *HK$'000*
Accrued audit fees		**1,776**	4,388
Other accruals		**3,831**	9,349
Commission payable		**284**	342
Employee entitlements		**1,273**	682
Other payables	(b)	**6,441**	12,302
	(a)	**13,605**	27,063

Notes:

(a) The carrying amounts of the Group's other payables and accrued liabilities approximate to their fair values.

(b) Other payables included approximately HK$5.6 million of provision for penalty imposed by Financial Markets Authority due to breach of the Anti-Money Laundering and Counter Financing of Terrorism Act 2009 (the "**AML/CFT Act**") in New Zealand.

13 SHARE CAPITAL AND RESERVES

(a) Share capital

	31 December 2020		31 December 2019	
	Number of shares	***HK$'000***	Number of shares	*HK$'000*
Authorised:				
Ordinary shares of HK$0.01 each	**4,000,000,000**	**40,000**	4,000,000,000	40,000
Issued and fully paid:				
At beginning and end of the reporting period	**2,033,290,000**	**20,333**	2,033,290,000	20,333

(b) Reserves

Reserves includes capital reserves which represents the difference between the book value of the net assets of CLSA Premium New Zealand Limited, CLSA Premium Pty Ltd and CLSA Premium International (HK) Limited over the par value of the shares issued by LXL Capital II Limited, LXL Capital III Limited and LXL Capital IV Limited in exchange for these subsidiaries as part of the reorganisation completed in 2012.

14 LITIGATIONS AND CONTINGENT LIABILITIES

Contingent liabilities from litigations with Banclogix System Co. Limited

On 6 May 2020, the Company received a writ of summons together with an indorsement of claim dated 6 May 2020 issued in the High Court of The Hong Kong Special Administrative Region by Banclogix System Co. Limited ("**Banclogix**", the Group's then IT service provider) against the Company and claims (i) that the termination of the IT service agreement by the Company was wrongful; (ii) alleged termination payment of HK$2.5 million, software maintenance fee of approximately HK$450,000 and IT infrastructure fee of HK$1.5 million; and (iii) alleged loss and damages to be assessed.

The above proceedings will be heard together with the High Court legal action started in 2019 by the Company (joined subsequently by its three licensed subsidiaries as plaintiffs) against Banclogix claiming for, among others, repudiatory breach of the IT service agreement by Banclogix; return of the plaintiffs' data, costs and damages. These two legal proceedings with Banclogix are still ongoing up to the date of the consolidated financial statements and the outcome is subject to uncertainties. The Company's directors consider that no provision is required at this stage of the proceedings as the legal adviser of the Company is cautiously optimistic about the outcome of the two cases with Banclogix. The Company has been contesting the claims made by Banclogix. There might be additional legal costs incurred, but the amount is expected to be immaterial.

Provision for penalty to be imposed by Financial Markets Authority

On 23 June 2020, CLSA Premium New Zealand Limited ("**CLSAP NZ**"), a subsidiary of the Company, received a statement of claim filed by the Financial Markets Authority ("**FMA**") of New Zealand. The FMA has filed on the High Court to impose a financial penalty against CLSAP NZ for alleged breaches of the AML/CFT Act for certain transactions occurred between April 2015 and November 2018. The FMA alleges four causes of action against CLSAP NZ under the AML/CFT Act: failure to conduct standard and enhanced client due diligence; failure to terminate business relationships; failure to submit suspicious transaction reports or suspicious activity reports; and failure to keep records. CLSAP NZ has filed an Notice of Admission and an Agreed Statement of Facts with FMA. The date of the penalty hearing has been fixed on 5 July 2021.

Having sought legal advices, the directors believe that above liabilities are likely to materialise and the provision for penalty to be imposed by FMA of NZ$1 million (equivalent to approximately HK$5.6 million) in this respect has been made in the other payables as stipulated in note 12 to the consolidated financial statements.

