



GLOBAL TOKEN LIMITED

環球通証有限公司

(continued in Bermuda with limited liability)

(Stock Code: 8192)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM, all generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of Global Token Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively, the “Group”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.8192.com.hk from the date of this announcement.

FINAL RESULTS

The board of directors (the “Board”) of Global Token Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2019, together with the comparative figures for the year ended 31 December 2018 as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019

	<i>Notes</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Continuing operations			
Revenue	5	169,084	177,448
Cost of sales		(159,209)	(156,349)
Gross profit		9,875	21,099
Other revenue	5	57	9
Other gains and losses	6	(63)	(56)
Impairment loss on cryptocurrencies		(23,480)	(54,545)
Impairment loss on goodwill		(6,617)	(2,365)
Net (allowance for)/reversal of allowance for expected credit losses on financial assets at amortised cost		(5,580)	243
Loss on disposal of a subsidiary		–	(19,487)
Selling and distribution expenses		(291)	(1,193)
Administrative and other operating expenses		(49,612)	(77,720)
Loss from operations		(75,711)	(134,015)
Finance costs	7	(113)	–
Loss before taxation	8	(75,824)	(134,015)
Taxation	9	–	(92)
Loss for the year from continuing operations		(75,824)	(134,107)
Discontinued operation			
Loss for the year from discontinued operation, net of income tax	10	(10,957)	(20,510)
Loss for the year		(86,781)	(154,617)

<i>Notes</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Other comprehensive (loss)/income for the year, net of income tax		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	(1,694)	(8,004)
Reclassification adjustments relating to foreign operations disposed of during the year	–	172
	<u>–</u>	<u>172</u>
Other comprehensive loss for the year, net of income tax	<u>(1,694)</u>	<u>(7,832)</u>
Total comprehensive loss for the year	<u>(88,475)</u>	<u>(162,449)</u>
Loss for the year attributable to owners of the Company		
– from continuing operations	(72,574)	(128,728)
– from discontinued operation	(5,588)	(10,460)
	<u>(78,162)</u>	<u>(139,188)</u>
Loss for the year attributable to non-controlling interests		
– from continuing operations	(3,250)	(5,379)
– from discontinued operation	(5,369)	(10,050)
	<u>(8,619)</u>	<u>(15,429)</u>
Loss for the year	<u>(86,781)</u>	<u>(154,617)</u>
Total comprehensive loss for the year attributable to		
Owners of the Company	(80,371)	(143,746)
Non-controlling interests	(8,104)	(18,703)
	<u>(88,475)</u>	<u>(162,449)</u>

	<i>Notes</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Loss per share attributable to owners of the Company for the year			
For continuing and discontinued operations			
– Basic and diluted (<i>HK cents</i>)	11	<u><u>(7.54)</u></u>	<u><u>(13.43)</u></u>
For continuing operations			
– Basic and diluted (<i>HK cents</i>)	11	<u><u>(7.00)</u></u>	<u><u>(12.42)</u></u>

Consolidated Statement of Financial Position

As at 31 December 2019

	<i>Notes</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Assets and liabilities			
Non-current assets			
Property, plant and equipment		5,002	21,397
Right-of-use assets		8,937	–
Goodwill		1,957	8,574
Other assets		400	400
Cryptocurrencies		6,336	32,858
		<u>22,632</u>	<u>63,229</u>
Current assets			
Trade receivables	13	85,320	83,344
Other receivables, deposits and prepayments		1,108	9,973
Loan receivable	14	4,768	11,937
Amount due from a related company		–	5,640
Client trust bank balances		1,808	2,160
Cash and cash equivalents		19,045	48,982
		<u>112,049</u>	<u>162,036</u>
Assets classified as held-for-sale	10	<u>13,363</u>	<u>–</u>
		<u>125,412</u>	<u>162,036</u>
Current liabilities			
Trade payables	15	4,408	10,377
Accruals, deposits received and other payables		7,390	8,841
Lease liabilities		3,036	–
Amounts due to related parties		1,200	296
Tax payable		92	92
		<u>16,126</u>	<u>19,606</u>
Liabilities associated with disposal group classified as held-for-sale	10	<u>8,963</u>	<u>–</u>
		<u>25,089</u>	<u>19,606</u>
Net current assets		<u>100,323</u>	<u>142,430</u>

	2019	2018
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets less current liabilities	122,955	205,659
Non-current liabilities		
Lease liabilities	5,917	–
Net assets	117,038	205,659
Equity		
Share capital	41,455	41,455
Reserves	110,331	190,848
Total equity attributable to owners of the Company	151,786	232,303
Non-controlling interests	(34,748)	(26,644)
Total equity	117,038	205,659

