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**MATRIX**  
**MATRIX HOLDINGS LIMITED**  
**美力時集團有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 1005)**

**2020 FINAL RESULTS ANNOUNCEMENT**

The Board of Directors (the “**Directors**”) of Matrix Holdings Limited (the “**Company**”) are pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31st December, 2020 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2020**

	<i>Notes</i>	<b>2020</b> <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue	4	<b>901,141</b>	1,316,101
Cost of sales		<b>(549,982)</b>	(847,596)
Gross profit		<b>351,159</b>	468,505
Other income	5	<b>10,897</b>	25,577
Other gains and losses	6	<b>(1,140)</b>	81,023
Impairment losses on intangible assets		–	(10,966)
Distribution and selling costs		<b>(157,597)</b>	(200,722)
Administrative expenses		<b>(126,507)</b>	(151,945)
Research and development costs		<b>(23,061)</b>	(26,676)
Other expenses		<b>(39,461)</b>	(31,605)
Operating profit		<b>14,290</b>	153,191
Finance costs	7	<b>(5,358)</b>	(5,868)
Profit before income tax	8	<b>8,932</b>	147,323
Income tax expenses	9	<b>(941)</b>	(7,828)
Profit for the year		<b>7,991</b>	139,495

	<i>Notes</i>	<b>2020</b> <b>HK\$'000</b>	2019 HK\$'000
Other comprehensive expense			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(142)</u>	<u>(2,814)</u>
Total comprehensive income for the year, net of tax		<u>7,849</u>	<u>136,681</u>
Profit (loss) for the year attributable to:			
Owners of the Company		<b>10,588</b>	143,001
Non-controlling interests		<u>(2,597)</u>	<u>(3,506)</u>
		<u>7,991</u>	<u>139,495</u>
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		<b>10,446</b>	140,187
Non-controlling interests		<u>(2,597)</u>	<u>(3,506)</u>
		<u>7,849</u>	<u>136,681</u>
Earnings per share attributable to owners of the Company for the year (expressed in HK cents per share)			
Basic earnings per share	<i>11</i>	<u>1</u>	<u>19</u>
Diluted earnings per share	<i>11</i>	<u>1</u>	<u>19</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31ST DECEMBER, 2020**

	<i>Notes</i>	<b>2020</b> <b>HK\$'000</b>	2019 HK\$'000
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment		<b>190,026</b>	177,248
Intangible assets		<b>113,053</b>	118,720
Deferred tax assets		<b>24,780</b>	24,398
Deposits paid	<i>12</i>	<b>25,065</b>	25,711
Right-of-use assets		<b>270,009</b>	275,137
		<u><b>622,933</b></u>	<u>621,214</u>
Current assets			
Inventories		<b>303,919</b>	302,972
Trade and other receivables and prepayments	<i>12</i>	<b>290,140</b>	374,699
Tax receivable		<b>2,651</b>	206
Cash and cash equivalents		<b>154,699</b>	133,832
		<u><b>751,409</b></u>	<u>811,709</u>
Total assets		<u><b>1,374,342</b></u>	<u>1,432,923</u>
<b>EQUITY</b>			
Capital and reserves attributable to owners of the Company			
Share capital		<b>75,620</b>	75,620
Reserves		<b>1,045,763</b>	1,069,346
		<u><b>1,121,383</b></u>	<u>1,144,966</u>
Equity attributable to owners of the Company		<b>1,121,383</b>	1,144,966
Non-controlling interests		<b>(5,743)</b>	(3,146)
		<u><b>1,115,640</b></u>	<u>1,141,820</u>
Total equity		<u><b>1,115,640</b></u>	<u>1,141,820</u>

	<i>Notes</i>	<b>2020</b> <b>HK\$'000</b>	2019 <i>HK\$'000</i>
<b>LIABILITIES</b>			
Non-current liabilities			
Deferred tax liabilities		<b>964</b>	917
Lease liabilities		<b>63,607</b>	66,663
		<u><b>64,571</b></u>	<u>67,580</u>
Current liabilities			
Trade and other payables and accruals	<i>13</i>	<b>147,423</b>	165,579
Contract liabilities		<b>9,622</b>	13,036
Tax payables		<b>5,244</b>	8,475
Bank borrowings		<b>12,627</b>	23,030
Lease liabilities		<b>19,215</b>	13,403
		<u><b>194,131</b></u>	<u>223,523</u>
Total liabilities		<u><b>258,702</b></u>	<u>291,103</u>
Total equity and liabilities		<u><b>1,374,342</b></u>	<u>1,432,923</u>

# NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2020

## 1. GENERAL INFORMATION

Matrix Holdings Limited (the “**Company**”) is incorporated in Bermuda as an exempted company with limited liabilities and its share are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The principal activities of the Company and its subsidiaries (the “**Group**”) are the manufacturing and trading of toys and lighting products. The Company is an investment holding company. The principal activities of its principal subsidiaries are to be disclosed in the corporate information of the annual report of 2020.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

### **Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the “Amendments to References to the Conceptual Framework in HKFRS Standards” and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual period beginning on or after 1st January, 2020 for the preparation of the consolidated financial statements:

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

#### **2.1 Application of 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 primary 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 to References to the Conceptual Framework in HKFRS Standards” and the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

## New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendment to HKFRS 16	COVID-19-Related Rent Concessions <sup>4</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 <sup>5</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2023

<sup>2</sup> Effective for annual periods beginning on or after 1st January, 2022

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

<sup>4</sup> Effective for annual periods beginning on or after 1st June, 2020

<sup>5</sup> Effective for annual periods beginning on or after 1st January, 2021

Except for the new and amendments to HKFRS mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 *Interest Rate Benchmark Reform – Phase 2* relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements and disclosure requirements applying HKFRS 7 *Financial Instruments: Disclosures* to accompany the amendments regarding modifications and hedge accounting.

