財訊

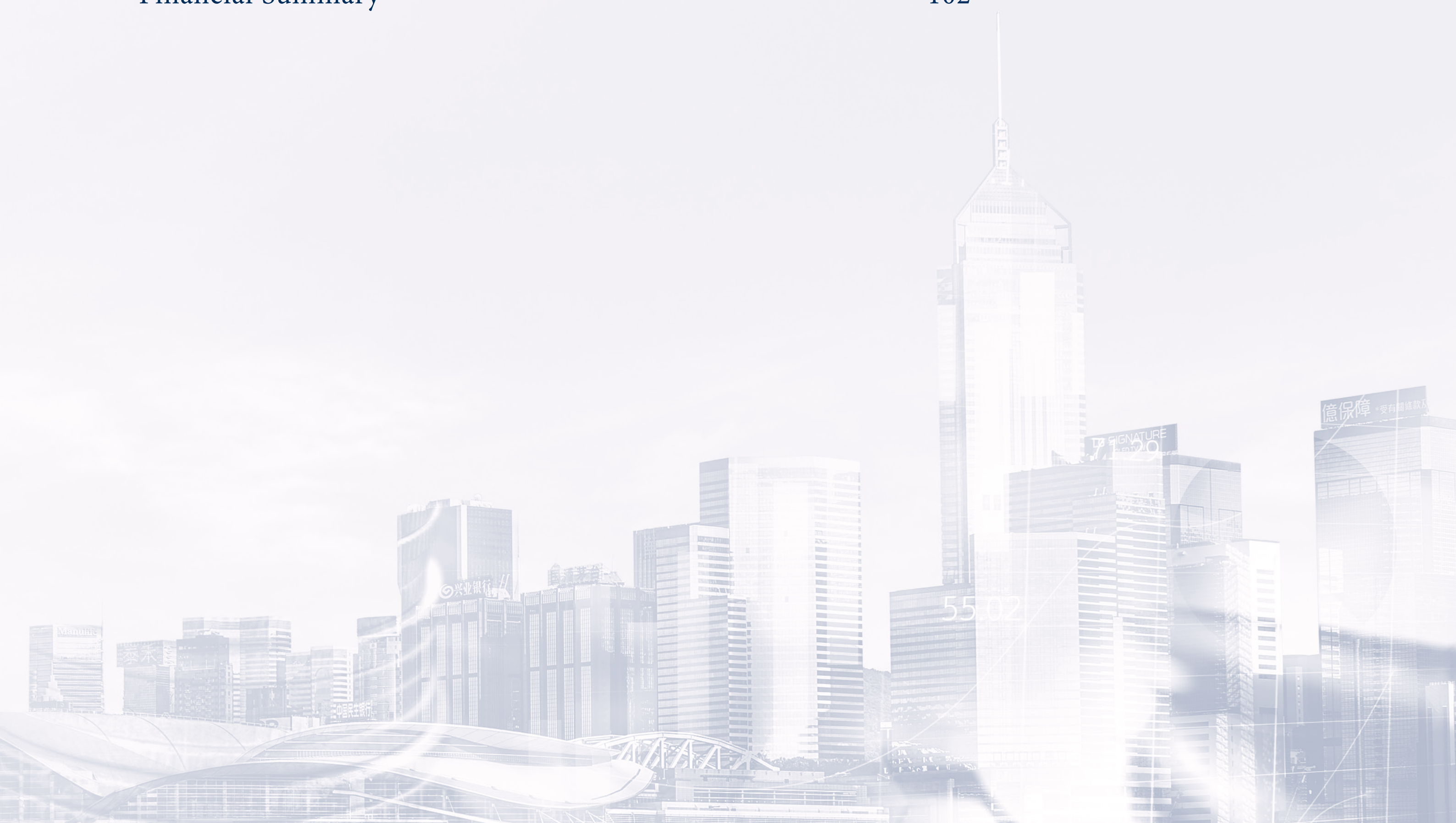
財訊傳媒集團有限公司
SEEC MEDIA GROUP LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

（stock code：205）

2019
ANNUAL REPORT

CONTENTS



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:
Mr. Li Leong
Mr. Li Xi
Mr. Zhang Zhifang
Mr. Zhou Hongtao

Independent Non-Executive Directors:
Mr. Law Chi Hung
Mr. Leung Tat Yin
Mr. Wong Ching Cheung

JOINT COMPANY SECRETARIES

Mr. Chung Cheuk Man
Mr. Tseung Sheung Shun

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1408, 14/F.,
Wing On Kowloon Centre,
345 Nathan Road,
Kowloon

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
China Merchants Bank Co., Ltd.

AUDITOR

Elite Partners CPA Limited
10/F.,
8 Observatory Road,
Tsim Sha Tsui,
Kowloon, Hong Kong

SHARE REGISTRARS AND TRANSFER OFFICE

Principal Share Registrar and Transfer Office
Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Hong Kong Branch Share Registrar and Transfer Office
Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

WEBSITES

www.irasia.com/listco/hk/seecmedia/index.htm
www.seec-media.com.hk

STOCK CODE

205

DIRECTOR'S STATEMENT

On behalf of the board of directors (the "Board") of SEEC Media Group Limited (the "Company"), I am pleased to present to you the annual results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2019.

BUSINESS REVIEW

Advertising and Sales of Books and Magazines

Revenue derived from the business of advertising and sales of books and magazines was continuous to be one of the major sources of income to the Group. However, due to the negative impact on global economy caused by the trade war between the US and China and the rapid development of the internet economy in China over the past few years, the Group's print media advertising business faced difficult and challenging business environment in the year 2019. As a result, the development of the print media in China, as well as the Group's revenue derived from the print media business, were adversely affected.

The revenue derived from the provision of advertising services for the current year was approximately HK$42.6 million, representing approximately 48.8% of the total revenue. The revenue derived from sales of books and magazines for the current year was approximately HK$0.2 million, representing approximately 0.2% of the total revenue.

Securities Broking

The Group was granted by the Securities and Futures Commission a license to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "SFO"). By carrying out the securities broking business, it is expected that the Group can be benefited from diversifying its business portfolio.

The Group provides brokerage services for clients in respect of securities listed on the Stock Exchange of Hong Kong Limited. Since the commencement of the securities broking business, the Group endeavored to provide brokerage services for the clients, as well as participate in equity fund raising transactions for Hong Kong listed companies, including placing, underwriting and initial public offering. For the year ended 31 December 2019, the commission and brokerage income and the interest income derived from the securities broking business amounted to approximately HK$13.4 million in total, representing approximately 15.3% of the total revenue of the Group. In the year 2019, months of large-scale protests and the unstable political environment as a result of the extradition bill hit the sentiment in capital market and in different economic sectors. Investors were more cautious of the future economic outlook and may then affect the fund raising plans of certain existing or potential listed issuers in Hong Kong.

Money Lending

In order to strengthen the flexibility of the Group so that it is able to react to the changing market situation promptly, the Group also provides diversified financial services to its clients through developing money lending services. It is believed that the money lending business will be able to leverage the existing financial business of the Group and broaden the Group's income stream. The Group carries on the money lending business through an indirect non-wholly owned subsidiary of the Company, which is a licensed money lender under the Money Lenders Ordinance (Chapter 163, Laws of Hong Kong). For the year ended 31 December 2019, the interest income from loan receivables arising from the money lending business amounted to approximately HK$15.0 million, representing approximately 17.2% of the total revenue of the Group.

E-commerce

Since 2016, the Group started engaging in the provision of services and sales of goods in relation to e-commerce platforms. For the year ended 31 December 2019, the revenue contributed by the provision of e-commerce platform services and sales of related goods was approximately HK$16.1 million, representing approximately 18.5% of the total revenue of the Group.

OUTLOOK AND PROSPECT

The relevant policies and arrangements under the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area make Hong Kong more competitive in attracting foreign investments. Nevertheless, investors' negative sentiment and concerns over the economic outlook caused by the China-US trade war had made the global stock market even more volatile. The market is still concerning the uncertainties on whether the two countries can work out an agreement to settle the trade conflicts. Moreover, the unstable political environment in Hong Kong in 2019 and the outbreak and spread of the Coronavirus Disease 2019 ("COVID-19") in early 2020 caused shrinkage to the economic activities and the business environment. These may lead to uncertainties and potential risks to the business operation of the Group in the future.

Looking forward, it is expected that the equity fund raising market and the financial activities in Hong Kong will remain stable in long-term. The Group will continue its effort to develop and strengthen its own financial business. Yet, the Group will closely monitor the performance, development and potential business risks of the financial business and identify the most suitable diversification of the Group's portfolio of businesses.

The Group will maintain its cautiously optimistic outlook and explore other suitable investment opportunities which are able to bring satisfactory and sustainable returns to the Group and maximize the shareholders' value.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my gratitude to our shareholders, business partners and customers for their support. In addition, I would like to take this opportunity to thank all our staff members for their continuous and valuable contribution to the Group during the year. We are committed to drive for long-term growth and reward for our shareholders.

Li Leong
Executive Director

Hong Kong, 15 May 2020

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2019, the aggregated revenue of the Group deriving from the provision of advertising agency services and sales of books and magazines was approximately HK$42.7 million, representing a decrease of approximately 68.4% as compared with that of approximately HK$135.4 million for the year ended 31 December 2018. The decrease in revenue was mainly attributable to the weak performance of the Group's advertising business as a result of the severe industry and operating environment in the print media advertising business in China and the instability of economic environment caused by the China-US trade war.

For the year ended 31 December 2019, the revenue of the Group deriving from the securities broking business, the e-commerce business and the money lending business were approximately HK$13.4 million (2018: approximately HK$15.8 million), approximately HK$16.1 million (2018: approximately HK$15.3 million) and approximately HK$15.0 million (2018: approximately HK$13.9 million) respectively. The securities broking business was commenced during the first half of the year 2016 while both of the e-commerce business and the money lending business were commenced during the second half of the year 2016.

The overall gross profit margin of the Group for the year ended 31 December 2019 was approximately 58.2%, which was higher than that for the year ended 31 December 2018 of approximately 48.8%. The higher gross profit margin in current year was attributable to the increase in proportion of revenue contributed by the business segments with high gross profit margin.

The Group held certain held-for-trading investments comprising of equity securities listed in Hong Kong. For the year ended 31 December 2019, there were unrealised fair value losses on held-for-trading investments of approximately HK$9.0 million (2018: HK$22.3 million).

The selling and distribution costs for the year ended 31 December 2019 was approximately HK$18.1 million, decreased by approximately 81.6% from approximately HK$98.5 million for the year 2018. The decrease was conform with the decrease in revenue.

The administrative expenses decreased by approximately 24.2% from approximately HK$93.4 million for the year 2018 to approximately HK$70.7 million for the year 2019.

For the year ended 31 December 2019, a share of loss from Mondadori-SEEC (Beijing) Advertising Co. Ltd., a joint venture of the Group, of approximately HK$14.0 million (2018: share of profit of approximately HK$1.2 million) was recognised.

For the year ended 31 December 2019, a share of loss from Asia-Pac Financial Investment Company Limited ("Asia-Pac"), an associate of the Group, of approximately HK$10.3 million (2018: approximately HK$18.6 million) was recognised. Asia-Pac is a company listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (stock code: 8193) in which the principal businesses of its subsidiaries were provision of asset advisory services and asset appraisal, corporate services and consultancy, media advertising and financial services. For the year ended 31 December 2019, reversal of impairment loss on interest in an associate of approximately HK$3.3 million was recognised.

The loss for the year ended 31 December 2019 attributable to owners of the Company amounted to approximately HK$95.3 million (2018: approximately HK$125.1 million), representing a decrease of approximately 23.8%. The decrease was mainly due to (i) the significant unrealised losses on held-for-trading investments recognised in last year; (ii) the decrease in selling and distribution costs from approximately HK$98.5 million in the year 2018 to approximately HK$18.1 million in the year 2019; (iii) the decrease in share of loss of an associate from approximately HK$21.5 million in the year 2018 to approximately HK$10.3 million in the year 2019; and (iv) the decrease in administrative expenses from approximately HK$93.4 million in the year 2018 to approximately HK$70.7 million in the year 2019. These effects were partially offset by the decrease in gross profit in the year 2019.

To preserve financial resources for future operation of the Group, the Board did not recommend the payment of a dividend for the year 2019 (2018: nil).

USE OF PROCEEDS

On 9 September 2015, the Company proposed to raise gross proceeds of up to approximately HK$531.13 million, before expenses, by way of an open offer of 5,311,287,930 ordinary shares of HK$0.10 each to the qualifying shareholders at a subscription price of HK$0.10 per offer share, on the basis of five offer shares for every one existing shares held on the record date (the "Open Offer"). On 29 December 2015, 5,311,287,930 offer shares were allotted and issued pursuant to the Open Offer. The net proceeds for the Open Offer were approximately HK$518.27 million.

For the details of the Open Offer, please refer to the announcements of the Company dated 19 August 2015, 9 September 2015, 23 November 2015 and 28 December 2015, the circular of the Company dated 4 November 2015 and the prospectus of the Company dated 4 December 2015 (the "Prospectus").

On 22 June 2016, the Company announced that the use of the unutilized net proceeds of approximately HK$72 million been changed from original allocation as for the operation and development of the e-commerce platform to the revised allocation as for the acquisition of companies engaged in the development and operation of e-commerce platform.

On 8 July 2016, the Company announced that the use of part of the unutilized net proceeds of approximately HK$100 million been changed from original allocation as for the set-up and operation of a company licensed under the SFO (the "Type 1 Company") to conduct Type 1 (dealing in securities) regulated activity under the SFO to the revised allocation as for the operation and development of money lending business.

The Board from time to time reviews the business operation of the Type 1 Company and assesses the existing placements and underwriting activities involved, the potential business opportunities from its clients, and the condition of equity fund raising market in Hong Kong.

The Board noted that the equity fund raising market condition in Hong Kong for the first half of 2016 was less active and far below from the Company's expectation as at the date of the Prospectus. Since the commencement of business, the Group used its best endeavored to look for potential placing and underwriting business opportunities from its clients and potential clients. Nevertheless, in the first half of 2016, the Type 1 Company had only acted as the underwriter/sub-underwriter for two of its clients. During this period of time, apart from the two underwriting activities, no other underwriting activity from the clients or other potential clients could be identified by the Type 1 Company. On the other hand, during the first half of 2016, the liquid capital of the Type 1 Company was sufficient to comply with relevant requirement in accordance with the Securities and Futures (Financial Resources) Rules (Chapter 571N, Laws of Hong Kong) (the "FRR Rules").

In view of these, the Board considered that, after the change in use of proceeds as announced on 8 July 2016, there are still sufficient financial resources for the Type 1 Company to operate and comply with the liquid capital requirement under the FRR Rules in the foreseeable future. Moreover, it was believed that the money lending business will be able to leverage the existing financial business of the Group and broaden the Group's income stream. Accordingly, the Board considers that the change in use of proceeds is fair and reasonable and in the best interests of the Company and its shareholders as a whole.

For the details of the change in use of proceeds from the Open Offer, please refer to the announcements of the Company dated 22 June 2016 and 8 July 2016 (the "Announcements").

The information on the use of proceeds from the Open Offer is tabled as follows:

	Intended use of proceeds as stated in the Prospectus and the Announcements HK$'000	Actual use of proceeds as at the date of this announcement HK$'000	Unutilised balance HK$'000	Details
Set-up and operation of the Type 1 Company	265,000	265,000	–	Used as intended
Set-up and operation of companies licensed under the SFO to conduct Type 4, Type 6 and Type 9 regulated activities under the SFO	30,000	–	30,000	–
Acquisition of companies engaged in the development and operation of e-commerce platform	124,000	123,180	820	Used as intended
Operation and development of money lending business	100,000	100,000	–	Used as intended
	519,000	488,180	30,820	

The Board expected that the unutilised balance will be used as intended.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the year ended 31 December 2019, the Group had not made any material acquisition and disposal of subsidiaries.