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

	Attributable to owners of the Company										
	Share capital HK\$'000	Capital reserve (note (i)) HK\$'000	Share premium HK\$'000	Special reserve (note (ii)) HK\$'000	Statutory reserve (note (iii)) HK\$'000	Share-based payment reserve (note (iv)) HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Subtotal HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 31 December 2017	41,455	1,030*	634,138*	11*	324*	4,048*	(8,562)*	(306,945)*	365,499	(7,941)	357,558
Impact on initial application of HKFRS 9	-	-	-	-	-	-	-	(1,537)	(1,537)	-	(1,537)
Restated balance at 1 January 2018	41,455	1,030	634,138	11	324	4,048	(8,562)	(308,482)	363,962	(7,941)	356,021
Issue of share options	-	-	-	-	-	12,087	-	-	12,087	-	12,087
Lapse of share options	-	-	-	-	-	(2,709)	-	2,709	-	-	-
Transaction with owners	-	-	-	-	-	9,378	-	2,709	12,087	-	12,087
Net loss for the year	-	-	-	-	-	-	-	(139,188)	(139,188)	(15,429)	(154,617)
Other comprehensive loss net of income tax:											
Exchange differences on Translating foreign operations	-	-	-	-	-	-	(4,558)	-	(4,558)	(3,274)	(7,832)
Total comprehensive loss for the year	-	-	-	-	-	-	(4,558)	(139,188)	(143,746)	(18,703)	(162,449)
At 31 December 2018 and 1 January 2019	41,455	1,030*	634,138*	11*	324*	13,426*	(13,120)*	(444,961)*	232,303	(26,644)	205,659
Impact on initial application of HKFRS 16	-	-	-	-	-	-	-	(146)	(146)	-	(146)
At 1 January 2019, as restated	41,455	1,030	634,138	11	324	13,426	(13,120)	(445,107)	232,157	(26,644)	205,513
Lapse of share options	-	-	-	-	-	(1,596)	-	1,596	-	-	-
Transaction with owners	-	-	-	-	-	(1,596)	-	1,596	-	-	-
Net loss for the year	-	-	-	-	-	-	-	(78,162)	(78,162)	(8,619)	(86,781)
Other comprehensive (loss)/income net of income tax:											
Exchange differences on Translating foreign operations	-	-	-	-	-	-	(2,209)	-	(2,209)	515	(1,694)
Total comprehensive (loss)/income for the year	-	-	-	-	-	-	(2,209)	(78,162)	(80,371)	(8,104)	(88,475)
At 31 December 2019	<u>41,455</u>	<u>1,030*</u>	<u>634,138*</u>	<u>11*</u>	<u>324*</u>	<u>11,830*</u>	<u>(15,329)*</u>	<u>(521,673)*</u>	<u>151,786</u>	<u>(34,748)</u>	<u>117,038</u>

* The aggregated amount of these balances of approximately HK\$110,331,000 (2018: approximately HK\$190,848,000) in surplus is included as reserves in the consolidated statement of financial position.

Notes:

- (i) The capital reserve of the Group represents a capital contribution by a shareholder company during the year ended 31 December 2007.
- (ii) The special reserve of the Group represents the difference between the nominal amount of the shares issued by the Company and the amount of the share capital of a subsidiary acquired pursuant to a group reorganisation in 2002.
- (iii) Subsidiary of the Company establish in the PRC shall appropriate 10% of its annual statutory net profit (after offsetting any prior year losses) to the statutory reserve fund account in accordance with the PRC Company law. When the balance of such reserve fund reaches 50% of the entity's share capital, any further appropriation is optional. The statutory reserve fund can be utilised to offset prior year's losses or to increase capital after proper approval.
- (iv) Share-based payment reserve represents the fair value of services estimated to be received in exchange for the grant of the relevant share options over the relevant vesting periods, the total of which is based on the fair value of the share options at grant date. The amount for each period is determined by spreading the fair value of the share options over the relevant vesting period (if any) and is recognised in other operating expenses with a corresponding increase in the share-based payment reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. GENERAL INFORMATION

Global Token Limited is a limited liability company incorporated in the Cayman Islands and continued in Bermuda. The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is Room 3008-10, 30th Floor, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The directors of the Company (the "Directors") consider that the ultimate controlling party of the Company is Mr. Sun Li Jun.

The Company is an investment holding company and its subsidiaries are principally engaged in (i) trading business, (ii) money lending business, (iii) securities trading business and (iv) blockchain technology related business.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

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

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:

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

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

HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current year. 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 standard 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.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and measured right-of-use assets at the carrying amounts as if HKFRS 16 had been applied since commencement dates, but discounted using the incremental borrowing rates of the relevant group entities 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) 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;
- (ii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- (iii) applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment;
- (iv) 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; and
- (v) 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.

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 incremental borrowing rates applied by the relevant group entities is 4.35%.

Lessee accounting and transitional impact

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

- (i) the Group elected not to apply requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months of the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019;
- (ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of lease with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and
- (iii) when measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group relied on the previous assessment for onerous contract provision as at 31 December 2018 as an alternative to performing an impairment review.

As at 1 January 2019, the Group recognised additional lease liabilities and measured right-of-use assets at the carrying amounts as if HKFRS 16 had been applied since commencement dates, but discounted using the incremental borrowing rates of the relevant group entities at the date of initial application by applying HKFRS 16.C8(b)(i) transition. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

	1 January 2019 <i>HK\$'000</i>
Accumulated losses as at 31 December 2018	444,961
Adjustments under HKFRS 16	<u>146</u>
Accumulated losses as at 1 January 2019 (Restated)	<u><u>445,107</u></u>

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

	1 January 2019 <i>HK\$'000</i>
Operating lease commitment disclosed as at 31 December 2018	5,559
Less: Future interest expenses	<u>(168)</u>
Present value of remaining lease payments, discounted using the incremental borrowing rate as at 1 January 2019	<u><u>5,391</u></u>
Analysis as:	
– Non-current	4,291
– Current	<u>1,100</u>
The lease liabilities recognised as at 1 January 2019	<u><u>5,391</u></u>

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position at 31 December 2018.