15 COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified, to conform with the current year's presentation and disclosures. The Company's directors consider that such presentation would better reflect the financial performance and position of the Group.

During the current year, net foreign exchange losses of approximately HK$9,630,000 (2019: approximately HK$1,947,000) were regrouped from "other income" to "other operating expenses"; and the lease payments under land and building of approximately HK$1,408,000 (2019: approximately HK$3,756,000) were regrouped to "other operating expenses" in the consolidated statement of comprehensive income. The comparatives figures had been regrouped to conform with the current year presentation.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Qualified Opinion

During the year ended 31 December 2019, the Group's information technology ("**IT**") related systems, databases and servers (together the "**Legacy Systems**") were utilised to process transactions and calculate the leveraged foreign exchange and other trading income, fee and commission income as well as the related referral expenses. As such, the occurrence, accuracy and completeness of the transaction data maintained were highly dependent on the integrity of the Legacy Systems. However, since August 2019, the Group were only able to gain restricted access to the data stored in and documentation relating to the Legacy Systems. From December 2019 the Group utilised new IT related systems, database and servers to process and store the data for the relevant business transactions executed since December 2019.

In light of the denial of access to the Group's Legacy Systems, the predecessor auditor placed significant reliance on obtaining confirmations directly from third parties as an alternative audit procedure that aimed to provide sufficient appropriate audit evidence about the relevant assertions associated with the Group's leveraged foreign exchange and other trading transactions. However, the predecessor auditor were unable to obtain a sufficient level of confirmation replies. There being no other alternative procedures that they could perform to obtain sufficient appropriate audit evidence, the predecessor auditor disclaimed their opinion on the Group's consolidated financial statements for the year ended 31 December 2019.

The Group's restricted access to the Legacy Systems meant we were also unable to obtain sufficient appropriate evidence that we considered necessary to substantiate the existence, accuracy and completeness of certain financial statement line items disclosed in the consolidated statement of profit and loss and other comprehensive income for the year ended 31 December 2019 and, accordingly, we were unable to determine whether adjustments in respect of the retained earnings as at 1 January 2020 were necessary.

Any adjustments to the Group's clients' balances, derivative financial instruments asset and derivative financial instruments liability as at 1 January 2020 found necessary might impact the leveraged foreign exchange and other trading income of HK$3,832,000 and the referral expenses and other charges of HK$2,048,000 for the year ended 31 December 2020 reported in the consolidated statement of comprehensive income, the presentation in the consolidated statement of cash flows and the related disclosures included in the consolidated financial statements for the year ended 31 December 2020.

Our audit opinion on the consolidated financial statements for the year ended 31 December 2020 is also modified for the possible effects of the predecessor auditor's disclaimer of audit opinion on the consolidated financial statements for the year ended 31 December 2019 on the comparability of the current year's figures and the corresponding figures.

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FINANCIAL PERFORMANCE

Business review

During the year under review, customer trading volume recorded continuous growth. Total trading volume in the fourth quarter increased to about 2 times of that of the first quarter. Net customer account equity in the fourth quarter also increased to more than 1.5 times that of the first quarter. The products with the highest trading volume were Gold, AUD/USD, and USD/CNH. Crude oil and new products including the stock indexes, the US dollar index and the VIX index, all recorded considerable growth.

To enhance our service quality, we launched a new customer relationship management system to provide customers with one-stop account services. New customers can submit the account application through the online platform, which substantially reduces the time required for account opening. Existing customers can deposit/withdraw funds, and manage transaction status through the client portal. We may add new features in the future to further enhance customer experience.

For trading systems, we cooperated with a new IT service provider to establish the MT5 trading system on the cloud server, which hugely improved the stability and scalability. Throughout the year, the trading system recorded an uptime of as high as 99.99%, which is of top-level in the industry.