SIGNIFICANT INVESTMENTS

As at 31 December 2019, the Group had held-for-trading investments, representing equity securities listed in Hong Kong, of approximately HK$17.3 million (2018: approximately HK$26.3 million). The Board considers that investments with market value accounting for more than 5% of the Group's total assets as 31 December 2019 as significant investments.

Details of the top two held-for-trading investments, in terms of market value as at 31 December 2019, are as follows:

	As at 31 December 2019				For the year ended 31 December 2019	
Company name	**Number of shares held**	**Proportion to the total issued share capital for the stocks**	**Market value** HK$'000	**Proportion to the total assets of the Group**	**Unrealised fair value losses on the investments** HK$'000	**Dividends received** HK$'000
QPL International Holdings Limited ("QIH")	68,700,000	3.04%	2,542	0.39%	1,099	–
China e-Wallet Payment Group Limited ("CEPG")	74,000,000	2.70%	8,362	1.28%	5,920	–
			10,904		7,019	–

QIH is principally engaged in the manufacture and sales of integrated circuit leadframes, heatsinks, stiffeners and related products. CEPG is principally engaged in the provision of biometric and Radio Frequency Identification products and solution services, internet and mobile application and related services.

For the year ended 31 December 2019, the Group recognised unrealised fair value losses on held-for-trading investments of approximately HK$9.0 million (2018: approximately HK$22.3 million), which was mainly attributable to the fair value losses on investments in QIH and CEPG of approximately HK$1.1 million and approximately HK$5.9 million respectively.

Looking forward, the Board believes that the future performance of the listed investments held by the Group will be volatile and substantially affected by overall economic environment, equity market conditions, investor sentiment and the business performance and development of the investee companies.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's daily operating activities were mainly financed by internal resources. As at 31 December 2019, the Group's total equity was approximately HK$403.0 million (2018: approximately HK$508.5 million). The decrease was mainly attributable to the loss for the current year of approximately HK$99.4 million.

The Group had non-current liabilities of approximately HK$4.0 million as at 31 December 2019 (2018: approximately HK$4.7 million). The non-current liabilities as at 31 December 2019 mainly consisted of deferred tax liabilities. As at 31 December 2019, the Group's gearing ratio was approximately 37.4%, representing a percentage of total liabilities over total assets (2018: approximately 33.0%).

As at 31 December 2019, the Group had borrowings of approximately HK$23.5 million (2018: approximately HK$23.7 million). The borrowings carried a fixed interest rate of 8% per annum and was repayable on demand (2018: fixed interest rate of 8% per annum; repayable on demand).

As at 31 December 2019, the Group had bank and cash balances (other than those in trust and segregated accounts) amounted to approximately HK$73.4 million (2018: approximately HK$75.8 million).

CHARGES ON ASSETS

As at 31 December 2019, the Group had pledged held-for-trading investments of approximately HK$16.9 million (2018: approximately HK$25.7 million) to secure the margin payables of approximately HK$23.5 million (2018: approximately HK$23.7 million), which was included in the borrowings of the Group.

COMMITMENTS

(i) Pursuant to several agreements entered into between the Company and magazine publication companies, being independent third parties, the Company at the end of the reporting period had commitments to make payments to certain magazines publication companies for agency rights of advertising on their magazines which fall due as follows:

	2019 HK$'000	2018 HK$'000
Within one year	–	2,340
In the second to fifth year inclusive	–	–
	–	2,340

(ii) During the year ended 31 December 2016, a wholly-owned subsidiary of the Group has entered into agreements with two independent third parties pursuant to which the Group has agreed to acquire the entire equity interest in a company established in the PRC. The PRC company principally engaged in operating an e-commerce platform. The relating commitments contracted but not yet incurred as at 31 December 2018 was HK$6,000,000.

FOREIGN CURRENCIES AND TREASURY POLICY

Most of the Group's business transactions, assets and liabilities are denominated in Hong Kong Dollars, United States Dollars or Renminbi. It is the Group's treasury policy to manage its foreign currency exposure whenever its financial impact is material to the Group. As at 31 December 2019, the Group has a fixed interest rate borrowing amounting approximately HK$23.5 million (2018: approximately HK$23.7 million) from a regulated securities broker and had not engaged in any financial instruments for hedging or speculative activities.

EMPLOYEES

As at 31 December 2019, the Group had 148 (2018: 234) employees in Hong Kong and the PRC. Salaries, bonuses and benefits were decided in accordance with market conditions and performance of the respective employees.

SHARE OPTION SCHEMES

The Company operates a share option scheme (the "Old Share Option Scheme") which was adopted on 26 August 2002. On 11 May 2012, the Company adopted a new share option scheme (the "Share Option Scheme"), of which all terms and conditions are the same as the Old Share Option Scheme.

On 27 July 2017, 637,200,000 share options to subscribe for up to a total of 637,200,000 ordinary shares of HK$0.10 each were granted to eligible participants under the Share Option Scheme. On 17 April 2019, 637,200,000 share options to subscribe for up to a total of 637,200,000 ordinary shares of HK$0.10 each were granted to eligible participants under the Share Option Scheme. During the years ended 31 December 2018 and 2019, no share options under the Share Option Scheme were exercised or forfeited. In February 2020, all the share options granted on 27 July 2017 were forfeited.

With effect from 4 May 2020, every twenty (20) issued and unissued existing shares of par value of HK$0.10 each in the share capital of the Company was consolidated into one (1) consolidated share of par value of HK$2.00 each. Accordingly, the outstanding share options for subscription of 637,200,000 shares at the exercise price of HK$0.10 each were adjusted to share options for subscription of 31,860,000 shares at the exercise price of HK$2.00 each.

The number of shares issuable under share options granted under the Share Option Scheme was 31,860,000, representing approximately 10.0% of the Company's issued shares of 318,677,275 shares as at the date of this report published on 15 May 2020.

At the date of the Company's 2018 annual report issued on 29 March 2019, the number of shares issuable under share options granted under the Share Option Scheme was approximately 637,200,000, representing approximately 10.0% of the Company's issued shares of 6,373,545,516 shares at the time being.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining sound corporate governance and believes that good corporate governance principles and practices will bring trust and faith of the Company's stakeholders.

During the year under review, the Company has complied with all relevant code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except for the deviations stated below:

(1) Code Provision A.1.3 and A.7.1

Code A.1.3 and A.7.1 stipulate that 14-day notice should be given for each regular board meeting and that in respect of regular meetings, and so far as practicable in all other cases, an agenda and accompanying board papers should be sent in full to all directors in a timely manner and at least 3 days before the intended date of a board or board committee meeting (or such other period as agreed).

The Company agrees that sufficient time should be given to the directors in order to make a proper decision. In these respects, the Company adopts a more flexible approach (and yet sufficient time has been given) in convening board meetings to ensure efficient and prompt management decisions could be made.

(2) Code Provision A.2 and E.1.2

The Board currently has not appointed any Directors as its Chairman. The Board will review the present situation in the coming regular meetings as appropriate.

(3) Code Provision A.4.1

Code A.4.1 stipulates that non-executive Directors should be appointed for a specific term and subject to re-election.

The term of office for non-executive Directors are the same as for all Directors (i.e. not appointed for a specific term but only subject to retirement from office by rotation and be eligible for re-election in accordance with the provisions of the Company's Bye-laws). At each annual general meeting, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on exactly the terms and the required standard contained in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code").

Having made specific enquiries by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company throughout the year ended 31 December 2019.

BOARD OF DIRECTORS

The Board collectively oversees the management of the business and affairs of the Group with the overriding objective of enhancing share value. The Board has delegated the day-to-day management power of the Group to the executive Directors and senior management of the Company. The Board reserves for its decisions all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions, financial information, appointment of Directors, and other significant financial and operational matters.

The Board currently comprises five executive Directors who are Mr. Li Leong, Mr. Li Xi, Mr. Li Zhen, Mr. Zhang Zhifang and Mr. Zhou Hongtao, and three independent non-executive Directors who are Mr. Law Chi Hung, Mr. Leung Tat Yin and Mr. Wong Ching Cheung. The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to the Listing Rules and the Company considers the independent non-executive Directors to be fully independent.

There is no financial, business, family, or other material/relevant relationship between the Directors. The Company considers that the Board has the necessary skills and experience appropriate for discharging their duties as Directors in the best interest of the Company and that the current size of the Board to be adequate for its present operations. Nevertheless, the Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. Board diversity policy ("Board diversity policy") was introduced to set out the approach to diversity on the Board of directors of the Company.

The Board held full board meetings at approximately quarterly intervals. The attendances of the quarterly full board meetings for the year ended 31 December 2019 are as follows:

Directors	**Attendance**
(number of meetings attended/number of meetings held during respective director's tenure)	
Mr. Li Leong	4/4
Mr. Li Xi	4/4
Mr. Li Zhen (appointed on 16 April 2019)	3/3
Mr. Zhang Zhifang	0/4
Mr. Zhou Hongtao	2/4
Mr. Law Chi Hung	2/4
Mr. Leung Tat Yin	4/4
Mr. Wong Ching Cheung	2/4

All directors (executive Directors, namely Mr. Li Leong, Mr. Li Xi, Mr. Li Zhen, Mr. Zhang Zhifang and Mr. Zhou Hongtao; and independent non-executive Directors, namely Mr. Law Chi Hung, Mr. Leung Tat Yin and Mr. Wong Ching Cheung) have participated in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board has not appointed any Director as its chairman.

NON-EXECUTIVE DIRECTORS

The term of office of each non-executive Director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

BOARD COMMITTEES

Audit Committee

As at 31 December 2019, the Audit Committee comprises three independent non-executive Directors with Mr. Law Chi Hung as committee chairman, Mr. Leung Tat Yin and Mr. Wong Ching Cheung as committee members.

The Audit Committee is responsible for the appointment of external auditor, review of the Group's financial information and oversight of the Group's financial and accounting practices, review of risk management and internal control systems, the effectiveness of the internal audit function of the Group. It is also responsible for reviewing the interim and financial results of the Group.

The Audit Committee held two meetings during the year under review. Details of the attendance of the Audit Committee meeting are as follows:

Members	**Attendance**
(number of meetings attended/number of meetings held during respective director's tenure)	
Mr. Law Chi Hung	2/2
Mr. Leung Tat Yin	2/2
Mr. Wong Ching Cheung	1/2

The Group's interim results for the six months ended 30 June 2019 and annual audited results for the year ended 31 December 2018 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

Remuneration Committee

As at 31 December 2019, the Remuneration Committee comprises three independent non-executive Directors, namely Mr. Law Chi Hung being the chairman of the committee, Mr. Leung Tat Yin and Mr. Wong Ching Cheung as committee members.

The principal responsibilities of the Remuneration Committee include reviewing, considering and approving proposals as well as making recommendations to the Board on the Company's policy and structure relating to the remuneration of Directors and senior management. The Remuneration Committee also accesses performance of executive Directors.

In respect of the remuneration packages of individual executive directors and senior management, Remuneration Committee is to make recommendations to the Board for the Board's final determination.

The emoluments of the Directors are determined by reference to the skill, knowledge and experience of the respective Directors and their involvement in the Company's affairs as well as the prevailing market conditions. Share options may also be granted to the Directors as long-term incentive or rewards for their continuous contributions to the Group.

The Remuneration Committee met once during the year ended 31 December 2019 with the presence of Mr. Law Chi Hung, Mr. Leung Tat Yin and Mr. Wong Ching Cheung.

Nomination Committee

As at 31 December 2019, the Nomination Committee comprises three independent non-executive Directors, namely Mr. Wong Ching Cheung being chairman of the committee, Mr. Law Chi Hung and Mr. Leung Tat Yin as committee members.

BOARD COMMITTEES (CONTINUED)

Nomination Committee (Continued)

The principal duties of the Nomination Committee include reviewing the structure, size and composition of the Board on a regular basis and making recommendations to the Board regarding any proposed changes.

The Board is empowered under the "Bye-laws" to appoint any person as a Director either to fill a casual vacancy on or as an additional member of the Board. In consideration of Board diversity, the Nomination Committee will monitor the implementation of the Company's nomination policy and Board diversity policy and will from time to time review the policies to ensure its effectiveness.

The Nomination Committee met once during the year ended 31 December 2019 with the presence of Mr. Law Chi Hung, Mr. Leung Tat Yin and Mr. Wong Ching Cheung.

Nomination policy

The Board has adopted a nomination policy which sets out the principles guiding the Nomination Committee to identify and evaluate a candidate for nomination to the Board for appointment or to the shareholders of the Company for election as a Director of the Company. The policy contains a number of factors to which the Nomination Committee has to adhere when considering nominations. These factors include the candidate's skills and experience, diversity perspectives set out in the Board diversity policy, the candidate's time commitment and integrity, and the independence criteria under Rule 3.13 of the Listing Rules if the candidate is proposed to be appointed as an Independent Non-executive Director. The policy also lays down the following nomination procedures: the Nomination Committee (a) will take appropriate measures to identify and evaluate a candidate; (b) may consider a candidate recommended or offered for nomination by a shareholder of the Company; and (c) will, on making the recommendation, submit the candidate's personal profile to the Board for consideration.

Board Diversity Policy

The Board has adopted a Board diversity policy which sets out the approach adopted by the Board regarding diversity of Board members. In designing the Board's composition, board diversity has been considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Board strives to ensure that it has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategies and in order for the Board to be effective. The Board has set measurable objectives (in term of gender, skills and experience) to implement the Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Board will review the Policy, as appropriate, to ensure its continued effectiveness from time to time.

The Company considers that the current composition of the Board is characterised by diversity in terms of gender, professional background and skills.

CORPORATE GOVERNANCE FUNCTIONS

The Board is overall responsible for performing corporate governance duties. The Board developed and reviewed the Company's policies and practices on corporate governance; and monitored the training and professional development of Directors and senior management. The Board has constantly reviewed the Company's policies and practices to ensure compliance with legal and regulatory requirements and the Company's compliance with the Code and disclosure in the corporate governance report.

JOINT COMPANY SECRETARIES

The Joint Company Secretaries are responsible for assisting the Board and respective Board Committees in their proceedings and advising the Board on corporate governance matters. During the year ended 31 December 2019, the Joint Company Secretaries have each taken no less than 15 hours of professional training.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its overall responsibilities for maintaining sound and effective internal control and risk management systems of the Group and reviewing their effectiveness. The Internal Audit function of the Group performed independent reviews and reported regularly the review results to the Board through the Audit Committee on the adequacy and effectiveness of the Group's internal control and risk management systems. The Board, through the Internal Audit function of the Group, has conducted annual review of the effectiveness of the system of internal control of the Group including the relevant financial, operational and compliance controls and risk management procedures and considered them effective and adequate. The Board has delegated to the senior management of the Group the implementation of such systems of internal controls. The management throughout the Group maintains and monitors the internal control system on an ongoing and regular basis.

Appropriate policies and controls have been designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. The systems and internal controls can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Board also reviewed and was satisfied with the adequacy of resources, qualifications and experience of the employees of the Group's accounting, internal audit and financial reporting function, and their training programmes and budget.

In addition to the review of risk management and internal controls undertaken within the Group, the external auditor also assessed the adequacy and effectiveness of certain key risk management and internal controls as part of their statutory audits. Where appropriate, the external auditor's recommendations are adopted and enhancements to the risk management and internal controls will be made.