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

	<i>Note</i>	<i>HK\$'000</i>
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	(a)	<u><u>5,245</u></u>
By class:		
– Office premises		<u><u>5,245</u></u>

Note:

- (a) The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of consolidated financial position at 1 January 2019.

The following table summarises the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

Consolidated statement of financial position (extract)	At 31 December 2018	HKFRS 16	At 1 January 2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Right-of-use assets (<i>Note 1</i>)	–	5,245	5,245
Current liabilities			
Lease liabilities	–	(1,100)	(1,100)
Non-current liabilities			
Lease liabilities	–	(4,291)	(4,291)
Equity			
Reserves	<u>190,848</u>	<u>(146)</u>	<u>190,702</u>

Note:

- (1) The application of HKFRS 16 to leases previously classified as operating leases under HKAS 17 resulted in the recognition of right-of-use assets of approximately HK\$5,245,000 and lease liabilities of approximately HK\$5,391,000 at the initial adoption of HKFRS 16.

New and amendments to HKFRSs in issue but not yet effective

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

HKAS 1 and HKAS 8 (Amendments)	Definition of Material ¹
HKFRS 9, HKAS 39 and HKFRS 7 (Amendments)	Interest Rate Benchmark Reform ¹
HKFRS 3 (Amendments)	Definition of a Business ²
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 17	Insurance Contracts ³

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

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 1 January 2021.

⁴ Effective for annual periods beginning on or after a date to be determined.

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. The directors of the Company anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION

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

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

The consolidated financial statements have been prepared in accordance with HKFRSs, which is a collective term that includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA, and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules and the Hong Kong Companies Ordinance.

4. SEGMENT INFORMATION

Information reported to executive Directors and chief executive officer of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable segments under HKFRS 8 are as follows:

Continuing operations

- Trading business
- Operation of the carbon emission trading platform and related services (“Operation of the CETP”)
- Money lending business
- Securities trading business
- Blockchain technology related business

The segment of rental of energy-saving air-conditioners was discontinued during the year ended 31 December 2019.

The segment information below does not include any amounts for the discontinued operation, which are described in more details in Note 10.

Segment revenue and results

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

Continuing operations

For the year ended 31 December 2019

	Trading business HK\$'000	Operation of the CETP HK\$'000	Money lending business HK\$'000	Securities trading business HK\$'000	Blockchain technology related business HK\$'000	Total HK\$'000
Segment revenue	165,555	–	1,500	1,814	215	169,084
Segment results	4,293	–	(6,026)	(8,477)	(18,967)	(29,177)
Other revenue						57
Exchange loss, net						(5)
Loss on disposal of cryptocurrencies					(69)	(69)
Impairment loss on cryptocurrencies					(23,480)	(23,480)
Finance cost						(113)
Central administrative costs						(23,037)
Loss before taxation from continuing operations						<u>(75,824)</u>

For the year ended 31 December 2018

	Trading business HK\$'000	Operation of the CETP HK\$'000	Money lending business HK\$'000	Securities trading business HK\$'000	Blockchain technology related business HK\$'000	Total HK\$'000
Segment revenue	163,951	–	3,136	2,896	7,465	177,448
Segment results	2,577	(1,300)	2,409	(4,277)	(22,027)	(22,618)
Other revenue						9
Exchange gain, net						9
Loss on disposal of cryptocurrencies					(65)	(65)
Impairment loss on cryptocurrencies					(54,545)	(54,545)
Loss on disposal of a subsidiary						(19,487)
Central administrative costs						(37,318)
Loss before taxation from continuing operations						<u>(134,015)</u>

All of the segment revenue reported above is generated from external customers.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit or loss recorded by each segment without allocation of other revenue, exchange gain/loss, net (included in other gains and losses), loss on disposal of cryptocurrencies, impairment loss on cryptocurrencies, loss on disposal of a subsidiary, finance cost and central administrative costs including directors' remuneration. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

Segment assets and liabilities

Continuing operations

For the year ended 31 December 2019

	Trading business <i>HK\$'000</i>	Operation of the CETP <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Securities trading business <i>HK\$'000</i>	Blockchain technology related business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	<u>85,052</u>	<u>-</u>	<u>5,870</u>	<u>19,294</u>	<u>13,319</u>	<u>123,535</u>
Add: assets relating to discontinued operation						13,363
Unallocated assets						<u>11,146</u>
Total assets						<u><u>148,044</u></u>
Segment liabilities	<u>715</u>	<u>-</u>	<u>232</u>	<u>4,543</u>	<u>6,341</u>	<u>11,831</u>
Add: liabilities relating to discontinued operation						8,963
Unallocated liabilities						<u>10,212</u>
Total liabilities						<u><u>31,006</u></u>

For the year ended 31 December 2018

	Trading business <i>HK\$'000</i>	Operation of the CETP <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Securities trading business <i>HK\$'000</i>	Blockchain technology related business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	<u>81,692</u>	<u>574</u>	<u>29,835</u>	<u>25,788</u>	<u>50,630</u>	<u>188,519</u>
Add: assets relating to discontinued operation						24,854
Unallocated assets						<u>11,892</u>
Total assets						<u><u>225,265</u></u>
Segment liabilities	<u>80</u>	<u>101</u>	<u>274</u>	<u>5,475</u>	<u>3,594</u>	<u>9,524</u>
Add: liabilities relating to discontinued operation						9,073
Unallocated liabilities						<u>1,009</u>
Total liabilities						<u><u>19,606</u></u>

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

- all assets are allocated to reportable segments other than certain property, plant and equipment, certain right-of-use assets, certain other receivables, deposits and prepayments, certain cash and cash equivalents and assets held by the Company and its subsidiaries which the roles are investment holding companies; and
- all liabilities are allocated to reportable segments other than certain lease liabilities, certain accruals and other payables and liabilities held by the Company and its subsidiaries which the roles are investment holding companies.