Since late 2019, we have reviewed various internal control measures and made many improvements within the Group. During the year under review, the Company's management (the "**Management**") streamlined the Group's structure, reduced excess expenses, has strengthened corporate governance, internal control, compliance and risk management policies to ensure a stable and sustainable development of the Group.

The Management believes that the Group has established a solid foundation for its business during the year under review and plans to actively expand its business in 2021. As the global economy gradually recovers from the pandemic, we will raise online and offline marketing efforts, increase brand recognition, and attract more individual and institutional customers. At the same time, we are considering to introduce more products to provide customers with a one-stop multi-asset trading platform.

In the foreseeable future, the Management expects that the global foreign exchange and CFD margin trading industry is still under intense competition, and operating costs will increase with the regulatory requirements. In the long run, we expect that customers will eventually choose brokers with sufficient capital, good reputation and licensed by prudential regulators, for their long-term investment. This trend is advantageous to the Group. The Management trusts that by constantly improving customer experience and enhancing our trading services, the Group will achieve steady and sustainable development and fulfil the commitments to our shareholders.

Total income

The total income of the Group decreased by approximately 34.2% to approximately HK$11.9 million for the year ended 31 December 2020 from approximately HK$18.0 million for the year ended 31 December 2019.

A. Leveraged foreign exchange and other trading income

The leveraged foreign exchange and other trading income of the Group decreased by approximately 67.2% to approximately HK$3.8 million for the year ended 31 December 2020 from approximately HK$11.7 million for the year ended 31 December 2019. This change was mainly due to the decreased trading volume during the year ended 31 December 2020 as compared to the year ended 31 December 2019.

B. Fee and commission income

The fee and commission income of the Group decreased to approximately HK$0.1 million for the year ended 31 December 2020 from approximately HK$3.3 million for the year ended 31 December 2019. The change was mainly due to the decrease in commission earning as a result of the lower trading volume.

C. Other income

The other income of the group increased by approximately 51.0% to approximately HK$6.7 million for the year ended 31 December 2020 from approximately HK$4.4 million for the year ended 31 December 2019. During 2020, we received approximately HK$1.8 million government subsidies which obtained from the JobKeeper Scheme granted by Australia Government for supporting the payroll of the Group's employees. The management fee income in relation to rental reimbursement was increased to approximately HK$2.5 million for the year ended 31 December 2020 from approximately HK$1.0 million for the year ended 31 December 2019. Moreover, there was a reversal of provision for audit fee of approximately HK$0.9 million during 2020.

Referral expenses and other charges

The referral expenses and other charges of the Group decreased by approximately 88.0% to approximately HK$2.0 million for the year ended 31 December 2020 from approximately HK$17.1 million for the year ended 31 December 2019. The decrease was mainly due to the lower trading volume from the customers referred by services providers and decreased transaction fees paid to remittance channels.

Total expenses

The total expense of the Group decreased by approximately 50% to approximately HK$92.4 million for the year ended 31 December 2020 from approximately HK$185.1 million for the year ended 31 December 2019.

Staff costs

The staff costs of the Group decreased by approximately 32.2% to approximately HK$18.6 million for the year ended 31 December 2020 from approximately HK$27.4 million for the year ended 31 December 2019. The change was mainly due to the departure of some high-paid key management in the second half of 2019, who were also paid hefty bonus of approximately HK$8.5 million in 2019 while there was no such bonus in 2020.

Depreciation & amortisation

Depreciation of property, plant and equipment and amortisation of intangible assets decreased to approximately HK$3.1 million for the year ended 31 December 2020 from approximately HK$15.4 million for the year ended 31 December 2019. The decrease was mainly due to the absence of amortisation of intangible assets in 2020 as the intangible assets were nearly fully impaired as of 31 December 2019, where the amortisation was approximately HK$11.5 million.

Depreciation – right-of-use assets

Depreciation for right-of-use assets had no significant change which were approximately HK$11.7 million as of 31 December 2020 and 2019.