The Company regulates the handling and dissemination of inside information to ensure that inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

AUDITOR

The external auditor of the Company is Elite Partners CPA Limited. The Audit Committee is responsible for making recommendations to the Board on the external auditor's appointment, re-appointment and removal, which are subject to approval by the Board and at the general meetings of the Company by its shareholders. In assessing the external auditor, the Audit Committee will take into account relevant experience, performance, objectivity and independence of the external auditor.

Provision of non-audit services

In deciding whether the external auditor should provide non-audit services for the Group, the following key principles are considered:

(i) the auditors should not audit their own firm's work;

(ii) the auditors should not make management decisions;

(iii) the auditors' independence should not be impaired; and

(iv) quality of service.

If any services which may be considered to be in conflict with the role of the external auditor, prior approval to engagement must be obtained from the Audit Committee, regardless of the amounts involved.

Auditor's remuneration

During the year ended 31 December 2019, the fees paid or payable to the auditor of the Company, Elite Partners CPA Limited, was approximately HK$850,000 (2018: approximately HK$850,000) and HK$14,000 (2018: HK$15,000) for statutory audit services and non-audit services rendered to the Group respectively.

DIRECTORS' RESPONSIBILITY ON THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for preparing the financial statements of the Group for the year ended 31 December 2019, which were prepared in accordance with statutory requirements and applicable accounting standards.

SHAREHOLDERS' RIGHTS

Dividend policy

The Company has adopted a dividend policy which became effective on 1 January 2019. The dividend policy aims at enhancing transparency of the Company and facilitating the shareholders and investors of the Company to make informed investment decisions relating to the Company. According to the dividend policy, while the Company intends to declare and pay dividends, the payment and the amount of any dividend will depend on a number of factors, including but not limited to the Group's financial performance, working capital requirements, capital expenditure requirements, future expansion plans and liquidity position, the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group.

Procedures for shareholders to convene an extraordinary general meeting

Pursuant to bye-law 58 of the Bye-laws, on the written requisition of Shareholders holding not less than one-tenth of the paid up capital of the Company which carries the right to vote at general meetings of the Company, the Directors shall convene an extraordinary general meeting for the transaction of any business specified in such requisition; and such meeting shall be convened within thirty days from the date of deposit of the requisition.

Procedures for shareholders to propose a person for election as a director

Pursuant to bye-law 85 of the Bye-laws, if a Shareholder wishes to propose a person other than a Director of the Company for election as a Director at any general meeting, the shareholder can deposit a written notice to that effect at the principal place of business of the Company in Hong Kong, for the attention of the Board.

In order for the Company to inform Shareholders of that proposal, the written notice must state the full name of the person proposed for election as a Director, include the person's biographical details as required by rule 13.51(2) of the Listing Rules, and be signed by the Shareholder concerned and that person indicating his/her willingness to be elected.

Pursuant to bye-law 85 of the Bye-laws, the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

The Company shall publish an announcement in accordance with Rule 2.07C or issue a supplementary circular upon receipt of a notice from a Shareholder to propose a person for election as a director at the general meeting where such notice is received by the Company after publication of the notice of meeting. The Company shall include particulars of the proposed director in the announcement or supplementary circular.

The Company shall assess whether or not it is necessary to adjourn the meeting of the election to give Shareholders at least 10 business days to consider the relevant information disclosed in the announcement or supplementary circular.

Voting at and notice of general meetings

As required by the Listing Rules, the Company conducts all voting at general meetings by poll. To compile with the Listing Rules, notices to shareholders will be sent in the case of annual general meetings at least 20 clear business days before the meeting and at least 10 clear business days in the case of all other general meetings.

Pursuant to bye-law 59 of the Bye-laws, an annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings (including a special general meeting) must be called by notice of not less than fourteen (14) clear days and not less than ten (10) clear business days, a general meeting may be called by shorter notice if it is so agreed:

(a) in the case of a meeting called as an annual general meeting, by all the Shareholders entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the Shareholders having the right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent. (95%) of the total voting rights at the meeting of all the Shareholders.

INVESTOR RELATIONS

The Board recognises that effective and timely communication with the Company's investors plays a crucial role in maintaining existing investor's confidence and attracting new investors, so the Board continuously places great importance on proactive communication with its existing and potential shareholders and investors. The primary communication channel between the Company and its shareholders is the publication of annual reports and interim reports, announcements, circulars and notices to shareholders. The Company's annual general meetings further provided a platform and opportunity for our shareholders to exchange view with the Company.

CONSTITUTIONAL DOCUMENTS

The Company has adopted new memorandum of Continuance and new Bye-laws with effective from 26 October 2015 (Bermuda Time), the date of continuance of the Company under the laws of Bermuda.

DIRECTORS' PROFILE

EXECUTIVE DIRECTORS

Mr. Li Leong, aged 36, has years of experience in financial industry. Mr. Li graduated from the University of Western Ontario in Canada with a Bachelor of Science degree in Mathematics and Statistics in 2006. He also obtained a Master of Science degree in Investment Management from the Hong Kong University of Science and Technology in 2013. Mr. Li joined the Group in February 2015.

Mr. Li Xi, aged 45, has years of experience in investment. Mr. Li graduated from the Xi'an Jiaotong University with a Bachelor of Engineering degree in Industrial Foreign Trade in 1997. He also obtained a Master of Economics degree from Xi'an Jiaotong University in 2005. Mr. Li jointed the Group in November 2015.

Mr. Zhang Zhifang, aged 66, has years of experience in investment and business planning. Mr. Zhang graduated from Peking University with a bachelor's degree in international relations and a master's degree in international law, in 1984 and 1986, respectively. He earned his second master's degree in international commercial law and politics from the Fletcher School of Law and Diplomacy in the U.S.A. in 1987. Mr. Zhang joined the Group in December 1997.

Mr. Zhou Hongtao, aged 42, has over 10 years of experience in investment and media related industry. Mr. Zhou is currently the managing director of Shanghai Xiang Chen Hang Place The Industry Co, Ltd in the PRC, a real estate investment company in Shanghai. Mr. Zhou was the senior investment manager in Founder Group, Beijing, specialized in information technology and media related investment. Mr. Zhou obtained a Bachelor degree of Chemical Engineering and Technology from the Dalian University of Technology in 2000 and a Master of Business Administration degree from the Beijing Jiaotong University in 2005. Mr. Zhou joined the Group in May 2014.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Law Chi Hung, aged 36, obtained a bachelor degree of Business Administration (Honors) in Accountancy from the City University of Hong Kong. He has 10 years of experience in accounting and auditing. Mr. Law is a member of the Hong Kong Institute of Certified Public Accountants and is currently a director of CLG CPA Limited. Mr. Law is currently an independent non-executive director of Silver Tide Holdings Limited (stock code: 1943), a company whose share are listed on the Main Board of the Stock Exchange. Mr. Law has been appointed as an independent non-executive Director since June 2015.

Mr. Leung Tat Yin, aged 58, has over 30 years of experience in trading and construction industries. Prior to joining the Group. Mr. Leung has served as managerial positions in a number of sizable private companies situated in Hong Kong. Mr. Leung has been appointed as an independent non-executive Director since July 2018.

Mr. Wong Ching Cheung, aged 57, has years of experience in printed circuit board industry with extensive managerial experiences. He has engaged in providing consultation in relation to the electronic industry, specializing in chemical and product manufacturing, with client base in the People's Republic of China, Taiwan, Singapore, Germany, France and Brazil. He is currently a director of a privately owned company, Finetech Electronics Limited. Prior to that, he held management role in certain Hong Kong private companies. Mr. Wong has been appointed as an independent non-executive Director since July 2016.

DIRECTORS' REPORT

The Directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its principal subsidiaries and joint ventures are engaged in the provision of advertising agency services, distribution of books and magazines, securities brokerage business, money lending business and e-commerce business in the People's Republic of China and in Hong Kong. Details are set out in notes 17 and 41 to the consolidated financial statements.

BUSINESS REVIEW

A review of the Group's business and the outlook and prospect of the Group are provided in the "Director's Statement" section on pages 3 to 4 of this annual report.

ENVIRONMENTAL POLICIES AND SOCIAL RESPONSIBILITIES

In 2019, the Group has actively responded to the general direction of social development, strived to meet the demands of environmental and social responsibility, strengthened our group's and employees' awareness of the environment and society, and actively participated in environmental and social issues. To better protect natural resources, we have taken various measures to save energy, reduce waste and consumption, and promote the use of environmentally friendly products in our daily business operations. In terms of social issues, the Group attaches great importance to the cultivation of knowledge and talent in order to establish a safe and honest working environment that bears social responsibilities to our employees. Meanwhile, we would like to share our ideas and concepts with our stakeholders. Through these practices, the Group has achieved encouraging results regarding environmental and social aspects.

Detail information regarding the environmental, social and governance practices adopted by the Group is set out in the Environmental, Social and Governance Report which will be disclosed as a separate report and published on the websites of the Stock Exchange and the Company no later than three months after the publication of this annual report.

RESULTS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 29.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 102.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the Company's share capital and share option schemes are set out in notes 33 and 37 to the consolidated financial statements respectively.

EVENTS AFTER REPORTING PERIOD

Details of the events after reporting period of the Group are set out in note 40 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

At 31 December 2019 and 2018, the Company did not have reserves available for distribution to shareholders.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2019, the purchases attributable to the Group's largest supplier and the aggregate purchases attributable to the Group's five largest suppliers taken together were approximately 18% and 35% of the Group's total cost of sales for the year respectively. The sales attributable to the Group's largest customer and the aggregate sales attributable to the Group's five largest customers taken together were approximately 6% and 13% of the Group's total revenue for the year respectively.

As far as the Directors are aware, neither the Directors, their associates, nor those shareholders which to the knowledge of the Directors own more than 5% of the Company's share capital, had any interest in the five largest suppliers of the Group during the year.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors:

Mr. Li Leong
Mr. Li Xi
Mr. Li Zhen (appointed on 16 April 2019)
Mr. Zhang Zhifang
Mr. Zhou Hongtao

Independent non-executive Directors:

Mr. Law Chi Hung
Mr. Leung Tat Yin
Mr. Wong Ching Cheung

In accordance with bye-law 84 of the Bye-laws, Mr. Li Xi, Mr. Zhang Zhifang and Mr. Law Chi Hung shall retire at the forthcoming annual general meeting and the retiring Directors are eligible for re-election.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The term of office of each non-executive Director is the period up to his/her retirement by rotation in accordance with the Company's Bye-laws.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than those disclosed in note 39 to the consolidated financial statements, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at 31 December 2019 or at any time during the year.

DIRECTORS' INTERESTS IN SECURITIES

At 31 December 2019, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Save as disclosed below, as at 31 December 2019, none of the Directors and chief executives had interests and short positions in the shares, the underlying shares and/or the debentures (as the case may be) of the Company or any its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO) or which were required to be entered into the register required to be kept by the Company under section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in the Listing Rules:

Long positions in the shares and underlying shares of the Company

Name of Director	Nature of interest	Number of shares held (Note 1)	Percentage of number of issued shares of the Company as at 31 December 2019 (Note 2) (%)
Mr. Zhang Zhifang	Beneficial owner	750,000	0.01

Note 1: Upon the share consolidation of the Company with effect from 4 May 2020, the number of shares held by Mr. Zhang Zhifang was adjusted to 37,500 shares.

Note 2: The percentage shareholding is calculated on the basis of the Company's issued share capital of 6,373,545,516 as at 31 December 2019.

PERMITTED INDEMNITY PROVISION

Pursuant to bye-law 164 of the Bye-laws, the Directors and every one of them is entitled to be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which the Directors or any of them, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty in their offices or otherwise in relation thereto provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the Directors.

The Company has taken out and maintained Directors' liability insurance throughout the year which provides appropriate cover for legal actions brought against the Directors.

SHARE OPTION SCHEMES

Particulars of the Company's share option schemes and details of movements in the Company's share options during the year to subscribe for shares of HK$0.10 each in the Company are set out in note 37 to the consolidated financial statements.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in "Directors' Interests in Securities" above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

At 31 December 2019, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholder had notified the Company of the relevant interests and short positions in the shares and underlying shares of the Company:

Long positions in the shares and underlying shares of the Company

Name	Nature of interest	Number of shares held (Note 1)	Percentage of number of issued share of the Company as at 31 December 2019 (Note 2) (%)
Ni Songhua	Beneficial owner	576,300,000	9.04

Note 1: Upon the share consolidation of the Company with effect from 4 May 2020, the number of shares held by Ni Songhua was adjusted to 28,815,000 shares.

Note 2: The percentage shareholding is calculated on the basis of the Company's issued share capital of 6,373,545,516 as at 31 December 2019.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Rules Governing the Listing Securities on the Stock Exchange (the "Listing Rules"). The Company considers all of the independent non-executive Directors are independent.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up on the basis of their merit, qualifications and competence.

The emoluments of the Directors of the Company are decided by the Board of Directors, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in note 37 to the consolidated financial statements.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year, as far as the Directors are aware, there was no material non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group's business and operations.

RELATIONS WITH KEY STAKEHOLDERS

The Board recognises that our employees are valuable assets contributing to the Group's future success. The Group provides competitive remuneration package to attract, motivate and retain our employees. The Board also regularly reviews the remuneration package of our employees and makes necessary adjustments to conform to the prevailing market practices.

The Board also treasures that maintaining good relationship with our customers and suppliers is vital to achieve the Group's long-term goals. During the year, there was no significant dispute between the Group companies and our business partners.

KEY RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The Directors consider, among other things, that approvals to renew the advertising licenses of certain of our Group companies by the PRC governmental authorities, renewal of the sole advertising rights of certain magazines and addition of any new exclusive advertising contracts to the Group are the key risks and uncertainties to its operation and prospects. These are not within the control of the Board and are also much dependent on the prevailing regulations and conditions at the relevant time of renewal in future. Description of key sources of estimation uncertainty and the risks associated with the Group's financial instruments are disclosed in note 4 and note 35 to the consolidated financial statements respectively. There may be other risks and uncertainties in addition to those mentioned above which are not known to the Board or which may not be material now but could turn out to be material in future.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2019.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

AUDITOR

The financial statements for the year ended 31 December 2019 was audited by Elite Partners CPA Limited.

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Elite Partners CPA Limited as auditor of the Company.