Other segment information

Continuing operations

For the year ended 31 December 2019

	Trading business HK\$'000	Operation of the CETP HK\$'000	Money lending business HK\$'000	Securities trading business HK\$'000	Blockchain technology related business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Capital expenditure	-	-	-	-	2,658	-	2,658
Depreciation of property, plant and equipment	1,182	-	113	61	819	155	2,330
Depreciation of right-of-use assets	94	-	155	-	-	3,276	3,525
Impairment loss on goodwill	-	-	-	6,617	-	-	6,617
Impairment loss on cryptocurrencies	-	-	-	-	23,480	-	23,480
Loss on disposal of cryptocurrencies	-	-	-	-	69	-	69
Allowance for expected credit losses on financial assets at amortised cost	32	-	6,421	-	66	2	6,521
Reversal of allowances for expected credit losses on financial assets at amortised cost	(531)	-	(5)	(17)	(388)	-	(941)

For the year ended 31 December 2018

	Trading business HK\$'000	Operation of the CETP HK\$'000	Money lending business HK\$'000	Securities trading business HK\$'000	Blockchain technology related business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Capital expenditure	-	-	-	24	2,293	37	2,354
Depreciation of property, plant and equipment	1,718	316	143	74	354	1,169	3,774
Impairment loss on goodwill	-	-	-	2,365	-	-	2,365
Impairment loss on cryptocurrencies	-	-	-	-	54,545	-	54,545
Loss on disposal of cryptocurrencies	-	-	-	-	65	-	65
Allowance for expected credit losses on financial assets at amortised cost	553	-	32	21	371	25	1,002
Reversal of allowance for expected credit losses on financial assets at amortised cost	(393)	-	(527)	(32)	(292)	(1)	(1,245)

Revenue from major operations

The Group's revenue from its major operations is set out in Note 5 to the consolidated financial statements.

Geographical information

The Group's revenue from external customers and its non-current assets (other than financial instruments) are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Geographical market				
PRC	165,555	163,951	993	18,725
Hong Kong	3,529	13,497	21,639	44,504
Total	169,084	177,448	22,632	63,229

The geographical location of customers is based on the location at which the services were rendered or the goods were delivered. The geographical location of the non-current assets is based on the physical location of the assets.

Information about major customers

For the year ended 31 December 2019, approximately HK\$152,589,000 or 90.2% (2018: approximately HK\$134,578,000 or 75.8%) of the Group's revenue generated from three customers (the trading business segment) (2018: three customers (the trading business segment)). Each customer has individually accounted for over 10% of the Group's total revenue.

Revenue from major customers for the corresponding years contributing over 10% or more of the Group's revenue, are as follows:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Customer A ¹	63,372	70,333
Customer B ¹	64,823	24,876
Customer C ¹	—*	39,369
Customer D ¹	24,394	—*

¹ Revenue generated from the trading business segment.

* Revenue generated from the customer did not generated 10% or more of the Group's revenue in the corresponding year.

5. REVENUE

Revenue arised from sale of electronic products, interest income from provision of money lending business, brokerage and commission income from provision of securities trading services, net realised gains from OTC, commission and service income and blockchain solution service income from blockchain technology related business. Revenue and other revenue recognised during the year are as following:

Disaggregation of revenue from contracts with customers

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Continuing operations		
<i>Timing of revenue recognition</i>		
Revenue recognised at a point in time		
Revenue from sale of electronic products	165,555	163,951
Brokerage and commission income from securities trading business	1,814	2,896
Blockchain technology related business:		
– Commission and service income from trading platform	73	6,123
– Blockchain solution service income	–	210
– Realised gains from OTC trading, net	142	1,132
	<hr/>	<hr/>
Revenue from contracts with customers	167,584	174,312
Revenue from other source		
Interest income from money lending business	1,500	3,136
	<hr/>	<hr/>
	169,084	177,448
	<hr/> <hr/>	<hr/> <hr/>
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Other revenue		
Bank interest income	4	3
Sundry income	53	6
	<hr/>	<hr/>
	57	9
	<hr/> <hr/>	<hr/> <hr/>

6. OTHER GAINS AND LOSSES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Continuing operations		
Loss on disposal of cryptocurrencies	(69)	(65)
Gain on leases termination	11	–
Exchange (loss)/gain, net	(5)	9
	<u>(63)</u>	<u>(56)</u>

7. FINANCE COSTS

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Continuing operations		
Interest on lease liabilities	<u>113</u>	<u>–</u>