- **Modification of financial assets, financial liabilities and lease liabilities.** A practical expedient is introduced for modifications required by the reform (modifications required as a direct consequence of the interest rate benchmark reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using the current HKFRSs requirements. A similar practical expedient is proposed for lessee accounting applying HKFRS 16; and
- **Disclosures.** The amendments require disclosures in order to allow users to understand the nature and extent of risks arising from the interest rate benchmark reform to which the Group is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from interbank offered rates to alternative benchmark rates, and how the entity is managing this transition.

As at 31st December, 2020, the Group has several Hong Kong Interbank Offered Rate (“**HIBOR**”) bank borrowings which may be subject to interest rate benchmark reform. The Group expects no significant gains or losses should the interest rate benchmark for these loans change resulting from the reform on application of the amendments.

### **Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)”**

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current which

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
  - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
  - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date.
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 “Financial Instruments: Presentation”.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Base on the Group’s outstanding liabilities as at 31st December, 2020, the application of the amendments will not result in reclassification of the Group liabilities.

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### 4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable for goods sold by the Group to outside customers less sales related taxes.

##### i. Disaggregation of revenue from contracts with customers

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Types of goods		
Manufacturing and trading of toys	859,211	1,248,467
Manufacturing and trading of lighting products	41,930	67,634
	<hr/>	<hr/>
Total	901,141	1,316,101
	<hr/>	<hr/>
Timing of revenue recognition		
At a point in time	901,141	1,316,101
	<hr/>	<hr/>

Revenue disaggregation by geographical markets is disclosed in segment revenue and results.

##### ii. Performance obligations for contracts with customers

The Group is engaged in the toy manufacturing business for sale to international brand customers; and lighting products manufacturing business for sale directly to consumers or through sub-distributors on wholesale basis.

For sales of toys and lighting products to customers and the wholesale market, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customers' specific location. Performance obligations are satisfied at a point in time once control of the goods has been transferred to the customers and the customers have obtained control on the goods through their ability to direct other use of and obtain substantially all the benefits from the goods. Following the delivery, the customers have full discretion over the manner of distribution and price to sell the goods, have the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 14 to 90 days upon delivery.

When the Group receives deposits from customers to purchase toys and lighting products, these will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposits.

##### iii. Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the unsatisfied performance obligations of HK\$9,622,000 (2019: HK\$13,036,000) as at 31st December, 2020 are expected to be recognised as revenue within one year.

The chief operating decision makers ("CODM") have been identified as the Executive Directors. Operating segments are reported in a manner consistent with internal reports of the Group that are regularly reviewed by the CODM for the purposes of resource allocation and assessment of segment performance focuses on the geographic location of customer.

The Group's reportable segments are the United States, Europe, Mexico, Canada, South America, Australia and New Zealand based on the geographic location of customers. Other locations include the PRC, Hong Kong, Taiwan, Korea, other countries in Asia Pacific and others, which are individually below 10 per cent are aggregated are presented under "other locations".



## Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment based on the geographic location of customers:

### For the year ended 31st December, 2020

	Reportable segments						Total reportable segments HK\$'000	Other locations HK\$'000 <i>(Note)</i>	Unallocated HK\$'000	Consolidated HK\$'000
	The United States HK\$'000	Europe HK\$'000	Mexico HK\$'000	Canada HK\$'000	South America HK\$'000	Australia and New Zealand HK\$'000				
REVENUE										
External sales	677,497	78,650	13,813	73,548	7,045	37,062	887,615	13,526	-	901,141
RESULTS										
Segment profit (loss)	140,945	(84)	893	7,234	1,287	2,830	153,105	2,874	-	155,979
Unallocated other income										2,919
Unallocated corporate expenses										(144,608)
Finance costs										(5,358)
Profit before income tax										8,932
Amounts included in the measure of segment profit or loss:										
Depreciation and amortisation	57,699	3,866	692	3,579	357	1,881	68,074	682	2,081	70,837
Net impairment losses under ECL model	1,575	183	33	171	16	86	2,064	29	-	2,093
Allowance for inventories	2,389	277	49	259	25	131	3,130	47	-	3,177