On behalf of the Board

Li Leong
Director
Hong Kong, 15 May 2020

TO THE MEMBERS OF SEEC MEDIA GROUP LIMITED
財訊傳媒集團有限公司
(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of SEEC Media Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 29 to 101, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, 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 Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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 "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
Impairment assessment of goodwill	
As at 31 December 2019, the Group had goodwill of approximately HK$11.6 million which was allocated to the provision of e-commerce platform services and sales of related goods (the "CGU"). For the purpose of assessing impairment of goodwill, the Group appointed an independent external valuer to assess the recoverable amount of the CGU, which was determined by the management based on the higher of value-in-use and fair value less costs of disposal. The valuation requires significant management judgement in valuing the recoverable amount of the CGU. We had identified impairment assessment of goodwill as a key audit matter because significant management judgement was used in determining the key assumptions including future income, operating margin and discount rate in arriving the cash flow forecast of the CGU. After the management assessment of the recoverable amount of the CGU, an impairment loss on goodwill of approximately HK$11,128,000 was recognised in profit or loss during the year ended 31 December 2019.	Our major audit procedures to address the impairment assessment of goodwill included: – discussing with management as to whether there was any indicator of impairment; – obtaining cash flow forecasts of the CGU prepared and approved by the management; – discussing with management and the independent external valuer engaged by the Company in relation to the methodology and assumptions adopted in arriving at the forecasts, to see whether these assumptions and methodology were reasonable; – checking on a sample basis the accuracy and reliance of the input data used; and – assessing the competency of the independent external valuer taking into account its experiences and qualifications.
Impairment assessment of financial assets at amortised cost	
As at 31 December 2019, the Group had accounts receivable, loan receivables and other receivables and deposits amounting to approximately HK$187,321,000, HK$214,130,000 and HK$50,978,000 respectively. The balances of impairment loss allowance for the receivables represent the management's best estimates at the reporting date of expected credit losses ("ECL") under the ECL models as stipulated in HKFRS 9 Financial Instruments. The Group has elected to measure loss allowances for accounts receivable using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For loan receivables and other receivables and deposits, the ECLs are using general approach. We have identified management's assessments of the ECL of financial assets at amortised cost as a key audit matter because the amounts of such financial assets are significant and the assessments required significant management judgement and assumption.	Our major audit procedures to address the impairment assessment of accounts receivable, loan receivables and other receivables and deposits included: • understanding and testing the design and operating effectiveness of key controls relating to the measurement of ECL; • reviewing aging analysis of the receivables prepared by management of the Company and discussing with the management of the Company whether the amounts are recoverable on a sample basis; • examining the management's estimation on the ECL of individual balances on sample basis and the expected loss rate of each category groups and evaluating the basis and factors used in the estimation to the appropriateness of the management's identification of significant increase in credit risk, defaults and credit-impaired receivables; • recalculating the provision for ECL made by the management to assess the accuracy; • verifying the balance of the receivables by requesting and receiving confirmation on a sample basis; and • checking subsequent settlements of accounts receivable, loan receivables and other receivables on a sample basis.

Information other than the Consolidated Financial Statements and Auditor's Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors of the Company and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the applicable disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement and Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Company.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Leung Man Kin with Practising Certificate number P07174.

Elite Partners CPA Limited
Certified Public Accountants

10/F, 8 Observatory Road,
Tsim Sha Tsui, Kowloon,
Hong Kong
15 May 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	2019 HK$'000	2018 HK$'000
Revenue	5	87,223	180,413
Cost of sales		(36,435)	(92,394)
Gross profit		50,788	88,019
Other income	7	1,182	2,661
Unrealised fair value losses on held-for-trading investments		(8,960)	(22,322)
Realised gains on held-for-trading investments		–	1,856
Other gains and losses	8	(20,104)	14,580
Selling and distribution costs		(18,129)	(98,518)
Administrative expenses		(70,727)	(93,353)
Share of (loss)/profit of a joint venture	17	(14,038)	1,242
Share of loss of an associate	18	(10,263)	(18,627)
Reversal of impairment loss on interest in an associate		3,251	–
Impairment loss on goodwill		(11,128)	–
Finance costs	9	(2,061)	(1,817)
Loss before taxation	10	(100,189)	(126,279)
Taxation	12	807	1,277
Loss for the year		(99,382)	(125,002)
Other comprehensive (expense) income			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		(4,129)	(8,575)
Share of exchange differences of a joint venture		(619)	(1,951)
Fair value change on investment in equity instrument at fair value through other comprehensive income		(5,366)	(17,500)
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive (expense)/income of an associate		(228)	667
		(10,342)	(27,359)
Total comprehensive expense for the year		(109,724)	(152,361)
Loss for the year attributable to:			
Owners of the Company		(95,294)	(125,077)
Non-controlling interests		(4,088)	75
		(99,382)	(125,002)
Total comprehensive expense attributable to:			
Owners of the Company		(106,775)	(152,758)
Non-controlling interests		(2,949)	397
		(109,724)	(152,361)
Loss per share (HK$)	13		
Basic		(0.30)	(0.39)
Diluted		(0.30)	(0.39)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	Notes	2019 HK$'000	2018 HK$'000
Non-current assets			
Property, plant and equipment	14	5,336	6,208
Other intangible assets	15	21,910	47,888
Goodwill	16	11,551	22,928
Interests in a joint venture	17	26,153	40,810
Interest in an associate	18	37,800	45,040
Investment in equity instrument at fair value through other comprehensive income	19	4,134	9,500
Amount due from a joint venture	20	4,941	8,996
Deposits paid	21	–	24,000
Right-of-use assets	22	4,138	–
		115,963	205,370
Current assets			
Accounts receivable	23	150,349	198,064
Loan receivables	24	197,290	167,739
Amounts due from related companies	20	18,461	14,645
Other receivables, deposits and prepayments	25	57,953	42,046
Held-for-trading investments	26	17,307	26,253
Bank balances (trust and segregated accounts)	27	12,508	29,485
Bank balances (general accounts) and cash and cash equivalents	27	73,442	75,765
		527,310	553,997
Current liabilities			
Accounts payable	28	26,287	26,432
Other payables and accruals	29	122,669	112,989
Amount due to a joint venture	20	7,359	6,387
Amounts due to related companies	20	37,984	61,653
Borrowings	30	23,536	23,710
Tax payable		15,024	14,975
Lease liabilities	31	3,495	–
		236,354	246,146
Net current assets		290,956	307,851
Total assets less current liabilities		406,919	513,221
Non-current liabilities			
Deferred tax liabilities	32	3,551	4,735
Lease liabilities	31	401	–
		3,952	4,735
Net assets		402,967	508,486
Capital and reserves			
Share capital	33	637,354	637,354
Reserves		(240,340)	(137,770)
Equity attributable to owners of the Company		397,014	499,584
Non-controlling interests	41	5,953	8,902
Total equity		402,967	508,486

The consolidated financial statements on pages 29 to 101 were approved and authorised for issue by the Board of Directors on 15 May 2020 and were signed on its behalf by:

Li Xi
Director

Li Leong
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Share capital HK$'000	Capital reserve HK$'000	Contributed surplus HK$'000	Statutory reserve HK$'000 (Note a)	Exchange translation reserve HK$'000	Other reserve HK$'000	Fair value thought other comprehensive income ("FVTOCI") reserve HK$'000	Share options reserve HK$'000	Accumulated losses HK$'000	Subtotal HK$'000	Attributable to non-interests HK$'000	Total HK$'000
At 1 January 2018	637,354	13,092	429,374	8,407	42,700	17,181	(6,000)	3,058	(492,824)	652,342	8,505	660,847
Loss for the year	–	–	–	–	–	–	–	–	(125,077)	(125,077)	75	(125,002)
Exchange differences arising on translation	–	–	–	–	(8,897)	–	–	–	–	(8,897)	322	(8,575)
Share of exchange differences of a joint venture	–	–	–	–	(1,951)	–	–	–	–	(1,951)	–	(1,951)
Share of other comprehensive income of an associate	–	–	–	–	–	667	–	–	–	667	–	667
Fair value change on investment in equity instrument at FVTOCI	–	–	–	–	–	–	(17,500)	–	–	(17,500)	–	(17,500)
Total comprehensive expense for the year	–	–	–	–	(10,848)	667	(17,500)	–	(125,077)	(152,758)	397	(152,361)
At 31 December 2018	637,354	13,092	429,374	8,407	31,852	17,848	(23,500)	3,058	(617,901)	499,584	8,902	508,486
Loss for the year	–	–	–	–	–	–	–	–	(95,294)	(95,294)	(4,088)	(99,382)
Exchange differences arising on translation	–	–	–	–	(5,268)	–	–	–	–	(5,268)	1,139	(4,129)
Share of exchange differences of a joint venture	–	–	–	–	(619)	–	–	–	–	(619)	–	(619)
Share of other comprehensive income of an associate	–	–	–	–	–	(228)	–	–	–	(228)	–	(228)
Fair value change on investment in equity instrument at FVOCI	–	–	–	–	–	–	(5,366)	–	–	(5,366)	–	(5,366)
Total comprehensive expenses for the year	–	–	–	–	(5,887)	(228)	(5,366)	–	(95,294)	(106,775)	(2,949)	(109,724)
Recognition of equity-settled share-based payment	–	–	–	–	–	–	–	4,205	–	4,205	–	4,205
At 31 December 2019	637,354	13,092	429,374	8,407	25,965	17,620	(28,866)	7,263	(713,195)	397,014	5,953	402,967

Note a: According to the relevant laws and regulations in the People's Republic of China ("PRC") and the Articles of Association of the Company's subsidiaries in the PRC, those subsidiaries are required to set aside 10% of their profit after taxation to the statutory reserve (except where the reserve has reached 50% of the subsidiaries' registered capital). The profit after taxation is determined in accordance with the relevant accounting principles and financial regulations applicable to companies established in the PRC. This reserve cannot be used for purposes other than those for which it is created and is not distributable as dividends without the prior approval by the owners under certain conditions.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	2019 HK$'000	2018 HK$'000
OPERATING ACTIVITIES		
Loss before taxation	(100,189)	(126,279)
Adjustments for:		
Bank interest income	(176)	(169)
Finance costs	2,061	1,817
Depreciation of property, plant and equipment	2,578	4,395
Depreciation of right-of-use assets	3,361	–
Amortisation of other intangible assets	17,390	19,043
Reversal of impairment loss on interest in an associate	(3,251)	–
Impairment losses on financial assets, net	22,618	(2,984)
Share of loss/(profit) of a joint venture	14,038	(1,242)
Loss/(gain) on disposal of property, plant and equipment	614	(59)
Realised gains on held-for-trading investments	–	(1,856)
Unrealised fair value losses on held-for-trading investments	8,960	22,322
Share of loss of an associate	10,263	18,627
Equity-settled share-based payment	4,205	–
Loss on disposal of intangible asset	2,350	–
Impairment loss on goodwill	11,128	–
Operating cash flows before movements in working capital	(4,050)	(66,385)
Changes in accounts receivable	30,057	47,577
Changes in loan receivables	(35,004)	(5,720)
Changes in other receivables, deposits and prepayments	12,640	(8,586)
Changes in bank balances (trust and segregated accounts)	16,977	(14,126)
Changes in accounts payable	41	(7,920)
Changes in other payables and accruals	11,738	(13,138)
Purchases of held-for-trading investments	(14)	(556)
Proceeds from disposal of held-for-trading investments	–	4,189
Cash generated from/(used in) operations	32,385	(64,665)
Interest received	176	169
Income tax paid	(522)	–
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	32,039	(64,496)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	2019 HK$'000	2018 HK$'000
INVESTING ACTIVITIES		
Repayment from a joint venture	3,930	2,806
Purchase of property, plant and equipment	(2,406)	(1,909)
Sale proceeds from disposals of property, plant and equipment	11	369
Advance to related companies	(4,166)	(14)
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(2,631)	1,252
FINANCING ACTIVITIES		
(Advance to)/repayment from related companies	(22,755)	16,067
Interest paid	(235)	–
Repayment of lease liabilities	(3,610)	–
Repayment of borrowings	(2,000)	–
Repayment from a joint venture	1,115	360
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(27,485)	16,427
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,923	(46,817)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	75,765	131,791
NET EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(4,246)	(9,209)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	73,442	75,765
Analysis of balances of cash and cash equivalents at the end of the year		
Bank balances and cash and cash equivalents	73,442	75,765

1. GENERAL

SEEC Media Group Limited (the "Company") is incorporated as an exempted company with limited liability in the Cayman Islands and continued in Bermuda with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The change of domicile of the Company from the Cayman Islands to Bermuda was effective on 26 October 2015. The address of the registered office and principal place of business of the Company are disclosed "Corporate Information" section to the annual report.

The Company acts as investment holding company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the provision of advertising agency services and distribution of books and magazines in the People's Republic of China ("PRC") and the securities broking business, money lending business and provision of e-commerce platform services in Hong Kong.

The functional currency of the Company and respective group entities is Renminbi ("RMB"), the currency of the primary economic environment in which the Company together with its subsidiaries operate. For the purpose of the consolidated financial statements and conveniences of the financial statements users, the results and financial position of the Group are presented in Hong Kong dollars ("HK$").

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

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

HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 Leases ("HKAS 17"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

HKFRS 16 Leases (Continued)

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review;

ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and

iii. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

The Group recognised lease liabilities of approximately HK$3,055,000 and right-of-use assets of approximately HK$3,055,000 at 1 January 2019.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 3.79% – 7.73%.

	HK$'000
Operating lease commitments disclosed as at 31 December 2018	9,712
Less: Recognition exemption – short-term leases	(4,045)
	5,667
Lease liabilities at 1 January 2019 discounted at relevant incremental borrowing rate	3,055
Analysed as	
Current	1,658
Non-current	1,397
	3,055

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

HKFRS 16 Leases (Continued)

As a lessee (Continued)

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	Note	HK$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16		3,055
By class		
Leasehold properties		3,055

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Notes	Carrying amount previously reported at 31 December 2018	Adjustments	Carrying amount under HKFRS 16 at 1 January 2019
		HK$'000	HK$'000	HK$'000
Non-current assets				
Right-of-use assets		–	3,055	3,055
Current liabilities				
Lease liabilities		–	1,658	1,658
Non-current liabilities				
Lease liabilities		–	1,397	1,397

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 January 2019 as disclosed above.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

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[1]
Amendments to HKFRS 3	Definition of a Business[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1 and HKAS 8	Definition of Material[4]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[4]

[1] Effective for annual periods beginning on or after 1 January 2021

[2] Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

[3] Effective for annual periods beginning on or after a date to be determined

[4] Effective for annual periods beginning on or after 1 January 2020

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the amendments to references to the Conceptual Framework in HKFRS Standards, will be effective for annual periods, beginning on or after 1 January 2020.

Except for the new and amendments to HKFRSs 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 3 Definition of a Business

The amendments:

- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis;
- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; and
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application permitted.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS") (CONTINUED)

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of "obscuring" material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from "could influence" to "could reasonably be expected to influence"; and
- include the use of the phrase "primary users" rather than simply referring to "users" which was considered too broad when deciding what information to disclose in the financial statements.

The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group's annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

Conceptual Framework for Financial Reporting 2018 (the "New Framework") and the Amendments to References to the Conceptual Framework in HKFRS Standards

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;
- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain HKFRSs have been updated to the New Framework, whilst some HKFRSs are still referred to the previous versions of the framework. These amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. 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 and by the Hong Kong Companies Ordinance ("CO").

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values 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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (before application of HKFRS 16), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company and its subsidiaries (the "Group"). Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holding to a proportional share of new assets of the relevant subsidiaries upon liquidation.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less any accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal (or any of the cash-generating unit within group of cash-generating units in which the Group monitor goodwill).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of the associate or joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assess whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exits, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if the associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (Continued)

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

Revenue recognition

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Except for granting of a licence that is distinct from other promised goods or services, Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (commissions and handling charges) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

Costs to fulfil a contract

The Group incurs costs to fulfil a contract in its consultancy service contracts. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognises an asset for these costs only if they meet all of the following criteria:

(a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

(b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management. the customer pays the fixed amount based on a payment schedule. If the services rendered by the group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Interest income

Interest income from financial asset is recognised as revenue in profit or loss over the terms of the contracts using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the credit loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use of disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (Continued)

Impairment on property, plant and equipment, right-of-use assets, other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash–generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for accounts receivable arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which are derived from the Group's ordinary course of business are presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will continue to be held in the FVTOCI reserve.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income line item in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets including accounts receivable, loan receivables, other receivables and deposits, amount due from related companies and bank balances which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for accounts receivable and contract assets without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings should tailor to reporting entity's specific facts and circumstances.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

(ii) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of accounts receivable, when the amounts are over 2 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iii) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's accounts receivable, other receivables and deposits and bank balances are each assessed as a separate group. Amounts due from related companies and joint ventures are assessed for ECL on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of accounts receivable where the corresponding adjustment is recognised through a loss allowance account.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Financial liabilities at amortised cost

Financial liabilities including borrowings, accounts payable and other payables and amounts due to a joint venture/related companies are subsequently measured at amortised cost, using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The Group accounts for an exchange with a lender of a financial liability with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

Leasing

Under HKAS 17 (prior to 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

Upon the adoption of HKFRS 16 on 1 January 2019

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of leasehold properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and condition of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment", the same line item as that with which the corresponding underlying assets would be presented if they were owned. Right-of-use assets that meet the definition of investment property are presented within "investment properties".