8. LOSS BEFORE TAXATION

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Continuing operations		
Loss before taxation is arrived at after charging/(crediting):		
Auditors' remuneration		
– Audit services	830	780
– Non-audit services	30	30
Depreciation		
– Owned property, plant and equipment	2,330	3,774
– Right-of-use assets	3,525	–
Cost of inventories recognised as an expense	159,209	156,349
Operating lease rentals in respect of rented premises	–	4,664
Expenses relating to short-term leases	189	–
Loss on disposal of property, plant and equipment	49	514
Impairment loss on goodwill	6,617	2,365
Loss on disposal of cryptocurrencies	69	65
Impairment loss on cryptocurrencies	23,480	54,545
Allowance for expected credit losses on financial assets at amortised cost	6,521	1,002
Reversal of allowance for expected credit losses on financial asset at amortised cost	(941)	(1,245)
License fee for cryptocurrencies trading platform	4,446	9,360
Equity-settled share-based payments	–	12,087
Employee benefit expenses (excluding directors' remuneration)		
– Salaries, allowances and benefits in kind	23,142	28,143
– Contributions to retirement benefits scheme	1,843	1,889
	<u>23,142</u>	<u>28,143</u>
	<u>1,843</u>	<u>1,889</u>

9. TAXATION

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Continuing operations		
Current tax:		
Hong Kong profits tax	—	92

The Company is not subject to taxes in profits, income or dividends in Bermuda.

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 assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to the Group for the years ended 31 December 2019 and 2018.

No provision of Hong Kong profits tax has been made as the Group had no assessable profits for the year ended 31 December 2019.

Under the Law of the People’s Republic of China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

10. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

On 30 December 2019, the Group entered into a sale and purchase agreement to disposal of its entire 51% equity interest in 深圳市順天運環保科技有限公司 to an independent third party at a consideration of RMB2,800,000 (equivalent to approximately HK\$3,119,000) and amount of RMB560,000 (equivalent to approximately HK\$626,000) in respect of the consideration had been received by the Group and was included in accruals, deposits received and other payables as at the year ended 31 December 2019. The disposal was subject to be completed on 23 April 2020.

The assets and liabilities attributable to the business, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position (see below). The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

The loss for the year from the discontinued rental of energy-saving air-conditioners business is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the rental of energy-saving air-conditioners business as a discontinued operation:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Revenue	1,606	3,379
Cost of sales	(6,147)	(8,415)
Gross loss	(4,541)	(5,036)
Other revenue	–	129
Other gains and losses	27	–
Net allowance of expected credit losses on trade and other receivables	(2,249)	(3,648)
Loss on disposal of a subsidiary	–	(3,304)
Gain/(loss) on disposal of property, plant and equipment	340	(122)
Impairment loss on property, plant and equipment	–	(4,002)
Selling and distribution expenses	(2,044)	(1,254)
Administrative expenses	(2,456)	(3,273)
Loss from operation	(10,923)	(20,510)
Finance cost	(34)	–
Loss before tax	(10,957)	(20,510)
Income tax expense	–	–
Loss for the year	<u>(10,957)</u>	<u>(20,510)</u>
Loss for the year attributable to:		
– Owners of the Company	(5,588)	(10,460)
– Non-controlling interest	(5,369)	(10,050)
	<u>(10,957)</u>	<u>(20,510)</u>

The assets and liabilities associated with disposal group classified as held-for-sale are analysed as follows:

	2019 HK\$'000
Property, plant and equipment	8,515
Prepayment, deposit paid and other receivables	4,832
Cash and cash equivalents	<u>16</u>
Total assets classified as held-for-sale	<u>13,363</u>

	2019 HK\$'000
Trade payables	4,603
Accruals, deposit received and other payables	4,070
Amount due to a director	<u>290</u>
Total liabilities associated with disposal group classified as held-for-sale	<u>8,963</u>

Cash flows for the year from the discontinued operation were as follows:

	2019 HK\$'000	2018 HK\$'000
Net cash outflows from operating activities	(1,660)	(1,343)
Net cash inflows from investing activities	1,973	552
Net cash outflows from financing activities	<u>(461)</u>	<u>–</u>
Net cash outflows	<u>(148)</u>	<u>(791)</u>

Loss for the year from discontinued operation has been arrived at after charging/(crediting):

	2019 HK\$'000	2018 HK\$'000
Employee benefit expenses (excluding directors' remuneration)		
– Salaries, wage and benefits in kind	1,727	2,057
– Retirement benefit scheme contributions	<u>128</u>	<u>155</u>
Total staff costs	<u>1,855</u>	<u>2,212</u>
Depreciation of property, plant and equipment	6,186	8,415
Depreciation of right-of-use assets	453	–
Gain on lease termination	(27)	–
Allowance for expected credit losses on financial assets at amortised cost	2,268	3,650
Reversal of allowance for expected credit losses on financial assets at amortised cost	(19)	(2)
Impairment loss on property, plant and equipment	–	4,002
(Gain)/loss on disposal of property, plant and equipment	(340)	122
Loss on disposal of a subsidiary	<u>–</u>	<u>3,304</u>

11. 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:

From continuing and discontinued operations

	2019	2018
Loss for the year		
Attributable to the owners of the Company (<i>HK\$'000</i>)	<u>(78,162)</u>	<u>(139,188)</u>
Weighted average number of ordinary shares in issue (<i>note</i>)	<u>1,036,379,025</u>	<u>1,036,379,025</u>
Basic and diluted loss per share (<i>HK cents</i>)	<u>(7.54)</u>	<u>(13.43)</u>