For the year ended 31st December, 2019

	Reportable segments						Total reportable segments HK\$'000	Other locations HK\$'000 (Note)	Unallocated HK\$'000	Consolidated HK\$'000
	The United States HK\$'000	Europe HK\$'000	Mexico HK\$'000	Canada HK\$'000	South America HK\$'000	Australia and New Zealand HK\$'000				
<b>REVENUE</b>										
External sales	1,057,047	113,303	10,190	70,047	14,020	38,107	1,302,714	13,387	-	1,316,101
<b>RESULTS</b>										
Segment profit	205,169	7,567	204	5,598	2,143	1,891	222,572	943	-	223,515
Unallocated other income										6,692
Unallocated other gains and losses										85,301
Unallocated corporate expenses										(162,317)
Finance costs										(5,868)
Profit before income tax										147,323
Amounts included in the measure of segment profit or loss:										
Depreciation and amortisation	91,977	9,064	1,138	7,736	1,566	4,166	115,647	1,460	3,482	120,589
Impairment losses on intangible assets	-	-	-	-	-	-	-	-	10,966	10,966
Net reversal under ECL model	(859)	(92)	(8)	(57)	(11)	(31)	(1,058)	(11)	-	(1,069)
Allowance for inventories	2,683	288	26	179	36	97	3,309	32	-	3,341

Segment profit represents the profit before income tax earned by each segment without allocation of certain other income, other gains and losses, central administrative expenses, directors' emoluments and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

## Segments asset and liabilities

The following is an analysis of the Group's assets and liabilities by operating segment based on the geographical location of customers:

As at 31st December, 2020

	Reportable segments						Total reportable segments	Other locations	Consolidated
	The United States	Europe	Mexico	Canada	South America	Australia and New Zealand			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS									
Segment assets	426,098	42,153	7,181	38,131	2,856	22,680	539,099	24,874	563,973
Property, plant and equipment									190,026
Intangible assets									113,053
Deferred tax assets									24,780
Right-of-use assets									270,009
Unallocated corporate assets									212,501
Total assets									<u>1,374,342</u>
LIABILITIES									
Segment liabilities	90,702	8,282	876	6,126	447	3,526	109,959	2,627	112,586
Deferred tax liabilities									964
Bank borrowings									12,627
Lease liabilities									82,822
Unallocated corporate liabilities									49,703
Total liabilities									<u>258,702</u>

As at 31st December, 2019

	Reportable segments						Total reportable segments	Other locations	Consolidated
	The United States	Europe	Mexico	Canada	South America	Australia and New Zealand			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>ASSETS</b>									
Segment assets	444,382	63,071	5,359	41,427	7,117	27,694	589,050	33,582	622,632
Property, plant and equipment									177,248
Intangible assets									118,720
Deferred tax assets									24,398
Right-of-use assets									275,137
Unallocated corporate assets									214,788
Total assets									<u>1,432,923</u>
<b>LIABILITIES</b>									
Segment liabilities	105,774	10,027	538	5,242	735	3,487	125,803	5,603	131,406
Deferred tax liabilities									917
Bank borrowings									23,030
Lease liabilities									80,066
Unallocated corporate liabilities									55,684
Total liabilities									<u>291,103</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than property, plant and equipment, right-of-use assets, intangible assets, deferred tax assets and other corporate assets, all of which are managed on a central basis; and
- all liabilities are allocated to operating segments other than deferred tax liabilities, lease liabilities, bank borrowings and other corporate liabilities.

### Other segment information

No analysis of capital expenditures is disclosed for both years as these items are neither included in segment assets nor segment results and are not reviewed by the CODM regularly.

### Geographical information

The Group's operations are located in Hong Kong, Vietnam, the United States, the PRC, Europe and other countries.

Information about the Group's non-current assets is presented based on the geographical location of the assets.

	<b>2020</b> <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Hong Kong	<b>8,914</b>	1,370
Vietnam	<b>356,311</b>	356,142
The United States	<b>55,703</b>	64,013
The PRC	<b>42,381</b>	44,749
Europe	<b>9,818</b>	10,697
Other countries	<b>11,973</b>	1,125
	<b>485,100</b>	478,096

*Note:* Non-current assets excluded intangible assets and deferred tax assets.

#### **Information about major customers**

For the year ended 31st December, 2020, there are 2 customers (2019: 2 customers) in the United States with revenue amounted to HK\$284,698,000 (2019: HK\$616,019,000) and HK\$223,201,000 (2019: HK\$219,781,000), contributing to approximately 31.6% and 24.8% (2019: 46.8% and 16.7%), respectively, of the total revenue of the Group. There is no other single customer contributing over 10% of the total revenue of the Group.

#### **5. OTHER INCOME**

	<b>2020</b> <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest income on bank deposits	<b>2,900</b>	4,191
Sales of scrap materials and samples	<b>19</b>	2,168
Broadcasting income	<b>1,077</b>	14,438
Rental income	<b>936</b>	1,716
Royalty income	<b>633</b>	1,723
Government grants	<b>4,400</b>	–
Others	<b>932</b>	1,341
	<b>10,897</b>	25,577

During the current year, the Group recognised government grants of HK\$4,400,000 in respect of Covid-19-related subsidies, of which mainly HK\$1,434,000 relates to Employment Support Scheme provided by the Hong Kong government and HK\$682,000 relates to Paycheck Protection Program provided by the government of the United States.