Other operating expenses

The other operating expenses of the Group decreased to approximately HK$56.9 million for the year ended 31 December 2020 from approximately HK$113.4 million for the year ended 31 December 2019, mainly due to below reasons:

- Impairment of intangible assets decreased to approximately HK$2,000 for the year ended 31 December 2020 from approximately HK$37.5 million for the year ended 31 December 2019.

- Repair and maintenance (including system maintenance) decreased to approximately HK$7.2 million for the year ended 31 December 2020 from approximately HK$20.0 million for the year ended 31 December 2019.

- Professional and consultancy fee decreased to approximately HK$19.9 million for the year ended 31 December 2020 from approximately HK$25.0 million for the year ended 31 December 2019.

Net loss

Loss for the year of the Group reduced by approximately 60% to approximately HK$71.6 million for the year ended 31 December 2020 from approximately HK$180.0 million for the year ended 31 December 2019.

LIQUIDITY AND FINANCIAL RESOURCES

During the year under review, the operations of the Group were financed principally by equity capital, cash generated by the Group's business operations and cash and bank deposits.

As at 31 December 2020, cash and bank balances held by the Group amounted to HK$287.1 million (2019: HK$379.7 million).

GEARING RATIO

The gearing ratio calculated on the basis of net debts (lease liabilities) over the total shareholders' equity as at 31 December 2020 was approximately 3.2% (2019: approximately 5.7%).

TREASURY POLICIES

The Group generally financed its operations with internally generated resources and funds. All other financing methods will be considered as long as such methods are beneficial to the Company. Bank deposits mainly are in USD, AUD, NZD and RMB.

FOREIGN CURRENCY EXPOSURE

During the year under review, the Group recorded a net foreign exchange losses of approximately HK$9.6 million (2019: net foreign exchange losses of approximately HK$1.9 million). This was mainly due to the year-end translation of assets denominated in foreign currency (mainly US dollar) into local reporting currency by subsidiaries of the Company in Australia and New Zealand. In addition, the Group recorded a currency translation profit of approximately HK$13.7 million (2019: currency translation loss of approximately HK$1.3 million), mainly due to the year-end translation of assets (denominated in local currency) of the Australia and New Zealand subsidiaries, into the Group's reporting currency (HK dollar). These contributed to approximately HK$4.1 million exchange profit in total for the year under review (2019: approximately HK$3.3 million exchange losses in total). The foreign currency risk is managed proactively by regular reviews of the currency positions in the basket of currency mix. To minimize the risk exposure, the Group has a hedging strategy based on prevailing market conditions and working capital requirements of subsidiaries.

CAPITAL STRUCTURE

During the year under review, the capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital and reserves.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES DURING THE YEAR UNDER REVIEW

During the year ended 31 December 2020, the Group did not have any significant investments held, material acquisitions and disposals.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, the Group engaged a total of 35 employees (2019: a total of 21). Total staff costs including Directors' remuneration for the year under review amounting to approximately HK$18.6 million (2019: approximately HK$27.4 million). The Group's remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of individual employees. The Group provides retirement benefits in accordance with the relevant laws and regulations in the place where the staff is employed.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2020, there was no bank balance of the Group used to secure the banking facilities (as at 31 December 2019: HK$84.1 million).

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 31 December 2020 are set out in note 14 to the consolidated financial statements.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company established an audit committee (the "**Audit Committee**") on 18 December 2012 with written terms of reference in compliance with the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "**Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

As at the date of this announcement, the Audit Committee currently comprises three independent non-executive Directors, namely, Ms. Hu Zhaoxia, Mr. Wu Jianfeng and Mr. Christopher Wesley Satterfield. Ms. Hu Zhaoxia is the chairman of the Audit Committee.

The Audit Committee meets at least twice a year to review (i) the annual and interim results and the accompanying auditor's reports, (ii) the accounting policies and practices adopted by the Company, and (iii) the financial reporting matters, risk management and internal control systems of the Company.