From continuing operations

	2019	2018
Loss for the year		
Attributable to the owners of the Company (<i>HK\$'000</i>)	<u>(72,574)</u>	<u>(128,728)</u>
Weighted average number of ordinary shares in issue (<i>note</i>)	<u>1,036,379,025</u>	<u>1,036,379,025</u>
Basic and diluted loss per share (<i>HK cents</i>)	<u>(7.00)</u>	<u>(12.42)</u>

From discontinued operation

	2019	2018
Loss for the year		
Attributable to the owners of the Company (<i>HK\$'000</i>)	<u>(5,588)</u>	<u>(10,460)</u>
Weighted average number of ordinary shares in issue (<i>note</i>)	<u>1,036,379,025</u>	<u>1,036,379,025</u>
Basic and diluted loss per share (<i>HK cents</i>)	<u>(0.54)</u>	<u>(1.01)</u>

Note: Basic loss per share is calculated by dividing the loss for the year attributable to the owners of the Company over the weighted average number of ordinary shares in issue during the year.

The weighted average number of ordinary shares for the year ended 31 December 2019 are 1,036,379,025 ordinary shares (2018: 1,036,379,025 ordinary shares) in issue during the year.

The calculation of diluted loss per share for the years ended 31 December 2019 and 2018 does not include share options as the assumed exercise of these share options has an anti-dilutive effect. The basic and diluted loss per share are the same for both years.

12. DIVIDEND

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2019 (2018: Nil).

13. TRADE RECEIVABLES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade receivables from securities trading business		
– Cash clients	1,356	1,838
– Clearing house	1,268	1,313
	2,624	3,151
Trade receivables from ordinary business other than securities trading business	82,796	80,754
	85,420	83,905
Less: Allowance for expected credit losses	(100)	(561)
	85,320	83,344

The directors of the Company consider that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The settlement term of trade receivables arising from securities trading business is 2 trading days after trade date. No ageing analysis for securities trading business is disclosed as, in the opinion of the directors of the Company, the ageing analysis for securities trading business does not give additional value in view of its business nature.

For the year ended 31 December 2019, the Group allows a credit period with average of 180 days (2018: 30 to 180 days) to its trade customers of its trading business.

The ageing analysis of trade receivables from ordinary business other than securities trading business (net of allowance for expected credit losses) at the end of the reporting period based on the invoice date and net of allowance for expected credit losses:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
0 – 90 days	29,364	80,214
91 – 180 days	53,337	–
	82,701	80,214

As at 31 December 2019 and 2018, no trade receivables was past due but not impaired. All trade receivables that are neither past due nor impaired have the best credit scoring attributable under the internal credit rating system used by the Group. Accordingly, these balances are still considered to be fully recoverable. The Group does not hold any collateral over these balances.

14. LOAN RECEIVABLE

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Loan receivable	10,000	10,000
Interest receivables	1,221	1,971
	<u>11,221</u>	<u>11,971</u>
Less: Allowance for expected credit losses	<u>(6,453)</u>	<u>(34)</u>
	<u>4,768</u>	<u>11,937</u>

The maturity profile of the loan receivable at the end of the reporting period, analysed by the maturity date, is as follow:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
<i>Loan receivable:</i>		
Within 1 year	<u>4,768</u>	<u>11,937</u>

The Group's loan receivable, which arise from the money lending business in Hong Kong, are denominated in Hong Kong dollars.

The loan receivable is secured, interest bearing and are receivable with fixed terms agreed with customers. As at 31 December 2019 and 2018, a loan receivable with principal amount of approximately HK\$10,000,000 is secured by collaterals, interest bearing and are receivable with fixed term agreed with customer. They are neither past due nor impaired. The maximum exposure to credit risk at the end of period is the carrying value of the loan receivable.

Loan receivable are interest-bearing at rates of 15% (2018: 9% to 15%) per annum. Loan receivable includes the interest receivables of approximately HK\$1,221,000 (2018: approximately HK\$1,971,000) which receivable on the date of repayment. During the year ended 31 December 2019, interest income of approximately HK\$1,500,000 (2018: approximately HK\$3,136,000) has been recognised in the consolidated statement of profit or loss and other comprehensive income.

Allowance for expected credit losses of approximately HK\$6,419,000 (2018: approximately HK\$32,000) has been recognised for loan receivable during the year ended 31 December 2019.

15. TRADE PAYABLES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade payables from securities trading business		
– Cash clients	2,614	3,456
– Clearing house	1,794	1,855
	<hr/>	<hr/>
	4,408	5,311
Trade payables	<hr/>	<hr/>
	–	5,066
	<hr/>	<hr/>
	4,408	10,377
	<hr/> <hr/>	<hr/> <hr/>

For securities trading business, the settlement terms of trade payables to Cash clients and Clearing house is 2 trading days after trade date. No ageing analysis for securities trading business is disclosed as, in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of its business nature.

The Group was granted by its trade suppliers for credit periods ranging from 30 to 180 days. Based on the invoice dates, the ageing analysis of the trade payables from ordinary business other than securities trading business were as follows:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
0 – 90 days	–	52
91 – 180 days	–	–
181 – 365 days	–	–
Over 365 days	–	5,014
	<hr/>	<hr/>
	–	5,066
	<hr/> <hr/>	<hr/> <hr/>

16. COMPARATIVES

Certain comparative figures have been reclassified to conform with the disclosure requirements in respect of the discontinued operation set out in Note 10 to the audited consolidated financial statements.