## 6. OTHER GAINS AND LOSSES

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Loss on disposal/write-off of property, plant and equipment	(4,222)	(1,177)
Net exchange loss	(1,725)	(4,170)
Net (impairment losses) reversal under ECL model	(2,093)	1,069
Gain on derecognition of non-current assets	–	85,301
Gain on disposal of right-of-use assets	<b>6,900</b>	–
	<b>(1,140)</b>	<b>81,023</b>

## 7. FINANCE COSTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interests on:		
Bank borrowings	489	1,599
Lease liabilities	4,869	2,686
Loan from third parties	–	1,583
	<b>5,358</b>	<b>5,868</b>

## 8. PROFIT BEFORE INCOME TAX

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Profit before income tax has been arrived at after charging:		
Employee benefit expense	305,118	368,587
Less: Amount capitalised in inventories	(188,369)	(239,172)
	<b>116,749</b>	<b>129,415</b>
Depreciation of property, plant and equipment	35,044	39,151
Less: Amount capitalised in inventories	(30,316)	(33,695)
	<b>4,728</b>	<b>5,456</b>
Depreciation of right-of-use assets	25,719	23,153
Less: Amount capitalised in inventories	(6,047)	(6,099)
	<b>19,672</b>	<b>17,054</b>
Amortisation of intangible assets (included in cost of sales)	10,074	58,285
Auditor's remuneration		
– Audit services	4,070	4,207
– Non-audit services	924	1,499
Royalty expenses	26,943	63,551
Research and development costs	23,061	26,676
Legal and professional fee (included in other expense)	<b>39,461</b>	<b>31,605</b>

## 9. INCOME TAX EXPENSE

	<b>2020</b>	2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Current tax:		
– Hong Kong	–	2,137
– Other jurisdictions	<b>3,868</b>	6,639
Overprovisions in prior years:		
– Hong Kong	(22)	(161)
– Other jurisdictions	<b>(2,558)</b>	(520)
Deferred tax	<b>(347)</b>	(267)
	<b>941</b>	7,828

## 10. DIVIDENDS

	<b>2020</b>	2019
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2020 Interim – HK1.5 cents (2019: 2019 interim dividend, HK5.5 cents) per share	<b>11,343</b>	41,591
2019 Final – HK3.0 cents (2018: 2018 final dividend, HK5.0 cents) per share	<b>22,686</b>	37,810
	<b>34,029</b>	79,401

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31st December, 2020 of HK4.0 cents (2019: final dividend in respect of the year ended 31st December, 2019 of HK3.0 cents) per ordinary share, in an aggregate amount of HK\$30,248,000 (2019: HK\$22,686,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

## 11. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Earnings</b>		
Profit for the year attributable to owners of the Company	<u>10,588</u>	<u>143,001</u>
	<i>'000</i>	<i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	756,203	756,203
Effect of dilutive potential ordinary shares:		
Options	<u>752</u>	<u>2,380</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>756,955</u>	<u>758,583</u>
	<i>HK cents</i>	<i>HK cents</i>
Basic earnings per share	<u>1</u>	<u>19</u>
Diluted earnings per share	<u>1</u>	<u>19</u>

## 12. DEPOSITS PAID, TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade receivables – contract with customers	239,516	290,564
Less: Allowance for credit losses	<u>(6,516)</u>	<u>(9,386)</u>
	233,000	281,178
Prepayments	33,590	43,823
Other deposits and other receivables	8,893	28,011
Deposits paid for purchase of land	20,291	20,301
Deposits paid for purchase of raw materials	12,861	18,045
Deposits paid for purchase of property, plant and equipment	420	2,531
Rental and utilities deposits	<u>6,150</u>	<u>6,521</u>
	315,205	400,410
Less: Non-current deposits paid	<u>(25,065)</u>	<u>(25,711)</u>
	<u>290,140</u>	<u>374,699</u>

As at 1st January, 2019, trade receivables from contracts with customers amounted to HK\$241,578,000.



The Group allows a credit period of 14 to 90 days to its trade customers. An aging analysis of trade receivables based on invoice date (net of allowance of credit losses) at the end of the reporting period is as follows:

	<b>2020</b> <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0–60 days	<b>175,995</b>	182,647
61–90 days	<b>31,579</b>	43,714
Over 90 days	<b>25,426</b>	54,817
	<b><u>233,000</u></b>	<u>281,178</u>

As at 31st December, 2020, trade receivables of HK\$153,053,000 (2019: HK\$175,949,000) were fully performing and not past due.

As at 31st December, 2020, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$79,947,000 (2019: HK\$105,229,000) which are past due as at the reporting date. Out of the past due balances, HK\$2,486,000 (2019: HK\$10,946,000) has been past due 90 days or more and is not considered as in default due to the management's historical experience on the settlement pattern or record from these debtors are satisfactory and the good relationship with these debtors.

As at 31st December, 2020, the Group has provided for impairment of HK\$3,099,000 (2019: HK\$4,764,000) on certain individually impaired trade receivables who have either been placed under liquidation or in severe financial difficulties.

### 13. TRADE AND OTHER PAYABLES AND ACCRUALS

Trade and other payables and accruals principally comprise amounts outstanding for trade purposes and daily operating costs.