The Audit Committee had reviewed the Group's audited consolidated financial statements for the year ended 31 December 2020 and had submitted its views to the Board.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Company's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2020. The work performed by the Company's auditor 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 the Company's auditor on this announcement.

SOLUTIONS TO ADDRESS THE DISCLAIMER OF AUDIT OPINION MADE BY THE INDEPENDENT AUDITOR IN THE 2019 ANNUAL REPORT

As disclosed in the Company's announcement dated 24 April 2020, the fundamental reason for the disclaimer of audit opinion made by the independent auditor for the year ended 31 December 2019 was due to denial of the auditor's access to the evidence relating to the Group's Legacy Systems and the data contained in the databases and servers maintained by Banclogix System Co., Limited ("**Banclogix**", the Group's then IT service provider) which are necessary for the purpose of the audit. To tackle the issues mentioned, the Board had spent tremendous effort to migrate the IT platform completely from Banclogix to CLSA Limited ("**CLSA**", the new IT service provider) since August 2019. The Board has adopted and accomplished different measures of IT platform migration including (i) shared drives and file servers migration (completed in December 2019); (ii) trading servers migration (completed in December 2019); and (iii) e-mail migration (completed in October 2019). Also as disclosed in the Company's announcements dated 9 March 2020 and 23 March 2020, the Company had terminated a renewed information technology services agreement with Banclogix and entered into a new information technology services agreement with CLSA which had taken effect on 17 March 2020. The Board, including the Audit Committee, believes that the above solutions already addressed the issues raised by the auditor under the disclaimer of opinion and there is no material carry forward effect on the financial statements for the year ended 31 December 2020 as the issues have already been resolved by the new IT service provider.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group plans to:

1. Diversify customer base to include both Chinese speaking and non-Chinese speaking individuals and high net worth customers globally;

2. Develop institutional client segment by providing competitive liquidity solutions;

3. Expand the range of our financial services and products; and

4. Continuously strengthen cybersecurity and information technology capability to improve customer experience.

DIRECTORS' COMPETING INTERESTS

As at 31 December 2020, none of the Directors and their respective associates (as defined under the Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group.

FINAL DIVIDEND

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float of not less than 25% of the Company's total issued share capital as required under the Listing Rules throughout the year ended 31 December 2020 and as at the date of this announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the Code contained in Appendix 14 of the Listing Rules in a whole year of 2020. The Board will continue to review and monitor the Company's corporate governance practices to ensure compliance with the Code.

The Directors acknowledge their responsibility for the preparation of the Company's financial statements and that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. It is also the responsibility of the Directors to ensure the timely publication of the Company's financial statements. During the year, the Management has provided sufficient explanation and information to the Board to enable it to make an informed assessment of the financial and other information put before it for approval including the monthly updates on the Company's performance, position and prospects.

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

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

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 to the Listing Rules (the "**Model Code**") during the year ended 31 December 2020 as the code of conduct regarding transactions in securities of the Company by the Directors.

Having made specific enquiry with the Directors, all the Directors confirmed that they had complied with the Model Code during the year ended 31 December 2020.

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2020 and up to the date of this announcement.

PUBLICATION OF ANNUAL REPORT

The Company's 2020 annual report will be despatched to the Company's shareholders and published on the respective websites of the Company (www.clsapremium.com) and the Stock Exchange (www.hkexnews.hk) in due course.

By Order of the Board
CLSA Premium Limited
Yuan Feng
Executive Director

Hong Kong, 16 March 2021

As at the date of this announcement, the Directors are as follows:

Executive Directors
Mr. Yuan Feng *(Deputy Chief Executive Officer)*
Mr. Wu Fei

Non-executive Directors
Mr. Li Jiong *(Chairman)*
Mr. Xu Jianqiang

Independent non-executive Directors
Mr. Wu Jianfeng
Mr. Christopher Wesley Satterfield
Ms. Hu Zhaoxia