EXTRACT OF THE AUDITORS' REPORT

The following is an extract of the independent auditors' report on the Group's annual financial statements for the year ended 31 December 2019:

QUALIFIED OPINION

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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 QUALIFIED OPINION

As disclosed in Note 5 to the consolidated financial statements, the revenue of the Group includes commission and service income from provision of Blockchain technology related business in relation to cryptocurrencies trading platform of approximately HK\$73,000 and HK\$6,123,000 for the years ended 31 December 2019 and 2018 respectively. We were unable to obtain sufficient appropriate audit evidence regarding the validity and occurrence of the commission and service income because we were unable to carry out effective confirmation procedures in relation to the above revenue for the purpose of our audit and there was inadequate documentary evidence available for us to satisfy ourselves about the occurrence of the transactions which gave rise to these commission and service income. There was no satisfactory alternative audit procedures that we could perform to satisfy ourselves as to whether the above sales revenue and related elements in the consolidated financial statements were free from material misstatement and whether the activities of the Group from provision of Blockchain technology related business in relation to cryptocurrencies trading platform had given rise to actual or contingent liabilities which have not been recorded or recognised by the Group in the consolidated financial statements. Any adjustments that might have been found necessary may have a significant effect on the Group's net assets at 31 December 2019 and 2018 and its financial performance and cash flows for the years then ended and the related disclosures thereof in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' 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 qualified opinion.

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

Reference is made to the announcement of the Company dated 31 March 2020 in relation to the unaudited annual results of the Group for the year ended 31 December 2019 (the “Unaudited Annual Results Announcement”). Since the financial information contained in the Unaudited Annual Results Announcement was neither audited nor agreed with the Company’s auditors, HLB Hodgson Impey Cheng Limited, as at the date of its publication, and subsequent adjustments have been made to such information, shareholders and potential investors of the Company are advised to pay attention to certain material differences between the financial information of the unaudited and audited annual results of the Group. Set forth below are principal details and reasons for the material differences in such financial information.

Items for the year ended 31 December 2019	Disclosure in the Audited Annual Results Announcement HK\$’000	Disclosure in the Unaudited Annual Results Announcement HK\$’000	Difference HK\$’000	Notes
Consolidated Statement of Profit or Loss and Other Comprehensive Income				
Other gains and losses	(63)	342	(405)	1
Impairment loss on cryptocurrencies	(23,480)	(23,279)	(201)	2
Net allowance for expected credit losses on financial assets at amortised cost	(5,580)	(5,549)	(31)	3
Administrative and other operating expenses	(49,612)	(50,054)	442	1
Loss for the year from discontinued operation, net of income tax	(10,957)	(9,213)	(1,744)	3, 4
Consolidated Statement of Financial Position				
<i>Non-current assets</i>				
Cryptocurrencies	6,336	6,537	(201)	2
<i>Current assets</i>				
Other receivables, deposits and prepayments	1,108	1,102	6	3
Assets classified as held-for-sale	13,363	13,633	(270)	3
<i>Non-current liabilities</i>				
Liabilities associate with disposal group classified as held-for-sale	8,963	7,517	1,446	4

Notes:

1. The differences were caused by the offset on gains/losses on disposal of property, plant and equipment included in other gains and losses and administrative and other operating expenses.
2. The differences in cryptocurrencies and impairment loss of cryptocurrencies were arising from the additional provision of impairment loss of cryptocurrencies based on more prudent judgments.
3. The differences in other receivables, deposits and prepayments and assets classified as held-for-sale were attributed to the additional allowance for expected credit losses on financial assets at amortised cost based on more prudent judgements.
4. The differences in loss for the year from discontinued operation, net of income tax and liabilities associate with disposal group classified as held-for-sale were attributed to the adjustment on the revenue and the deposits received of the discontinued operation, based on the actual usage hours of air-conditioners.

Save as disclosed in this announcement and the corresponding adjustments related to above differences, there are no material changes to the information contained in the Unaudited Annual Results Announcement.

BUSINESS AND FINANCIAL OVERVIEW

Trading Business

The Group's trading business is mainly engaged in trading of electronic products in the PRC. During the year ended 31 December 2019, the Group recorded approximately HK\$165,555,000 (31 December 2018: approximately HK\$163,951,000) of revenue from the trading business, representing a slight increase of 1.0% compared to the last corresponding period.

Profit of this segment increased by 66.6% from approximately HK\$2,577,000 for the year ended 31 December 2018 to approximately HK\$4,293,000 for the year ended 31 December 2019 in line with the increase in trading volume. A prudent manner will be continually adapted to manage the credit risk posed by the economic uncertainties raised from the novel coronavirus pneumonia ("COVID-19") outbreak.

To maintain the sustainability of the Group, the trading business coverage is expanded to include the trading of cryptocurrencies mining hardware for Bitcoin, through the acquisition of 85.7% equity interest of High Sharp Electronic Limited ("High Sharp") and 90.0% equity interest of Shanghai High Sharp Tech Limited ("Shanghai High Sharp") in the first season of 2020. High Sharp is principally engaged in the provision of general trading. Shanghai High Sharp is principally engaged in the research and development of ASIC-based chips which are critical components of the cryptocurrencies mining hardware products. Details of the acquisition are set out in the Company's announcement dated on 24 April 2020.