	<b>2020</b> <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade payables	<b>57,175</b>	69,021
Accrued employee benefit expenses	<b>43,571</b>	45,561
Other payables and accruals	<b>46,677</b>	50,997
	<b><u>147,423</u></b>	<u>165,579</u>

The credit period taken for trade purchases is 30 to 60 days. The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period:

	<b>2020</b> <i>HK\$'000</i>	2019 <i>HK\$'000</i>
0–60 days	<b>37,841</b>	36,951
61–90 days	<b>5,501</b>	18,398
Over 90 days	<b>13,833</b>	13,672
	<b><u>57,175</u></b>	<u>69,021</u>

## 14. ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY

### Acquisition of Javi

On 23rd May, 2019, the Group completed the acquisition of 100% equity interest in Javi from an independent third party at a cash consideration of VND561,400,000,000 (equivalent to approximately HK\$190,876,000). The principal assets of Javi are leasehold lands. The assets acquired were as follows:

#### *Consideration transferred*

	<i>HK\$'000</i>
Cash	190,876

Fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

	<i>HK\$'000</i>
Leasehold lands	190,834
Cash and cash equivalents	2
Other receivables	40
	<hr/>
Net assets assumed	190,876
	<hr/>
Net cash outflow on acquisition:	
Deposit paid for acquisition of a subsidiary	(37,916)
Consideration paid	(143,417)
5% of consideration to be paid, included in other payable	(9,543)
Cash and cash equivalents acquired	2
	<hr/>
	(190,874)
	<hr/>

## 15. CONTINGENT LIABILITIES

The Group has held a number of licenses from Hasbro, Inc. and Hasbro International (together referred to as “**Hasbro Group**”) to produce and distribute various products. During the year of 2018, Hasbro Group alleged that an audit of the Group’s records established that the Group owed Hasbro Group an amount of US\$10,061,000, inclusive of purported unpaid royalties, marketing expenses, interest and audit fees.

Upon receipt of the audit findings of Hasbro Group and completion of own investigation, the Group determined that Hasbro Group, at best, was owed approximately US\$863,000, which was promptly paid. Hasbro Group disputed the Group’s conclusion and issued a notice of termination of the remaining license agreement. The Group filed an action in the United States of America disputing Hasbro Group’s interpretation of the license agreement, denying Hasbro Group’s alleged right to terminate the license agreement, and alleged that Hasbro Group breached the license agreement by wrongfully attempting to terminate the license. Hasbro Group has filed a counterclaim, contending that the Group owes the amount alleged in the audit and the Group has violated Hasbro Group’s intellectual property rights. Hasbro Group has agreed, without prejudice to any claim, to allow the Group to continue to perform pursuant to the license agreement until a court resolution, settlement or the termination of the license by its terms which will occur in the future. Both parties involved are currently engaged in a mediation.

The Group has sought legal advices and intends to vigorously contest Hasbro Group’s claim and as such no further provision is considered required to be made in the consolidated financial statements for the year ended 31st December, 2020 and 2019 in respect of these matters.

## 16. CAPITAL COMMITMENTS

	<b>2020</b> <i>HK\$’000</i>	2019 <i>HK\$’000</i>
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	<b>8,214</b>	4,917

## **RESULTS**

During the year of 2020 (the “**year**”), the Group’s consolidated revenue reported approximately HK\$901,141,000, decreased by approximately HK\$414,960,000 or 31.5% as compared to approximately HK\$1,316,101,000 of 2019 (“last year”). The profit attributable to the owners of the Company amounted to approximately HK\$10,588,000, representing a decrease of 92.6% as compared with the profit in approximately HK\$143,001,000 which included the one-off gain on derecognition of non-current assets of HK\$85,301,000.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue of the year recorded approximately HK\$901,141,000, decreased by approximately 31.5% from last year as affected by the outbreak of COVID-19.

### **Gross profit**

The Group’s gross profit for the year decreased by approximately 25.0% to approximately HK\$351,159,000 due to the decrease of sales.

### **Distribution and selling costs**

Distribution and selling costs decreased by approximately 21.5% to approximately HK\$157,597,000 for the year. The decrease was mainly attributable to the decrease in advertising costs and royalties.

### **Administrative expenses**

Administrative expenses of the year decreased by approximately 16.7% to approximately HK\$126,507,000, which mainly consisted of office staff salaries, rent and rates of offices, depreciation of property, plant and equipment and other administrative expenses. The decrease resulted mainly from decrease in staff salaries during the year.

### **Finance costs and income tax**

Finance costs of the year decreased by approximately 8.7% to approximately HK\$5,358,000 as compared to last year due to decrease in the interest of bank borrowings. Income tax expense of this year recorded approximately HK\$941,000 as compared to income tax expense of approximately HK\$7,828,000 of last year due to the decrease in income tax provision.

### **Research and development cost**

Research and development (R&D) cost decreased by approximately 13.6% to approximately HK\$23,061,000 for the year as less resources were allocated to conduct R&D for toys product during the year.

### **Trade and other receivables and prepayments**

Trade and other receivables and prepayments of the year decreased by approximately 22.6% to approximately HK\$290,140,000 as compared to last year, mainly due to the decrease of sales.

### **Trade and other payables and accruals**

Trade and other payables and accruals of the year decreased by approximately 11.0% to approximately HK\$147,423,000 as compared to last year, mainly due to the decrease in purchases and other payables and accruals.

### **Quick Ratio**

The quick ratio of the year was higher than last year which resulted mainly from the settlement of the bank borrowings during the year.

### **Current Ratio**

The current ratio of the year was higher than last year which resulted mainly from the settlement of the bank borrowings during the year.