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (Continued)

As a lessee (Continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed lease payments (including in-substance fixed payments).

The lease liability is presented as a separate line in the combined statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;

- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. When deferred tax arises from the initial accounting from business combination, the tax effect is included in the accounting for the business combination.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The functional currency of the Company and its major subsidiaries in PRC are Hong Kong Dollars and Chinese Yuen respectively.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

If the Group's presentation currency is different from the Company's functional currency.

Exchange differences relating to the retranslation of the Group's net assets in Hong Kong dollars to the Group's presentation currency (i.e. Hong Kong dollars) are recognised directly in other comprehensive income and accumulated in translation reserve. Such exchange differences accumulated in the translation reserve are not reclassified to profit or loss subsequently.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax asset against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefits costs

Payments to Mandatory Provident Fund Scheme and state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve).

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated or belongs. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of goodwill as at 31 December 2019 was approximately HK$11,551,000 (2018: approximately HK$22,928,000), impairment loss of approximately HK$11,128,000 during the year (2018: Nil) was recognised.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Provision for impairment loss of accounts receivable, loan receivables and other receivables

The policy for provision for impairment of accounts receivable, loan receivables and other receivables of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement or expected credit losses associated with credit risk. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history. If the financial conditions of the counter parties were to change, resulting in an impairment or improvement in their abilities to make payments, either additional provision or reversal of previously made provision may be required.

Fair value of investment in equity instrument at fair value through other comprehensive income

As disclosed in Note 19 to the Consolidated Financial Statements, the investment in equity instrument at fair value through other comprehensive income is related to the equity interests in a private company which was engaged in the business of investor relations in Hong Kong, and its fair value as at 31 December 2018 and 31 December 2019 were determined by using discounted cash flow valuation method. Where the fair value of financial assets recorded in the statements of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow valuation model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

5. REVENUE

Revenue represents the gross invoiced value of advertising services, sales of books and magazines, commission and brokerage income arising from securities broking services, e-commerce platform services income, interest income arising from securities broking business, interest income from loan receivables and gross invoiced value of sales of high-tech products. An analysis of the Group's revenue is as follows:

	2019 HK$'000	2018 HK$'000
Revenue from contracts with customers within the scope of HKFRS 15:		
Advertising services income	42,559	130,067
Sales of books and magazines	164	5,322
Commission and brokerage income	273	745
E-commerce platform services income	5,904	5,859
Sales of high-tech products	10,226	9,435
	59,126	151,428
Revenue from other sources:		
Interest income arising from securities broking business	13,093	15,048
Interest income from loan receivables	15,004	13,937
	28,097	28,985
	87,223	180,413
Timing of revenue recognition		
Point of time	10,663	15,502
Overtime	48,463	135,926
	59,126	151,428

6. SEGMENT INFORMATION

Information reported to the Company's executive directors, being the chief operating decision makers, for the purposes of allocating resources to segments and assessing their performance are organised on the basis of the revenue streams. The Group has five operating and reporting segments during the year (2018: five) which are as follows: (a) advertising services income from provision of advertising services; (b) sales of books and magazines; (c) provision of securities broking services including brokerage, financing and underwriting and placement; (d) provision of e-commerce platform services and sales of related goods; and (e) money lending.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment result represents the profit or loss earned by each segment without allocation of unallocated administration expenses, depreciation of property, plant and equipment, amortisation of other intangible assets, other income, other gains and losses, share of (loss)/profit of a joint venture, share of loss of an associate, unrealised fair value changes on held-for-trading investments, realised gains on held-for-trading investment and finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment. Furthermore, as the assets and liabilities for reportable segments are not provided to the chief operating decision makers for the purposes of resources allocation and performance assessment, no segment assets and liabilities are presented accordingly.

Segment revenues and results

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

For the year ended 31 December 2019

	Provision of advertising services HK$'000	Sales of books and magazines HK$'000	Provision of securities broking services HK$'000	Provision of e-commerce platform services and sales of related goods HK$'000	Money lending HK$'000	Consolidated HK$'000
Revenue						
External sales	42,559	164	13,366	16,130	15,004	87,223
Result						
Segment (loss)/profit	(1,877)	(1,160)	(6,879)	2,062	14,807	6,953
Other income						1,182
Unrealised fair value losses on held-for-trading investments						(8,960)
Other gains and losses						20,104
Unallocated administration expenses						(67,550)
Amortisation of other intangible assets						(17,390)
Depreciation of property, plant and equipment						(289)
Share of loss of a joint venture						(14,038)
Share of loss of an associate						(10,263)
Reversal of impairment loss on interest in an associate						3,251
Impairment loss on goodwill						(11,128)
Finance costs						(2,061)
Loss before taxation						(100,189)

6. SEGMENT INFORMATION (CONTINUED)

Segment revenues and results (Continued)

For the year ended 31 December 2018

	Provision of advertising services HK$'000	Sales of books and magazines HK$'000	Provision of securities broking services HK$'000	Provision of e-commerce platform services and sales of related goods HK$'000	Money lending HK$'000	Consolidated HK$'000
Revenue						
External sales	130,067	5,322	15,793	15,294	13,937	180,413
Result						
Segment (loss)/profit	(43,559)	118	(6,716)	5,330	13,937	(30,890)
Other income						2,661
Unrealised fair value losses on held-for-trading investments						(22,322)
Realised gains on held-for-trading investments						1,856
Other gains and losses						14,580
Unallocated administration expenses						(49,524)
Amortisation of other intangible assets						(19,043)
Depreciation of property, plant and equipment						(4,395)
Share of profit of a joint venture						1,242
Share of loss of an associate						(18,627)
Finance costs						(1,817)
Loss before taxation						(126,279)

6. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are located in the PRC and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets (Note)	
	2019 HK$'000	2018 HK$'000	2019 HK$'000	2018 HK$'000
PRC	58,853	150,683	37,014	76,363
Hong Kong	28,370	29,730	5,921	661
	87,223	180,413	42,935	77,024

Note: Non-current assets excluded interests in a joint venture, investment in equity instrument at fair value through other comprehensive income, interest in an associate, amount due from a joint venture and deposits paid.

Information about major customers

There is no customer from either provision of advertising services, sales of books and magazines, provision of securities broking services, provision of e-commerce platform services and sale of related goods or money lending segment which contributed over 10% of the total revenue of the Group.

7. OTHER INCOME

	2019 HK$'000	2018 HK$'000
Bank interest income	176	169
Magazine registration number charges received from a joint venture	–	1,418
Other miscellaneous income	306	568
Government grant	63	166
Others	637	340
	1,182	2,661

8. OTHER GAINS AND LOSSES

	2019 HK$'000	2018 HK$'000
Impairment loss on financial assets, net	(22,618)	2,984
Net foreign exchange gains	5,069	10,494
(Loss)/gain on disposal of property, plant and equipment	(614)	59
Loss on disposal of intangible assets	(2,350)	–
Others	409	1,043
	20,104	14,580

9. FINANCE COSTS

	2019 HK$'000	2018 HK$'000
Interest on borrowings wholly repayable within five years	1,826	1,817
Interest on lease liabilities	235	–
	2,061	1,817

10. LOSS BEFORE TAXATION

	2019 HK$'000	2018 HK$'000
Loss before taxation has been arrived at after charging:		
Auditor's remuneration	850	850
Staff costs (including directors' emoluments):		
Wages, salaries and other allowances	19,235	58,178
Contributions to retirement benefits schemes	2,903	6,164
Employee share option benefits	4,206	–
	26,344	64,342
Depreciation of property, plant and equipment	2,578	4,395
Depreciation of right-of-use-assets	3,361	–
Amortisation of other intangible assets	17,390	19,043
Total depreciation and amortisation	23,329	23,438
Minimum lease payments under operating lease in respect of rented premises	–	12,467
Short-term lease payments	4,045	–

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the directors and the chief executive were as follows:

	2019				2018			
	Fees HK$'000	Salaries and other benefits HK$'000	Contributions to retirement benefits schemes HK$'000	Total HK$'000	Fees HK$'000	Salaries and other benefits HK$'000	Contributions to retirement benefits schemes HK$'000	Total HK$'000
Executive Directors								
– Mr. Zhang Zhifang	260	–	–	260	40	–	–	40
– Mr. Zhou Hongtao	120	–	–	120	120	–	–	120
– Mr. Li Leong	–	735	18	753	–	1,235	18	1,253
– Mr. Li Xi	300	–	–	300	300	–	–	300
– Mr. Li Zhen (Note c)	96	–	–	96	–	–	–	–
Independent Non-Executive Directors								
– Mr. Law Chi Hung	120	–	–	120	120	–	–	120
– Ms. Wensy Ip (Note a)	–	–	–	–	38	–	–	38
– Mr. Wong Ching Cheung	96	–	–	96	96	–	–	96
– Mr. Leung Tat Yin (Note b)	120	–	–	120	52	–	–	52
	1,112	735	18	1,865	766	1,235	18	2,019

Notes:

(a) Resigned on 26 April 2018

(b) Appointed on 25 July 2018

(c) Appointed on 16 April 2019

Salaries, allowance and benefits in kind paid or payable to the executive directors are generally emoluments in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

The executive directors' emoluments above were mainly for their services in connection with the management of the affairs of the Company and the Group. While the independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company or its subsidiaries.

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

The five highest paid individuals whose remuneration were the highest in the Group not included one executive director. Details of the remuneration of the remaining five (2018: four) highest paid employees during the year are as follows:

	2019 HK$'000	2018 HK$'000
Salaries, allowances and benefits in kind	4,264	4,702
Contributions to retirement benefits scheme	585	479
	4,849	5,181

Their emoluments were within the following bands:

	2019 No. of employees	2018 No. of employees
HK$nil to HK$1,000,000	3	4
HK$1,000,001 to HK$1,500,000	2	–

No emoluments were paid by the Group to the directors or the five highest paid individuals as compensation for loss of office or as a discretionary bonus or an inducement to join or upon joining the Group. None of the directors, chief executive or the five highest paid individuals has waived any emoluments in both years.

12. TAXATION

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, starting from the current year, the Hong Kong profits tax is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% for both years.

	2019 HK$'000	2018 HK$'000
Current taxation		
– PRC Enterprise Income Tax	–	–
– Hong Kong Profits Tax	290	–
Deferred taxation	(1,097)	(1,277)
	(807)	(1,277)

12. TAXATION (CONTINUED)

The taxation for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2019 HK$'000	2018 HK$'000
Loss before taxation	(100,189)	(126,279)
Tax at EIT rate of 25%	(25,047)	(31,569)
Tax effect of income not taxable for tax purposes	(3,630)	(5,586)
Tax effect of expenses not deductible for tax purposes	17,324	1,842
Tax effect of deductible temporary differences not recognised	1,476	3,496
Tax effect of tax losses not recognised	10,108	28,467
Difference in tax rates under different jurisdictions	(1,038)	2,073
	(807)	(1,277)

At the end of the reporting period, the Group had estimated unused tax losses of approximately HK$376,487,000 (2018: approximately HK$336,055,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the estimated unused tax losses due to the unpredictability of future profit streams. The estimated tax losses may be carried forward indefinitely.

13. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2019 HK$'000	2018 HK$'000
Loss		
Loss for the purposes of basic and diluted loss per ordinary share being loss for the year attributable to owners of the Company	(95,294)	(125,077)

	2019	2018
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	318,677,275	318,677,275

On 4 May 2020, the Company completed a capital reorganisation which involved the consolidation of every twenty ordinary shares of the Company of HK$0.1 each into one consolidated share of HK$2.0 each. For the years ended 31 December 2019 ad 2018, the weighted average number of ordinary shares has been adjusted for the effect of the share consolidation.

The computation of diluted loss per share for both years does not assume the exercise of outstanding share options of the Company since their assumed exercise, which would result in a decrease in loss per share, is anti-dilutive.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Motor vehicles HK$'000	Furniture, fixtures and fittings HK$'000	Computer and office equipment HK$'000	Total HK$'000
At cost					
At 1 January 2018	4,274	16,720	2,271	14,397	37,662
Additions	–	1,389	–	520	1,909
Disposals	–	(2,365)	(66)	(1,260)	(3,691)
Exchange realignment	–	(736)	(79)	(594)	(1,409)
At 31 December 2018 and 1 January 2019	4,274	15,008	2,126	13,063	34,471
Additions	–	3	–	2,403	2,406
Disposals	–	(2,918)	(227)	(7,043)	(10,188)
Exchange realignment	–	(259)	(30)	(144)	(433)
At 31 December 2019	4,274	11,834	1,869	8,279	26,256
Accumulated depreciation					
At 1 January 2018	3,340	10,902	1,618	12,480	28,340
Provided for the year	702	2,325	302	1,066	4,395
Disposals	–	(2,279)	(20)	(1,082)	(3,381)
Exchange realignment	–	(480)	(62)	(549)	(1,091)
At 31 December 2018 and 1 January 2019	4,042	10,468	1,838	11,915	28,263
Provided for the year	232	1,208	224	914	2,578
Disposals	–	(2,243)	(216)	(7,104)	(9,563)
Exchange realignment	–	(194)	(28)	(136)	(358)
At 31 December 2019	4,274	9,239	1,818	5,589	20,920
Carrying values					
At 31 December 2019	–	2,595	51	2,690	5,336
At 31 December 2018	232	4,540	288	1,148	6,208

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the shorter of 3 years and the lease term
Motor vehicles	4 to 5 years
Furniture, fixtures and fittings	Over the shorter of 10 years and the lease term
Computer and office equipment	3 to 6⅔ years

15. OTHER INTANGIBLE ASSETS

	Technical know how HK$'000	Customer relationship HK$'000	Domain name HK$'000	Total HK$'000
Cost				
At 1 January 2018	45,427	1,648	37,899	84,974
Exchange realignment	(1,443)	(76)	(1,743)	(3,262)
At 31 December 2018 and 1 January 2019	43,984	1,572	36,156	81,712
Disposal	–	–	(35,933)	(35,933)
Exchange realignment	(1,510)	(31)	(223)	(1,764)
At 31 December 2019	42,474	1,541	–	44,015
Accumulated amortisation and impairment				
At 1 January 2018	6,728	1,030	8,614	16,372
Amortisation	7,799	610	10,634	19,043
Exchange realignment	(764)	(68)	(759)	(1,591)
At 31 December 2018 and 1 January 2019	13,763	1,572	18,489	33,824
Amortisation	7,182	–	10,208	17,390
Disposal	–	–	(28,583)	(28,583)
Exchange realignment	(381)	(31)	(114)	(526)
At 31 December 2019	20,564	1,541	–	22,105
Carrying values				
At 31 December 2019	21,910	–	–	21,910
At 31 December 2018	30,221	–	17,667	47,888

The technical know how relates to platforms for catering business and mobile application integration systems business which were acquired through business combination on 9 September 2016 and 25 May 2017 respectively. The useful life of the technology know how is 7 years.

The customer relationship represents the contract backlog with customers which were acquired through business combination on 9 September 2016. The useful life of the customer relationship is over its contract term.

The domain name is related to a website for online shopping business which was acquired on 12 December 2016. The useful life of the domain name is 4 years.