### **Financial position and cash flows review**

The Group's cash flow position remained healthy and the bank borrowing was maintained at a minimum level.

### **Liquidity and Financial Resources**

As at 31st December, 2020, the Group had cash and cash equivalents of approximately HK\$154,699,000 (2019: HK\$133,832,000). As at 31st December, 2020, the Group obtained banking facilities in a total of approximately HK\$70,000,000 (2019: HK\$70,000,000) of which was supported by corporate guarantee.

As at 31st December, 2020, the Group had bank borrowings of approximately HK\$12,627,000 (2019: HK\$23,030,000).

The Group's gearing ratio, representing the total debt divided by total equity, decreased to 1.1% (2019: 2.0%) due to the decrease in bank borrowings during the year.

During the year, net cash generated from operating activities amounted to approximately HK\$120,241,000 (2019: HK\$172,580,000). The Group has maintained an adequate level of cash flows for its business operations and capital expenditures.

## **Capital Expenditure and Commitments**

During the year, the Group acquired property, plant and equipment at a cost of approximately HK\$53,599,000 (2019: HK\$48,217,000) mainly to further enhance and upgrade the production capacity. These capital expenditures were financed primarily by cash flow generated from operations.

## **Assets and Liabilities**

As at 31st December, 2020, the Group had total assets of approximately HK\$1,374,342,000 (2019: HK\$1,432,923,000), total liabilities of approximately HK\$258,702,000 (2019: HK\$291,103,000) and equity attributable to owners of the Company of approximately HK\$1,121,383,000 (2019: HK\$1,144,966,000). The net assets of the Group decreased by 2.3% to approximately HK\$1,115,640,000 as at 31st December, 2020 (2019: HK\$1,141,820,000).

## **SIGNIFICANT INVESTMENT AND ACQUISITION**

There was no significant investment and acquisition for the year ended 31st December, 2020.

## **SIGNIFICANT DISPOSAL/IMPORTANT EVENT**

There was no significant disposal/important corporate event for the year ended 31st December, 2020.

## **EXCHANGE RATE RISK**

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Certain bank balances, and trade and other receivables and prepayments, trade and other payable and accruals of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## **BUSINESS REVIEW**

The Group's overall turnover for the year decreased as a result of the slowdown in global economic activities due to the outbreak of COVID-19 pandemic which caused customers to adjust purchase orders or delay the shipment of certain products and thus the Group's revenue recorded a decrease. Compared to last year, marketing, selling and distribution costs, administrative expenses and recurring operating expenses decreased. However, as the decrease in sales revenue led to a decrease in gross profit, the Group recorded a decrease of profit comparing with the last year's profit which included the one-off gain on derecognition of non-current assets of HK\$85,301,000. The Group has strengthened cost control and prudently managed its financial and cash position to overcome the operating environment during this period and to minimize the impact of the COVID-19 pandemic.

## **Manufacturing operations**

The Group maintains its main production base in Vietnam. Leveraging on its leading position in the industry and its capacity expansion plan in Vietnam, the Group reorganised its plant processes, and optimised supply chain processes, which effectively enhanced growth potential to reduce production costs and further increase gross profit. The Group kept localising its production and management operations and improving its automatic production to enhance its production capacity and quality so as to maintain competitiveness.

## **Segment performance**

The world's economy needs more time to recover after a tumultuous year in the grip of the pandemic. Customers are waiting for economic recovery and meanwhile keeping cautious about placing orders. Focusing on overseas customers in the United States and Europe, the Group strives to maintain closer contact with customers for improved products and inventory management, and put an effort to increase the customer base, so as to mitigate the impact of any abrupt change that may occur in operations. The Group continues to uphold and properly manage the stated strategy of its established brands. A number of new products –“CAT”,“Fart Ninjas”,“Bright Fairy Friends” and girl-role-play products were launched during the year. Over the years, we have used the brand “Gazillion ® Bubbles” to establish our own branded toys and related products, of which their sales were satisfactory. In addition, the Group has been actively launching new marketing campaigns for new toy products of brands such as “CAT”, “Fart Ninjas” and “Bright Fairy Friends”.

## **The US**

The US was still a major export market for the Group's products. Our revenue decreased by approximately HK\$379,550,000 or 35.9% to approximately HK\$677,497,000 for the year from approximately HK\$1,057,047,000 for the last year.

Amid the COVID-19 economic influence, social distancing and soaring unemployment suppressed consumer spending, the main growth engine, were set to decline despite fiscal measures designed to mitigate the damage during the year. Despite the improvement in economic activity in the third quarter, the pace of growth eased in fourth quarter due to base effects as well as election uncertainty and rising cases of COVID-19. The United States saw a historically wide fiscal deficit as policymakers ramp up spending in an attempt to mitigate the economic fallout from the pandemic.

The Group recorded a decrease in sales from Original Equipment Manufacturing, Original Brand Manufacturing (“**OBM**”) outdoor products of “Gazillion ® Bubbles” and lighting products. However, due to the robust growth for cross-border e-commerce sales, the sales from mass-market retailers for Original Design Manufacturing (“**ODM**”) products under new brands improved. Overall, the revenue generated from the US market recorded a decrease.

The Group would strive to maintain its authorised licensing business for major brands, enrich other product lines and retain existing distributors and clients, including Wal-Mart, Target and Amazon.

## **Canada**

Our revenue in the Canadian market increased by approximately HK\$3,501,000 or 5.0% to approximately HK\$73,548,000 for the year from approximately HK\$70,047,000 last year.

The pandemic continued to dampen external demand and investment in the near term, while social distancing measures weighed on household incomes, tempering private consumption. That said, the renewed domestic lockdown and travel restrictions, as well as stem from lingering economic scarring from lost jobs and income tempered the pace of the recovery. Notwithstanding, the sales from the Group's mass-market retailers in respect of toy car products, OBM outdoor game products of "Gazillion ® Bubbles" and girls' toy series products increased. As a whole, the revenue generated from the Canadian market recorded an increase.

The Group will make efforts to maintain its existing distributors and clients, such as Wal-Mart, Toys "R" US and Costco Canada.

## **Europe**

Our revenue in Europe decreased by approximately HK\$34,653,000 or 30.6% to approximately HK\$78,650,000 for the year from approximately HK\$113,303,000 last year.

The pandemic saw the European economy grind to a halt in the year, despite the adoption of several relief and stimulus packages. At present, the additional lockdowns and social-distancing measures either now in place or expected to be adopted shortly, the EU economy has contracted as a whole.

The sales of toy car products and girls' role play products recorded a decrease which offset the growth of OBM outdoor products of "Gazillion ® Bubbles". The Group recorded a decrease in orders from customers in Netherlands, Malta, Denmark, Estonia, Italy, Russia, Ukraine and Croatia and the sales of lighting products in Europe despite increasing orders in UK, Finland, Belgium, Greece, Lithuania, Poland, Switzerland, Croatia, Slovenia, Germany, Czech Republic and Luxembourg. Overall, our revenue in the European market recorded a decrease. The Group will continue its efforts to maintain existing distributors and clients such as Costco.

## **Mexico**

Our revenue in Mexico increased by approximately HK\$3,623,000 or 35.6% to approximately HK\$13,813,000 for the year from approximately HK\$10,190,000 last year.

Economic activity contracted sharply in the year due to the pandemic significant risks remain, including subdued sentiment constraining household, uncertainty surrounding the course of the pandemic, and the lack of significant fiscal relief measures hindering the recovery. Notwithstanding, due to an increase in orders for the Group's ODM toy car products, our total revenue in the Mexican market recorded an increase.



## **Australia and New Zealand**

Our revenue in the Australia and New Zealand markets decreased by approximately HK\$1,045,000 or 2.7% to approximately HK\$37,062,000 for the year from approximately HK\$38,107,000 last year.

Prolonged lockdowns and a wave of business closures and job losses due to pandemic crisis weighed heavily on domestic demand over the coming quarters.

The Group recorded a decrease in sales of girls' toy series products and OBM outdoor products of "Gazillion ® Bubbles" which offset the increase in orders for ODM toy car products. Our overall market revenue in Australia and New Zealand recorded a decrease. The Group will continue its efforts to maintain its existing distributors and clients such as Big W.

## **South America**

Our revenue in South America markets decreased by approximately HK\$6,975,000 or 49.8% to approximately HK\$7,045,000 for the year from HK\$14,020,000 last year.

South America was headed for another year of slow growth due to the global financial crisis and negative impact of the pandemic. Overall, the Group recorded an increase in sales in Ecuador and Uruguay; however sales orders in Panama, Chile, Argentina, Honduras, Costa Rica, Bolivia, Peru, Brazil and Paraguay for toy car products and outdoor game products in ODM business decreased. As a whole, our revenue in South American markets recorded a decrease.

## **NUMBER OF EMPLOYEES AND REMUNERATION POLICIES**

As at 31st December, 2020, the Group had a total of approximately 6,600 (2019: 7,700) employees in Hong Kong, Macau, the PRC, Vietnam, Australia, the US, Canada, Taiwan, Mexico and Europe. The Group provides its employees with competitive remuneration packages commensurate with the level of pay established by the market trend in comparable businesses. A share option scheme was adopted by the Group for selected participants (including full-time employees) as incentives or rewards for their contributions to the business and operation of the Group. A mandatory provident fund scheme and respective local retirement benefit schemes are also in place.

## **ENVIRONMENTAL PROTECTION**

The Group believes that maintaining a healthy and harmonious relationship with its stakeholders and fulfilling its social responsibilities to the community is essential for building and preserving the value of the Group. Adhering to the principle of Reducing, Recycling and Reusing, the Group encourages green office practices such as double-sided printing and copying, setting up recycling bins, promoting using recycled paper and reducing energy consumption by switching off lightings and electrical appliances, and will consider implementing further eco-friendly measures and practices in the operation of the Group's business.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those that have significant impact on the Group. The Board and internal audit function team delegated by the Board monitor the Group's policies and practices on compliance with legal and regulatory requirements and such policies are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time. In accordance with the requirements of the laws, regulations and related policies in Hong Kong, the PRC, Vietnam and other relevant jurisdictions, the Company provides and maintains statutory benefits for its staff, including but not limited to mandatory provident fund, basic medical insurance and labour insurance. All employees are entitled to statutory holidays. The Group has registered its products, domain name and trademarks in Hong Kong, the PRC and other relevant jurisdictions and takes all appropriate actions to protect and enforce its intellectual property rights.