The technical know how and customer relationship were allocated to the provision of e-commerce platform services' cash generating units ("e-commerce CGU"). The directors of the Company conducted an impairment review of the Group's e-commerce CGU as at 31 December 2019. The recoverable amount of the e-commerce CGU has been determined taking into account the valuation performed by independent professional valuers not connected to the Group, based on a value in use calculation which derived from the financial budgets approved by management covering a period of 5 years in accordance with the remaining contractual lives for the other intangible assets of the operation, and at a discount rate of 14%-18% per annum. Other key assumptions for the value in use calculations are budgeted revenue and budgeted gross margin, which are determined based on past performance, management's expectations for the market development and market trend.

As the result of the impairment review, the recoverable amount of the e-commerce CGU has been assessed to be higher than the aggregate carrying amounts of other intangible assets and goodwill related to e-commerce platform services resulting in no impairment loss recognised in profit or loss during the year ended 31 December 2018.

During the year ended 31 December 2019, the management of the Company dispose of the domain name at the consideration of HK$5,000,000.

16. GOODWILL

	HK$'000
Cost	
At 1 January 2018	142,977
Exchange realignment	(1,163)
At 31 December 2018 and 1 January 2019	141,814
Exchange realignment	(403)
At 31 December 2019	141,411
Accumulated impairment	
At 1 January 2018, 31 December 2018 and 1 January 2019	118,886
Impairment	11,128
Exchange realignment	(154)
At 31 December 2019	129,860
Carrying values	
At 31 December 2019	11,551
At 31 December 2018	22,928

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to business segment as follows:

	2019 HK$'000	2018 HK$'000
Provision of e-commerce platform services and high tech products (Note)	11,551	22,928
	11,551	22,928

Note:

The goodwill which related to the provision of e-commerce platform services and the high-tech products of certain subsidiaries.

The recoverable amount of the CGUs has been determined based on a value in use calculation. The recoverable amount of the e-commerce CGU and the high-tech products of goodwill are determined taking into account the valuation performed by independent professional external valuers not connected to the Group, based on the cash flow forecast derived from the most recent financial budgets approved by the management covering a 5-year period in accordance with the expected cash inflows generating period, and at a discount rate of 14%-18% per annum. Other key assumptions for the value in use calculations are the budgeted revenue and budgeted gross margin, which are determined based on past performance, management's expectations for the market development and market trend. After the impairment loss recognised for the year, the management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

17. INTEREST IN A JOINT VENTURE

	2019 HK$'000	2018 HK$'000
Cost of unlisted investment in joint venture	22,863	22,863
Share of post-acquisition profit and other comprehensive income	3,290	17,947
	26,153	40,810

As at 31 December 2019 and 2018, the Group had interest in the following joint venture:

Name of entity	Form of business structure	Place/ country of incorporation/ registration	Principal place of operation	Class of share held	Proportion of nominal value of issued capital/ registered capital held by the Group		Proportion of voting power held		Principal activity
					2019	2018	2019	2018	
Mondadori – SEEC (Beijing) Advertising Co., Ltd. ("Mondadori – SEEC")	Incorporated	PRC	PRC	Registered capital	50%	50%	50%	50%	Advertising agent

Summarised financial information of a joint venture

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with International Financial Reporting Standards.

Mondadori – SEEC

	2019 HK$'000	2018 HK$'000
Current assets	83,776	123,368
Non-current assets	585	817
Current liabilities	(34,407)	(46,155)

17. INTEREST IN A JOINT VENTURE (CONTINUED)

Summarised financial information of a joint venture (Continued)

Mondadori – SEEC (Continued)

The above amounts of assets including the following:

	2019 HK$'000	2018 HK$'000
Cash and cash equivalents	33,734	43,474

	2019 HK$'000	2018 HK$'000
Revenue	102,794	151,166
(Loss)/profit and total comprehensive income for the year	(28,076)	3,396

Reconciliation of the above summarised financial information to the carrying amount of the interest in Mondadori – SEEC:

	2019 HK$'000	2018 HK$'000
Net assets	49,954	78,030
Proportion of the Group's ownership interest in a joint venture	50%	50%
Share of net assets of a joint venture	24,977	39,015
Accumulated share of exchange differences of a joint venture	1,176	1,795
Carrying amount of the Group's interest in a joint venture	26,153	40,810

The above profit shared by the Group for the year includes the following:

	2019 HK$'000	2018 HK$'000
Depreciation of property, plant and equipment	273	804
Interest income	592	1,184
Impairment of accounts receivable	928	2,559

17. INTEREST IN A JOINT VENTURE (CONTINUED)

Summarised financial information of a joint venture (Continued)

Mondadori – SEEC (Continued)

The cost of investment in joint venture represents the Group's 50% capital in the Mondadori – SEEC (Beijing) Advertising Co., Ltd. which was established in the PRC and engaged in provision of advertising agency services in the PRC.

According to the legal form and terms of the contractual arrangements, the joint venturer that have joint control of the arrangement and have rights to the net assets of the arrangement, hence it is regarded as a joint venture.

During the years ended 31 December 2019 and 2018, the Group recognised all the share of profit for the joint venture. The management believes that there is no indication that the investment in this joint venture is impaired.

18. INTEREST IN AN ASSOCIATE

	2019 HK$'000	2018 HK$'000
Cost of investment in an associate	140,000	**140,000**
Share of post-acquisition profit or loss and other comprehensive income	(79,809)	**(69,318)**
Impairment loss recognised	(22,391)	**(25,642)**
	37,800	**45,040**

As at 31 December 2019, the Group held 140,000,000 (2018: 1,400,000,000) shares of Asia-Pac Financial Investment Company Limited ("Asia-Pac") (formerly named as GreaterChina Professional Services Limited), representing approximately 24.02% (2018: 24.02%) equity interest of the issued share capital of Asia-Pac. As per extraordinary general meeting held on 14 January 2019, the shareholders of Asia-Pac approved the proposed share consolidation of every ten (10) issued and unissued shares with par value of HK$0.01 each in the share capital of the Company into one (1) consolidated share with par value of HK$0.1 by ordinary resolution. They approved the English name of the Company changed from "GreaterChina Professional Services Limited" to "Asia-Pac Financial Investment Company Limited".

Asia-Pac, was incorporated in the Cayman Islands with limited liability and its shares are listed on the GEM of the Stock Exchange. Asia-Pac, is an investment holding company while the principal activities of its subsidiaries are provision of asset advisory service and asset appraisal, provision of corporate services and consultancy services, provision of media advertising and provision of financial services.

The market value of the investment in Asia-Pac as at 31 December 2019 was determined based on quoted market prices on the Stock Exchange amounted to HK$37,800,000.

Summarised financial information of Asia-Pac

Summarised financial information in respect of Asia-Pac is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

18. INTEREST IN AN ASSOCIATE (CONTINUED)

	2019 HK$'000	2018 HK$'000
Current assets	101,291	269,746
Non-current assets	189,693	140,970
Current liabilities	(73,011)	(175,520)
Non-current liabilities	(62,587)	(56,112)
Revenue	53,063	48,432
Loss for the year	(89,338)	(77,806)
Total comprehensive expenses for the year	(90,287)	(77,562)

Reconciliation of the above summarised financial information to the carrying amount of the interest in an associate recognised in these consolidated financial statements:

	2019 HK$'000	2018 HK$'000
Net assets of Asia-Pac	135,433	179,084
Proportion of the Group's ownership interest in Asia-Pac	24.02%	24.02%
	32,525	43,016
Goodwill on acquisition of interest in Asia-Pac	27,666	27,666
Impairment loss recognised	(22,391)	(25,642)
Carrying amount of the Group's interest in Asia-Pac	37,800	45,040

19. INVESTMENT IN EQUITY INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE INVESTMENT

	2019 HK$'000	2018 HK$'000
Unlisted equity shares: Hong Kong, at fair value	4,134	9,500

As at 31 December 2019 and 2018, the Group held a total of 38% of the issued ordinary share capital of Merit Advisory Limited ("Merit Advisory"), which is an investment holding company holding the entire issued ordinary share capital of a Hong Kong incorporated company which engaged in the business of investor relations in Hong Kong. This investment is measured at fair value by using discounted cash flow valuation method. Merit Advisory is not regarded as an associate of the Group because the Group has less than one-fifth of the voting power of Merit Advisory under relevant contractual arrangement with other investors and the Group has no right to appoint directors of Merit Advisory.

20. AMOUNTS DUE FROM/TO A JOINT VENTURE/RELATED PARTIES

	Notes	2019 HK$'000	2018 HK$'000
Non-trading in nature:			
Amounts due from related companies	(i)	18,461	14,645
Amount due from a joint venture (non-current)	(ii)	4,941	8,996
Amounts due to related companies	(i)	37,984	61,653
Amount due to a joint venture (current)	(iii)	7,359	6,387

Notes:

(i) The related companies are companies which Mr. Zhang Zhifang, a director of the Company, and two directors of certain subsidiaries, have interests and may exercise control or significant influence over these companies. The amounts due from/to related companies are unsecured, non-interest bearing and repayable on demand. At the end of the reporting period, the amount is expected to be recovered within twelve months at the end of reporting period and therefore classified as current asset. The maximum outstanding amount due from related companies during the year was approximately HK$18,461,000 (2018: approximately HK$15,337,000).

(ii) The entire balance represents amounts due from a joint venture that are non-interest bearing, unsecured and repayable on demand. As at 31 December 2019, the amount is expected to be recovered after twelve months at that date and therefore classified as non-current.

(iii) The amounts are unsecured, non-interest bearing and repayable on demand.

21. DEPOSIT PAID

The Group had made deposit of HK$24,000,000 in relation to the acquisition of entire share capital in a company incorporated in the PRC from an independent third party. The aforesaid company is principally engaged in provision of e-commerce service business in the PRC.

During the year ended 31 December 2019, the proposed acquisition was terminated and the deposit will be refunded within 1 year.

22. RIGHT-OF-USE ASSETS

	Leasehold properties
Cost:	
At 1 January 2019	3,055
Addition	4,483
Exchange realignment	(60)
At 31 December 2019	7,478
Accumulated depreciation:	
At 1 January 2019	–
Charge for the year	3,361
Exchange realignment	(21)
At 31 December 2019	3,340
Carrying amount:	
At 31 December 2019	4,138
At 1 January 2019	3,055

23. ACCOUNTS RECEIVABLE

	2019 HK$'000	2018 HK$'000
Accounts receivable arising from the business of provision of advertising agency services and sales of books and magazines	14,517	33,920
– less: allowance for expected credit loss ("ECL")	(4,171)	(8,847)
	10,346	25,073
Accounts receivable arising from the business of dealing in securities:		
Cash client	161,501	174,275
– less: allowance for ECL	(30,158)	(11,065)
	131,343	163,210
Accounts receivable arising from the business of e-commerce platform services and sales of related goods	11,303	10,030
– less: allowance for ECL	(2,643)	(249)
	8,660	9,781
	150,349	198,064

Provision of advertising agency services and sales of books and magazines

Credit period granted by the Group to customers for both provision of advertising agency services and sales of books and magazines are not more than three months from the date of recognition of the sale.

The aging analysis of the Group's accounts receivable arising from the provision of advertising agency services and sales of books and magazines net of allowance for doubtful debts, presented based on date of magazines issued, which approximate the date of revenue recognition is as follows:

	2019		2018	
	HK$'000	%	HK$'000	%
Less than three months	6,600	64	14,097	56
Three months to six months	1,902	18	4,033	16
Over six months to one year	1,844	18	6,943	28
	10,346	100	25,073	100

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and credit ratings attributed to customers are reviewed regularly. Management considers the customers neither past due nor impaired are of good credit quality based on repayment history of respective customers.

23. ACCOUNTS RECEIVABLE (CONTINUED)

Business of dealing in securities

The credit period for the business of dealing in securities with the settlement terms of cash clients are usually one to two days after the trade date.

The Group seeks to maintain tight control over its outstanding accounts receivable of securities broking business in order to minimise credit risk. Outstanding balances are regularly monitored by management. The management ensures that the listed equity securities belonged to clients in which the Group holds as custodian are sufficient to cover the amounts due to the Group.

The receivables of cash client are repayable on demand subsequent to settlement date and carry interest at Hong Kong Prime rate plus 3% per annum.

Provision of e-commerce platform services and sales of related goods

The aging analysis of the Group's accounts receivable arising from the provision of e-commerce platform services and sales of related goods, presented based on date of service provided and the goods sold, which approximate the date of revenue recognition is as follows:

	2019 HK$'000	2018 HK$'000
Less than three months	2,969	3,159
Three months to six months	1,994	4,212
Over six months to one year	2,500	2,410
Over one year	1,197	–
	8,660	9,781

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits and credit ratings attributed to customers are reviewed regularly.

Details of impairment assessment of accounts receivable is set out in note 35.

24. LOAN RECEIVABLES

Loan receivables carried fixed interest rates ranging from 8% to 10% and will be repaid in accordance with the terms of the loan agreements.

	2019 HK$'000	2018 HK$'000
Loan receivables	214,130	179,126
– less: allowance for ECL	(16,840)	(11,387)
	197,290	167,739
Analysed as		
Secured	151,718	142,949
Unsecured	45,572	24,790
	197,290	167,739

24. LOAN RECEIVABLES (CONTINUED)

Loan receivables are analysed by the remaining period to contractual maturity date as follows:

	2019 HK$'000	2018 HK$'000
Overdue	21,540	22,441
Less than three months	18,964	145,298
Three months to six months	58,625	–
Over six months to one year	98,161	–
	197,290	167,739

Details of impairment assessment of loan receivables are set out in note 35.

25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2019 HK$'000	2018 HK$'000
Advance to staffs	2,226	4,021
Prepayment	28,728	12,161
Rental deposits	2,522	2,137
Others	22,110	23,727
Tax recoverable	2,367	–
	57,953	42,046

Details of impairment assessment of other receivables are set out in note 35.

26. HELD-FOR-TRADING INVESTMENTS

	2019 HK$'000	2018 HK$'000
Held-for-trading investments include:		
Listed securities:		
– Equity securities listed in Hong Kong	17,307	26,253

Held-for-trading investments as at 31 December 2019 and 2018 represent equity securities listed in the Stock Exchange. The fair values of the investments are determined based on the quoted market bid price available on the Stock Exchange. The fair value of held-for-trading investments was classified as Level 1 of the fair value hierarchy.

The Group has pledged certain held-for-trading investments with carrying amount of approximately HK$16,946,000 (2018: approximately HK$25,735,000), to secure the borrowing as disclosed in note 30.

27. BANK BALANCES AND CASH AND CASH EQUIVALENTS

Included in the bank balances (general accounts) and cash and cash equivalents, there are short-term deposits of approximately HK$3,685,000 (2018: approximately HK$3,670,000) placed in various brokers' accounts. There is no restrictions in the use of these balances.

The Group maintains segregated trust accounts with authorised institutions to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as cash held on behalf of customers under the current assets section of the consolidated statement of financial position and recognised the corresponding accounts payables (Note 28) to respective clients on the grounds that it is liable for any loss or misappropriation of clients' monies. The cash held on behalf of customers is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

28. ACCOUNTS PAYABLE

	2019 HK$'000	2018 HK$'000
Accounts payable arising from the provision of advertising agency service and sales of books and magazines	8,809	7,844
Accounts payable arising from the securities broking business – Cash clients	12,508	14,452
Accounts payable arising from the provision of e-commerce platform service and sales of related goods	4,970	4,136
	26,287	26,432

Provision of adverting agency services and sales of books and magazines

The aging analysis of the Group's accounts payables arising from the provision of advertising agency services and sales of books and magazines presented based on the invoice date at the end of the reporting period is as follows:

	2019		2018	
	HK$'000	%	HK$'000	%
Less than three months	1,178	13	3,129	40
Three months to six months	2,084	24	359	5
Over six months to one year	540	6	1,270	16
Over one year	5,007	57	3,086	39
	8,809	100	7,844	100

The average credit period granted by accounts payables is 90 days (2018: 42 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

Business of dealing securities

The balance of accounts payable arising from the securities broking business are repayable on demand except where certain accounts payable to clients represent margin deposits received from clients for their trading activities under normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand.

No aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of this business.

28. ACCOUNTS PAYABLE (CONTINUED)

Provision of e-commence platform services and sales of related goods

The aging analysis of the Group's accounts payable arising from the provision of e-commerce platform service and sales of related goods presented based on the invoice date at the end of the reporting period is as follows:

	2019		2018	
	HK$'000	%	HK$'000	%
Less than three months	1,363	27	1,815	44
Three months to six months	3,607	73	2,321	56
	4,970	100	4,136	100

The average credit period granted by accounts payables is 61 days (2018: 61 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

29. OTHER PAYABLES AND ACCRUALS

	2019	2018
	HK$'000	HK$'000
Contract liabilities	37,356	58,296
Accrued office and rental expenses	2,559	5,265
Advertising fee payable	1,600	3,200
Others	81,154	46,228
	122,669	112,989

30. BORROWINGS

	2019	2018
	HK$'000	HK$'000
Margin payables	23,536	23,710

As at 31 December 2019, margin financing from a regulated securities broker was granted to the Group which were secured by the Group's held-for-trading investments. Amount of margin payables of approximately HK$23,536,000 (2018: approximately HK$23,710,000) as at 31 December 2019 had been utilised against these facilities and the total carrying amount of the held-for-trading investments charged to the securities broker was approximately HK$16,946,000 (2018: approximately HK$25,735,000).

31. LEASE LIABILITIES

The exposure of the Group's lease liabilities are as follows:

	2019 HK$'000
Current	3,495
Non-current	401
	3,896

	Minimum lease payments HK$'000	Present value of lease liabilities HK$'000
Minimum lease payment due:		
– Within one year	3,601	3,495
– more than one year but not more than two years	383	374
– more than two years but not more than five years	27	27
– Over five years	–	–
	4,011	3,896
Future finance charges	(115)	
Present value of lease liabilities	3,896	
Amounts due for settlement within one year (shown under current liabilities)		(3,495)
Amounts due for settlement after one year		401

The Group leases office premises for operation and these lease liabilities were measured at the present value of the lease payment that are not yet paid. All leases are entered at fixed prices.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Extension options are not involved in lease agreements entered by the Group.

The total cash outflows for leases including the payments of lease liabilities for the year ended 31 December 2019 was approximately HK$3,610,000.

32. DEFERRED TAX LIABILITIES

The followings are the major deferred tax liabilities recognised and movements thereon during the current and prior years:

	Fair value adjustment arising from acquisition of subsidiaries HK$
At 1 January 2018	6,112
Charge for the year	(1,277)
Exchange realignment	(100)
At 31 December 2018	4,735
Charge for the year	(1,097)
Exchange realignment	(87)
At 31 December 2019	3,551

At the end of the reporting period, the Group has deductible temporary difference of approximately HK$10,940,000 (2018: HK$9,464,000) arising from the net unrealised loss on financial assets held for trading. No deferred tax assets have been recognised in relation to such deductible temporary differences as it not probate that tax profit will be available against which the deductible temporary difference can be unitised.

33. SHARE CAPITAL

	2019 HK$'000	2018 HK$'000
Authorised:		
10,000,000,000 ordinary shares of HK$0.10 each	1,000,000	1,000,000
Issued and fully paid:		
6,373,546,000 ordinary shares of HK$0.10 each	637,354	637,354

All the issued shares rank pari passu in all respects including all rights as to dividends, voting and return of capital.

34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associate with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

35. FINANCIAL RISK MANAGEMENT

Categories of financial instruments

	2019 HK$'000	2018 HK$'000
Financial assets		
Equity investment at FVTOCI:		
Unlisted equity securities	4,134	9,500
Held-for-trading investments at FVTPL:		
Listed equity securities	17,307	26,253
Financial assets at amortised cost:		
Accounts receivable	150,349	198,064
Loan receivables	197,290	167,739
Amount due from a joint venture	4,941	8,996
Amounts due from related companies	18,461	14,645
Other receivables and deposits	24,632	25,864
Bank balances (trust and segregated accounts)	12,508	29,485
Bank balances (general accounts) and cash and cash equivalents	73,442	75,765
	481,623	520,558
	503,064	556,331
Financial liabilities		
Financial liabilities at amortised cost:		
Accounts payable	26,287	26,432
Other payables and accruals	85,313	43,055
Amount due to a joint venture	7,359	6,387
Amounts due to related companies	37,984	61,653
Borrowings	23,536	23,710
	180,479	161,237

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Foreign currency risk

The functional currency of the Company and respective group entities is RMB. Foreign currency risk arises from future commercial transactions and recognised assets or liabilities, such as bank balances and cash and cash equivalents, accounts receivable and payable, held by its subsidiaries, which are denominated in HK$.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		**Assets**	
	2019 HK$'000	2018 HK$'000	2019 HK$'000	2018 HK$'000
Hong Kong dollar	46,853	47,811	689,606	663,332

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

Foreign currency risk (Continued)

The following table details the Group's sensitivity to a 5% (2018: 5%) increase and decrease in HK$ against RMB5% (2018: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% (2018: 5%) change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender. A positive number below indicates an increase in post-tax loss and other equity where RMB strengthen 5% (2018: 5%) against the relevant currency. For a 5% (2018: 5%) weakening of RMB against the relevant currency, there would be an equal and opposite impact on the loss and other equity and the balances below would be negative.

	Hong Kong dollar impact	
	2019 HK$'000	2018 HK$'000
Loss for the year	5,188	24,434

Interest rate risk

Except for bank balances, the Group has no other significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact on interest-bearing assets resulted from the changes in interest rates because the interest rates of bank balance are not expected to change significantly.

The Group's interest-rate risk mainly arises from borrowings. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 30.

Price risk

The Group is exposed to equity price risk through its investments in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risks.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date. For sensitivity analysis purpose, the sensitivity rate is increased to 5% in 2019 as a result of the volatile financial market.

If the prices of the respective equity instruments had been 5% higher/lower, post-tax loss for the year ended 31 December 2019 would decrease/increase by approximately HK$448,000 (2018: approximately HK$1,116,000) as a result of the changes in fair value of held-for-trading investments.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to accounts receivable, loan receivables, amounts due from related companies/a joint venture, other receivables, deposits, held-for-trading investments, bank balance and cash and cash equivalents, accounts payable, other payables and accruals, amount due to a joint venture, amounts due to related companies and borrowings. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with loan receivables is mitigated because they are secured over listed equity securities.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

Credit risk and impairment assessment (Continued)

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Accounts receivable

The Group has concentration of credit risk as 15% (2018: 14%) and 49% (2018: 47%) of the total accounts receivable was due from the Group's largest customer and the five largest customers respectively within securities broking services business. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

In addition, the Group performs impairment assessment under ECL model on account balances individually or based on provision matrix. Except for cash client, which are assessed for impairment individually, the remaining accounts receivable is grouped under a provision matrix based on shared credit risk characteristics by reference to repayment histories for recurring customers and current past due exposure for the new customers. Impairment of approximately HK$21,525,000 (2018: approximately HK$20,107,000) is recognised during the year. Details of the quantitative disclosures are set out below in this note.

Loan receivables

The directors of the Company estimate the estimated loss rates of loan receivables based on historical credit loss experience of the debtors as well as the fair value of the collateral pledged by the customers to the loan receivables. Based on assessment by the directors of the Company, the loss given default is low in view of the estimated realised amount of ultimate disposal of the collaterals and the amount of impairment made.

Bank balances and cash and cash equivalents

Credit risk on bank balances and cash and cash equivalents are limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for bank balances and cash and cash equivalents by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies.

Other receivables and deposits

For other receivables and deposits, the directors of the Company make periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. For the year ended 31 December 2019 and 2018, The Group provided impairment on other receivables and deposits based on 12m ECL. Details of the quantitative disclosures are set out below in this note.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Accounts receivable	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

	Note	External credit rating	Internal credit rating	12m or lifetime ECL	2019 Gross carrying amount HK$'000	HK$'000	2018 Gross carrying amount HK$'000	HK$'000
Financial assets at amortised cost								
Amount due from a joint venture	20	N/A	note 1	12m ECL	4,941	4,941	8,996	8,996
Accounts receivable (except for cash clients)	23	N/A	note 2	Lifetime ECL (provision matrix)	25,820	25,820	43,950	43,950
Accounts receivable for cash clients	23	N/A	Low risk	Lifetime ECL (not credit-impaired)	4,933		174,275	
			Doubtful	Lifetime ECL (not credit-impaired)	156,568	161,501	–	174,275
Loan receivables	24	N/A	Low risk	12m ECL	127,912		179,126	
			Doubtful	Lifetime ECL (not credit-impaired)	86,218	214,130	–	179,126
Amounts due from related companies	20	N/A	note 1	12m ECL	18,461	18,461	14,645	14,645
Other receivables and deposits	25	N/A	note 1	12m ECL	24,632	24,632	25,864	25,864
Bank balances (trust and segregated accounts)	27	A1	N/A	12m ECL	12,508	12,508	29,485	29,485
Bank balances (general accounts)	27	BBB or above	N/A	12m ECL	73,442	73,442	75,765	75,765

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

Credit risk and impairment assessment (Continued)

Notes:

1. For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

2019

	Past due HK$'000	Not past due/ No fixed repayment terms HK$'000	Total HK$'000
Amount due from a joint venture	–	4,941	4,941
Amounts due from related companies	–	18,461	18,461
Other receivables and deposits	–	24,632	24,632
	–	48,034	48,034

2018

	Past due HK$'000	Not past due/ No fixed repayment terms HK$'000	Total HK$'000
Amount due from a joint venture	–	8,996	8,996
Amounts due from related companies	–	14,645	14,645
Other receivables and deposits	–	25,864	25,864
	–	49,505	49,505

2. For accounts receivable for cash client, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the ECL on these items by using a provision matrix, grouped by past due status.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

2. (Continued)

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its advertising service, sales of books and magazines and e-commerce platform service and sales of related goods operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for accounts receivable which are assessed based on provision matrix within lifetime ECL (not credit-impaired).

	2019		2018	
	Average loss rate	Accounts receivable HK$'000	Average loss rate	Accounts receivable HK$'000
Current (not past due)				
1-30 days past due	1.72%-2.88%	4,293	1.79%	10,067
31-60 days past due	2.17%-2.88%	4,172	1.79%	6,320
61-90 days past due	2.72%-4.42%	1,180	1.79%	1,182
More than 90 days past due	5.32%-100%	16,175	2.38%-100%	26,381
		25,820		43,950

The following table shows the movement in lifetime ECL that has been recognised for accounts receivable for cash clients under the simplified approach.

	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 31 December 2017	–	–	–
Impact on adoption of HKFRS 9	11,530	–	11,530
At 1 January 2018	11,530	–	11,530
Impairment losses reversed	(465)	–	(465)
At 31 December 2018	11,065	–	11,065
Impairment losses recognised	20,629	–	20,629
Impairment losses reversed	(1,536)	–	(1,536)
	19,093	–	19,093
At 31 December 2019	30,158	–	30,158

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

Credit risk and impairment assessment (Continued)

The Group writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the accounts receivable are over two years past due, whichever occurs earlier.

The following tables show reconciliation of loss allowances that has been recognised for loan receivables:

	Stage 1 12m ECL HK$'000	Stage 2 Lifetime ECL (non-credit-impaired) HK$'000	Stage 3 Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 31 December 2017	–	–	–	–
Impact on adoption of HKFRS 9	11,030	–	–	11,030
At 1 January 2018	11,030	–	–	11,030
Changes due to financial instruments recognised as at 1 January 2018:				
– Impairment losses recognised	357	–	–	357
At 31 December 2018	11,387	–	–	11,387
Changes due to financial instruments recognised as at 1 January 2019:				
– Transfer to lifetime ECL	(5,068)	5,068	–	–
– Impairment losses recognised	309	10,586	–	10,895
– Impairment losses reversed	(5,122)	(320)	–	(5,442)
	(9,881)	15,334	–	5,453
At 31 December 2019	**1,506**	**15,334**	**–**	**16,840**

The following tables show reconciliation of loss allowances that has been recognised for other receivables:

	Stage 1 12m ECL HK$'000	Stage 2 Lifetime ECL (non-credit-impaired) HK$'000	Stage 3 Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
At 1 January 2019	–	–	–	–
Changes due to financial instruments recognised as at 1 January 2019:				
– Impairment losses recognised	140	–	–	140
	140	–	–	140
At 31 December 2019	**140**	**–**	**–**	**140**

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest (based on interest rate at the end of the reporting period) and principal cash flows.

	Weighted average interest rate %	Repayable on demand or less than 3 months HK$'000	3 months to 6 months HK$'000	Over 6 months to 1 year HK$'000	Over 1 year to 2 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31.12.2019 HK$'000
2019							
Non-derivative financial liabilities							
Accounts payable	–	26,287	–	–	–	26,287	26,287
Other payables	–	82,754	–	–	–	82,754	82,754
Amounts due to related companies	–	37,984	–	–	–	37,984	37,984
Amount due to a joint venture	–	7,359	–	–	–	7,359	7,359
Lease liabilities	3.79%-7.73%	955	967	1,573	401	3,896	3,896
Borrowings	8%	23,536	–	–	–	23,536	23,536
		178,875	967	1,573	401	181,816	181,816

	Weighted average interest rate %	Repayable on demand or less than 3 months HK$'000	3 months to 6 months HK$'000	Over 6 months to 1 year HK$'000	Over 1 year to 2 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31.12.2018 HK$'000
2018							
Non-derivative financial liabilities							
Accounts payable	–	26,432	–	–	–	26,432	26,432
Other payables	–	43,055	–	–	–	43,055	43,055
Amounts due to related companies	–	61,653	–	–	–	61,653	61,653
Amount due to a joint venture	–	6,387	–	–	–	6,387	6,387
Borrowings	8%	23,710	–	–	–	23,710	23,710
		161,237	–	–	–	161,237	161,237

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2018 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

Level 1: Based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly.

Level 3: Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The financial assets measured at fair value in the consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 HK$'000	**Level 2** HK$'000	**Level 3** HK$'000	**Total** HK$'000
At 31 December 2019				
Investment in equity instrument at fair value through other comprehensive income	–	–	4,134	4,134
Held-for-trading investments	17,307	–	–	17,307
	17,307	–	4,134	21,441
At 31 December 2018				
Investment in equity instrument at fair value through other comprehensive income	–	–	9,500	9,500
Held-for-trading investments	26,253	–	–	26,253
	26,253	–	9,500	35,753

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price is the current bid price. These instruments are included in level 1 which comprise primarily equity investments classified as held-for-trading investments. The Group's held-for-trading investments are level 1 instruments and their fair values are determined by the quoted prices in the market.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Group did not have such instrument as at 31 December 2019.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Group's investment in equity instrument at fair value through other comprehensive income is level 3 instrument. The fair value is estimated using discounted cash flow valuation method.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value estimation (Continued)

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	2019 HK$'000	2018 HK$'000			
Held-for-trading investments	17,307	26,253	Level 1	Quoted bid prices in an active market.	N/A
Investment in equity instrument at fair value through other comprehensive income	4,134	9,500	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate.	Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries, at 3% (Note 1) Discount rate, taking into account weighted average cost of capital (WACC) determined using a Capital Asset Pricing Model, at 12% (Note 2) Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, at 20.6%.