## **RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS**

The Group acknowledges that employees, customers and business partners are crucial to its sustainable growth. The Group is hence committed to building up close and caring relationship with its employees, provide exceptional service to its customers and enhance partnership with its business partners.

## **PROSPECT**

The uncertainty on the effectiveness of control measures against COVID-19 pandemic posed negative impact on the planned orders from the long-term customers in the European and American markets. The Group will continue to adopt a prudent strategy, focus on higher-profit products, continue to seek portfolio diversification, in order to meet the growing needs of customers. The Group will further strengthen its online distribution channels as well as prudently manages its financial and cash position to mitigate the exposure of risk. The Group will also reduce manpower and improve profitability through higher levels of machine automation and improved process control technology, while expanding its production capacity. The Group will continue to introduce a number of car toys under the well-known toy car brand "CAT", and enrich the product range of "Fart Ninjas" and "Bright Fairy Friends", and it will closely monitor the impact of COVID-19 and strive to develop a diversified portfolio for better income base, so as to create long-term and highest returns for shareholders.

The Group will also actively seek to bring additional value and new income streams to the Group, in order to maximize the interests of the Group and the shareholders as a whole, strengthen its leading position in the global toy market and bring long-term returns to its shareholders.

## **DIVIDEND**

During the year, the Company paid an interim dividend of HK1.5 cents (2019: HK5.5 cents) in cash per share to the shareholders. The Directors have resolved to recommend the payment of a final dividend of HK4.0 cents (2019: HK3.0 cents) in cash per share for the year ended 31st December, 2020, payable to shareholders whose names appear on the Register of Members of the Company on 21st May, 2021. Together with the interim dividend paid of HK1.5 cents per share, the total dividend per share for the year is HK5.5 cents (2019: HK8.5 cents).

Subject to the approval of the shareholders at the forthcoming annual general meeting, the proposed final dividend will be paid on or about 31st May, 2021 in cash.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

During the year, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed shares of the Company.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE (THE “CG CODE”)**

The Board has adopted the corporate governance code (the “**CG Code**”) and amended it from time to time, which is based on the principles set out in Appendix 14 (the “**HKEx Code**”) to the Listing Rules on the Stock Exchange.

None of the directors of the Company is aware of information that would reasonably indicate the Company is not or was not for any part of the period under review, in compliance with the HKEx Code and CG Code except for the deviations from code provisions A.4.1 and E.1.2 which are explained as follows:

- a) under the code provision A.4.1 that none of the existing non-executive directors of the Company is appointed for a specific term. However, as all the non-executive directors of the Company (including independent non-executive) are subject to retirement provision under the Company’s Bye-laws, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the HKEx Code and CG Code as well;
- b) under the code provision E.1.2, Mr. Cheng Yung Pun, the chairman of the Board and the Nomination Committee was unable to attend the 2020 annual general meeting (“**AGM**”) due to the impact of COVID-19. Except the chairman of the Board and the two executive directors, all other members of the Board had attended the 2020 AGM and one of them had been nominated as chairman of the AGM. The Company considers that the presence is sufficient for (i) answering questions from and (ii) effective communication with the shareholders of the Company present at the 2020 AGM.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted and amended from time to time its code for securities transactions by directors of listed issuers as the code of conduct governing directors' securities transactions in compliance with the recently amended Appendix 10 to the Listing Rules (the "**Model Code**"). All Directors of the Company during the year, following specific enquiry by the Company, have confirmed that they have complied with the required standard set out in the Company's own code and the amended Model Code throughout the year.

## **ANNUAL GENERAL MEETING**

The annual general meeting ("**AGM**") of the Company will be held on 13th May, 2021 at 2:30 p.m. A notice convening the Annual General Meeting will be published and despatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from 6th May, 2021 to 13th May, 2021, both days inclusive for the entitlement to attend the AGM, and be closed on 21st May, 2021 for the final dividend entitlement, during such periods no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM of the Company, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 5th May, 2021. In order to be eligible to have final dividend, all transfers accompanied by the relevant share certificates must be lodged with the address of the Company's Branch Share Registrar in Hong Kong as abovementioned, not later than 4:30 p.m. on 20th May, 2021.

## **REVIEW OF FINANCIAL STATEMENTS**

The Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended 31st December, 2020, including the accounting principles and practices adopted by the Group.

## **PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the website of the Stock Exchange. The 2020 Annual Report and Notice of AGM of the Company will be despatched to the shareholders of the Company as well as published on the website of the Stock Exchange in due course.

## **BOARD COMPOSITION**

As at the date of this announcement, the Board comprises Mr. Cheng Yung Pun, Mr. Cheng King Cheung, Mr. Tsang Chung Wa, Mr. Tse Kam Wah, Mr. Yu Sui Chuen and Ms. Yip Hiu Har as executive Directors and Dr. Loke Yu alias Loke Hoi Lam, Mr. Mak Shiu Chung, Godfrey, Mr. Wan Hing Pui and Mr. Heng Victor Ja Wei as independent non-executive Directors.

By Order of the Board  
**Cheng Yung Pun**  
*Chairman*

Hong Kong, 25th March, 2021

\* *For identification purpose only*