Note 1: A increase in the long-term revenue growth rates used in isolation would result in an increase in the fair value measurement of the investment in equity instrument at fair value through other comprehensive income, and vice versa.

Note 2: A increase in the discount rate used in isolation would result in an decrease in the fair value measurement of the investment in equity instrument at fair value through other comprehensive income, and vice versa.

There were no transfers between Level 1 and 2 during the year.

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

Reconciliation of Level 3 fair value measurements

	Investment in equity instrument at fair value through other comprehensive income HK$'000
At 31 December 2017	–
New adoption of HKFRS 9	27,000
At 1 January 2018	27,000
Total gains (losses):	
– in profit or loss	–
– in other comprehensive income	(17,500)
At 31 December 2018 and 1 January 2019	9,500
Total gains (losses):	
– in profit or loss	–
– in other comprehensive income	(5,366)
At 31 December 2019	4,134

Included in other comprehensive income is a loss of approximately HK$5,366,000 relating to unlisted equity securities classified as equity instruments at fair value through other comprehensive income held at 31 December 2019 and is reported as changes of "FVTOCI reserve".

36. COMMITMENTS

(a) Operating lease commitments

As lessee

At the end of the reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 HK$'000
Within one year	6,041
In the second to fifth year inclusive	3,671
	9,712

Operating lease payments represent rentals payable by the Group for its office premises. Leases are negotiated for a term ranging from nine months to three years.

36. COMMITMENTS (CONTINUED)

(b) Other commitments

Pursuant to several agreements entered into between the Company and magazine publication companies, being independent third parties, the Company at the end of the reporting period had commitments to make payments to certain magazines publication companies for agency rights of advertising on their magazines which fall due as follows:

	2019 HK$'000	2018 HK$'000
Within one year	–	2,340
In the second to fifth year inclusive	–	–
	–	2,340

37. SHARE OPTION SCHEMES

Equity-settled share option scheme

The Company operates a share option scheme adopted on 11 May 2012 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the operations of the Group and to enable the Group to recruit high calibre employees and attract resources that are valuable to the Group. Eligible participants of the Old Share Option Scheme include any employee (including executive directors), officer (including non-executive directors and independent non-executive directors), consultant, agent, professional adviser, customer, business partner, joint venture partner, strategic partner, landlord or tenant of, or any supplier or provider of goods or services to the Group, or any trustee of a discretionary trust to which one or more beneficiaries belong to any of the above-mentioned categories of persons. The Old Share Option Scheme became effective on 11 May 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the Company's shares in issue at any time. At 31 December 2019, the number of shares issuable under share options granted under the Share Option Scheme was 637,354,551, which represented approximately 10% of the Company's shares in issue as at that date. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK$10 in total by the grantee. An option may be exercised under the Share Option Scheme at any time from the vested date to the fifth anniversary from the grant date of the option.

The exercise price of the share options is determinable by the directors, but must not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of an ordinary share of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following tables disclose details of the Company's share options held by employees and consultants of the Group and movement in such holdings during the year:

37. SHARE OPTION SCHEMES (CONTINUED)

Equity-settled share option scheme (Continued)

Share Option Scheme

				Number of share options				
Grantees	Date of grant	Exercise price HK$	Exercisable period	Outstanding at 01.01.2018	Granted during the year	Outstanding at 31.12.2018	Granted during the year	Outstanding at 31.12.2019
Consultants in aggregate	27.07.2017	0.033	27.07.2017 to 26.07.2022	637,200,000	–	637,200,000	–	637,200,000
Employees in aggregate	17.04.2019	0.100	17.04.2019 to 16.04.2024	–	–	–	637,200,000	637,200,000
				637,200,000	–	637,200,000	637,200,000	1,274,400,000

Notes:

(1) The share options granted on 27 July 2017 and 17 April 2019 were fully vested immediately on 17 April 2019.

(2) No option was exercised during the years ended 31 December 2018 and 2019.

(3) As at 31 December 2019, the number of shares issuable under the share options granted under the Share Option Scheme was nil (2018: 637,200,000).

The Company's share options granted to the consultants were measured by reference to the fair value of options granted to directors/employees of the Group since the fair value of the services provided by the consultants to the Group cannot be measured reliably. The estimated fair values of the options granted on the grant date were HK$0.0048. The fair values were calculated using the Binomial Option Pricing model. The inputs into the model were as follows:

	27 July 2017	17 April 2019
Share price	HK$0.033	HK$0.100
Exercise price	HK$0.033	HK$0.100
Expected volatility	101%	105%
Risk-free rate	1.659%	1.595%
Expected dividend yield	0%	0%

Expected volatility at the grant date was determined by using the historical volatility of the Company's share price over the previous 5 years.

The Company recognised share-based payment expense of HK$4,205,520 in relation to the share options granted during the year ended 31 December 2019 (2018: HK$Nil).

38. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in independently administrated funds. The Group has complied with the minimum statutory contribution requirements of 5% of eligible employees' relevant aggregate income.

The employees of the subsidiaries in the PRC are members of the pension schemes operated by the PRC government. The relevant PRC subsidiaries are required to contribute a certain percentage of the relevant portion of these employees' basic salaries to the pension to fund the benefits. The only obligations of the relevant PRC subsidiaries with respect of the pension scheme are the required contributions under the pension scheme.

The total expense recognised in profit or loss of approximately HK$2,903,000 (2018: approximately HK$6,164,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

39. RELATED PARTY TRANSACTIONS

Apart from balances with related parties and related terms disclosed in consolidated statement of financial position and note 20, the Group had following related party transactions:

	2019 HK$'000	2018 HK$'000
Office rental expenses paid to a related party ("Lessor") (Note)	649	4,422
Magazine registration number charges received from a joint venture	–	1,418

Note: Certain subsidiaries of the Company had lease agreements ("Leases") with Lessor. Mr. Zhang Zhifang (a director of the Company and director of certain subsidiaries which entered into Leases), and other two directors of certain subsidiaries which entered into Leases, who through their shareholdings and directorship in the holding companies of Lessor, collectively might control the holding companies and might have controlling interest in Lessor. Under the circumstances, Lessor might constitute an associate of those directors and the transactions were continuing connected transactions under the Listing Rules for the year ended 31 December 2018.

Key management compensation

During the years ended 31 December 2019 and 2018 only directors considered as key management of the Group, the directors' emoluments were disclosed in note 11.

The remuneration of key management personnel is determined by Board of Directors, having regard to the performance, responsibilities and experience of the individuals and market trends.

40. EVENTS AFTER REPORTING PERIOD

Since January 2020, the outbreak of Novel Coronavirus ("COVID-19") has impact on the global business environment. Pending the development and spread of COVID-19 subsequent to the date of this report, further changes in economic conditions for the Group arising thereof may have impact on the financial results of the Group, the extent of which could not be estimated as at the date of this report. The Group will keep continuous attention on the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Group. Other than that, no significant event which needs to be disclosed has taken place after 31 December 2019 and up to the date of this report.

Capital Reorganisation

Details of the capital reorganisation are set out in (i) the Company's announcements dated 2 March 2020 and 7 April 2020; and (ii) the Company's circular dated 13 March 2020 and summarised as follows:

1. On 4 May 2020, of every twenty (20) issued and unissued existing shares of par value of HK$0.10 each in the share capital of the Company was consolidated into one (1) consolidated share of par value of HK$2.00 each.

2. The capital reduction was effective on 4 May 2020, pursuant to which (i) the total number of consolidated shares in the issued share capital of the Company immediately following the share consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company arising from the share consolidation; and (ii) the par value of each of the then issued consolidated shares will be reduced from HK$2.00 to HK$0.01 by cancelling the paid-up capital of the Company to the extent of HK$1.99 on each of the then issued consolidated shares. The credits arising from (a) such reduction of the paid up capital; and (b) the cancellation of any fractional consolidated share in the issued share capital of the Company arising from the share consolidation will be applied towards setting off the accumulated losses of the Company as at the effective date of the capital reorganisation, the excess of which (if any) will be credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda.

3. The share sub-division was effective on 4 May 2020, each of the authorised but unissued consolidated shares of par value of HK$2.00 each will be sub-divided into two hundred (200) new shares of par value of HK$0.01 each.

41. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries at 31 December 2019 and 2018 are as follows:

Name	Country of incorporation/ registration/ operations	Paid up registered capital	Class of shares held	Proportion of ownership interest and voting power held by the Company Directly %	Indirectly %	Principal activities
Beijing Caixun Century Advertising Co., Ltd	PRC	RMB10,000,000 Limited liability company	Registered	100	–	Advertising agent
Beijing Caixun Culture and Media Co., Ltd.	PRC	RMB5,000,000 Limited liability company	Registered	–	100	Advertising agent and books and magazines distributor
Beijing Jingzheng Ronglian Advertising Company Limited	PRC	RMB2,000,000 Limited liability company	Registered	–	100	Advertising agent
Beijing Le Hua Jiu Fang Advertising Co., Ltd ("Beijing Le Hua Jiu Fang")	PRC	RMB5,050,504 Limited liability company	Registered	–	71.28	Advertising agent
Beijing SEEC Book and Press Distribution Co., Ltd.	PRC	RMB5,000,000 Limited liability company	Registered	–	100	Books and magazines distributor
China Asset Credit Limited	Hong Kong	HK$1 Limited company	Ordinary	–	70	Money lending services
China Prospect Securities Limited	Hong Kong	HK$265,000,000 Limited company	Ordinary	–	100	Provision of securities broking services
Grace Tech Development Limited	Hong Kong	HK$10,000 Limited company	Ordinary	–	100	Provision of e-commerce platform services
Tech Field Holdings Limited	Hong Kong	HK$10,000 Limited company	Ordinary	–	100	Provision of e-commerce platform services and sale of related goods
Honor Fame Group Limited	British Virgin Islands/ Hong Kong	US$1 Limited company	Ordinary	100	–	Investment holding
Laberie Holdings Limited	British Virgin Islands/ Hong Kong	US$10 Limited company	Ordinary	100	–	Investment holding
Shenzhen Caixun Advertising Co., Ltd.	PRC	RMB1,000,000 Limited liability company	Registered	–	100	Advertising agent
Shanghai Caixun Advertising Co., Ltd.	PRC	RMB1,000,000 Limited liability company	Registered	100	–	Advertising agent
Superfort Management Corp.	British Virgin Islands/ Hong Kong	US$100 Limited company	Ordinary	100	–	Investment holding
Well Dynamic Group Limited	British Virgin Islands/ Hong Kong	US$1 Limited company	Ordinary	–	100	Investment holding
Wingate Holdings Limited	Samoa/Hong Kong	US$10,000 Limited company	Ordinary	–	70	Investment holding

41. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

The directors are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the above list contains only the subsidiaries which principally affect the results or assets and liabilities of the Group.

None of the subsidiaries had any debt securities outstanding during the year or at the end of the year.

(a) General information of subsidiaries

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2019	2018	2019 HK$'000	2018 HK$'000	2019 HK$'000	2018 HK$'000
Beijing Le Hua Jiu Fang	PRC	28.72%	28.72%	(642)	(1,023)	(6,790)	(7,287)
China Asset Credit Limited	Hong Kong	30%	30%	(3,445)	1,099	12,752	16,197
Individually immaterial subsidiary, with non-controlling interests				(1)	(1)	(9)	(8)
				(4,088)	75	5,953	8,902

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

Summarised financial information in respect of Beijing Le Hua Jiu Fang and China Asset Credit Limited that has material non-controlling interests is set out below. The summarised financial information below requests amount before intragroup eliminations.

Beijing Le Hua Jiu Fang

	2019 HK$'000	2018 HK$'000
Current assets	2,310	187
Non-current assets	15	43
Current liabilities	(29,338)	(25,602)
Equity attributable to owners of the Company	(27,013)	(25,372)

41. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

Beijing Le Hua Jiu Fang

	2019 HK$'000	2018 HK$'000
Revenue	843	345
Expenses	(2,120)	(3,908)
Loss for the year	(1,272)	(3,563)
Net cash outflow from operating activities	(197)	(1,805)
Net cash inflow from investing activities	3	–
Net cash inflow from financing activities	2,127	77
Net cash inflow/(outflow)	1,933	(1,728)

China Assets Credit Limited

	2019 HK$'000	2018 HK$'000
Current assets	175,800	157,547
Non-current assets	2,161	–
Current liabilities	(185,454)	(163,156)
Equity attributable to owners of the Company	(7,493)	(5,609)

China Assets Credit Limited

	2019 HK$'000	2018 HK$'000
Revenue	13,460	12,322
Expenses	(24,944)	(15,989)
Loss for the year	(11,484)	(3,667)
Net cash (outflow)/inflow from operating activities	(24,452)	1,351
Net cash inflow from financing activities	12,253	6,086
Net cash (outflow)/inflow	(12,199)	7,437

42. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2019 HK$'000	2018 HK$'000
Non-current assets		
Property, plant and equipment	–	73
Investments in subsidiaries	88,417	84,211
Investment in a joint venture	22,863	22,863
Right-of-use assets	492	–
	111,772	107,147
Current assets		
Other receivables and deposits	132	124
Amounts due from subsidiaries	498,559	610,568
Bank balances and cash	2,184	1,430
	500,875	612,122
Current liabilities		
Amounts due to subsidiaries	228,240	228,962
Other payables and accruals	3,053	3,516
Lease liabilities	328	–
	231,621	232,478
Net current assets	269,254	379,644
Total assets less current liabilities	381,026	486,791
Non-current liabilities		
Lease liabilities	144	–
Net assets	380,882	486,791
Capital and reserves		
Share capital	637,354	637,354
Reserves (Note)	(256,472)	(150,563)
Total equity	380,882	486,791

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 15 May 2020 and was signed on its behalf by:

Li Xi	**Li Leong**
Director	*Director*

42. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note: Movement in reserves

	Share option reserve HK$'000	Contributed surplus HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2018	3,058	429,374	(400,017)	32,415
Loss and total comprehensive expenses for the year	–	–	(182,978)	(182,978)
At 31 December 2018	3,058	429,374	(582,995)	(150,563)
Loss and total comprehensive expense for the year	–	–	(110,115)	(110,115)
Recognition of equity-settled share-based payment	4,206	–	–	4,206
At 31 December 2019	7,264	429,374	(693,110)	(256,472)

FINANCIAL SUMMARY

RESULTS

	Year ended 31 December				
	2015 HK$'000	2016 HK$'000	2017 HK$'000	2018 HK$'000	2019 HK$'000
REVENUE	286,683	267,594	319,132	180,413	87,223
LOSS FROM OPERATIONS	(201,714)	(9,809)	(253,543)	(124,462)	(98,128)
FINANCE COSTS	(595)	(1,589)	(1,799)	(1,817)	(2,061)
LOSS BEFORE TAXATION	(202,309)	(11,398)	(255,342)	(126,279)	(100,189)
TAXATION	(194)	(4,948)	3,406	1,277	807
LOSS FOR THE YEAR	(202,503)	(16,346)	(251,936)	(125,002)	(99,382)
ATTRIBUTABLE TO:					
OWNERS OF THE COMPANY	(200,113)	(15,200)	(251,707)	(125,077)	(95,294)
NON-CONTROLLING INTERESTS	(2,390)	(1,146)	(229)	75	(4,088)
	(202,503)	(16,346)	(251,936)	(125,002)	(99,382)

ASSETS AND LIABILITIES

	As at 31 December				
	2015 HK$'000	2016 HK$'000	2017 HK$'000	2018 HK$'000	2019 HK$'000
TOTAL ASSETS	1,247,434	1,209,745	954,408	759,367	643,273
TOTAL LIABILITIES	(301,954)	(274,283)	(263,301)	(250,881)	(240,306)
	945,480	935,462	691,107	508,486	402,967