Money Lending Business

The Group recorded loans interest income of approximately HK\$1,500,000 from the money lending business for the year ended 31 December 2019, representing a decline of 52.2% compared to the last corresponding period of approximately HK\$3,136,000. The decrease of loan interest income was caused by the shrink of loan portfolio size.

The segment profit of the money lending business significantly decreased from a profit of approximately HK\$2,409,000 for the year ended 31 December 2018 to a loss of approximately HK\$6,026,000 for the year ended 31 December 2019 attributing to the increase on the allowance for expected credit losses on the loan receivable amounting approximately HK\$6,419,000 (31 December 2018: net reversal of allowance for expected credit losses of approximately HK\$495,000) during the year.

There was no default event happened in respect of the Group's loan portfolio during the year under review. However, the default risk is expected to increase due to the material uncertainties of the global economic environment affected by the recent outbreak of COVID-19, which may have an adverse effect on the value of the loan collateral. A prudent attitude to better the default risk management of the money lending business will be adopted by closely monitoring and evaluating the value of the loan collateral.

Securities Trading Business

The revenue from securities trading business mainly comprised of the brokerage and commission income. The Group recorded approximately HK\$1,814,000 of revenue from securities trading business for the year ended 31 December 2019, representing a decrease of 37.4% compared to the last corresponding period of approximately HK\$2,896,000 in line with the reduction in the total turnover. As a result of the adverse Hong Kong stock market performance, the total turnover decreased to approximately HK\$678 million for the year ended 31 December 2019 (31 December 2018: approximately HK\$1,111 million). The Hong Kong stock market is expected to continue to be dragged down by the outbreak of COVID-19, which will continue to weaken the securities trading business in the coming year.

Loss of this segment increased by 98.2% from approximately HK\$4,277,000 for the year ended 31 December 2018 to approximately HK\$8,477,000 for the year ended 31 December 2019 as a result of the underperformance of the business leading to an increase in the impairment loss of the goodwill amounting approximately HK\$6,617,000 (31 December 2018: approximately HK\$2,365,000).

Blockchain Technology Related Business

The blockchain technology related business is mainly engaged in (i) mainstream cryptocurrencies trading, (ii) non-mainstream cryptocurrencies trading and (iii) enterprise solution for blockchain technology. During the year ended 31 December 2019, the Group recorded approximately HK\$215,000 (31 December 2018: approximately HK\$7,465,000) of revenue from the business. The significant decrease was caused by the slowdown of the cryptocurrencies market.

The segment loss of approximately HK\$18,967,000 (31 December 2018: approximately HK\$22,027,000) is caused by the substantial investment in the research and development cost of the enterprise solution for blockchain technology and the decrease on trading volume in both mainstream and non-mainstream cryptocurrencies trading as a result of the decline of the crypto economy.

On 21 June 2019, the Group ceased the business related to the provision of non-mainstream cryptocurrencies trading platform. Details of cessation of the operation are set out in the Company's announcement dated 21 June 2019. Further to the cessation of the operation, the Group disposed of this business to an independent third party at a consideration of HK\$1,400,000 on 1 April 2020. The disposal was completed on the same date. Details of the disposal are set out in the Company's announcement dated 24 April 2020.

Given the underperformance of the business, the Directors are of the opinion that it's cost-intensive to continue the operation. A further substantial capital contribution might be required in the development cost of the blockchain technology as the industry is still in its initial stage. On 15 May 2020, the board of Directors approved to discontinue the entire operation of blockchain technology related business.

Discontinued Operation

On 30 December 2019, the Group entered into a sale and purchase agreement to dispose of the entire segment of the rental of energy-saving air-conditioners to an independent third party of a consideration of RMB2,800,000 (equivalent to approximately HK\$3,119,000). The Directors are of the opinion that this segment has been loss-making and further financial contribution might be required to anticipate the operation. Details of the disposal are set out in the Company's announcement dated 30 December 2019. The disposal was completed on 23 April 2020.

During the year under review, the Group recorded approximately HK\$1,606,000 of revenue from the business representing a decrease of 52.5% compared to the last corresponding period of approximately HK\$3,379,000. The fall in air-conditioner usage hours was caused by the economic slowdown of the mainland China, which led to the closedown of many of the Group's major customers, small and medium-sized enterprises. Segment loss decreased by 46.6% from approximately HK\$20,510,000 for the year ended 31 December 2018 to approximately HK\$10,957,000 for the year ended 31 December 2019. The decrease was attributed to the implementation of the cost-cutting on staff costs and other operating expenses.

PROSPECTS

The global economy in early 2020 has been adversely affected by concerns over the COVID-19 outbreak, which may bring an impact on consumer confidence. The worldwide stock index drops significantly in 2020 due to the drop in crude oil prices and the market panic of the outbreak of the COVID-19. The crisis may have a material influence on our financial results and development plan for the coming year. The management foresees that there are full of challenges in 2020.

The Group will continue to review its existing business from time to time and is committed to improving the business operations and financial position of the Group, actively identify potential business and investment opportunities to expand its source of income.

The Company has appointed an international consultancy firm as the Company's financial advisor to assist the Company in formulating a resumption proposal in order to demonstrate that the Company maintains a sufficient level of operations or assets as required under Rule 17.26 of the GEM Listing Rule. The Company will make further announcements in due course to inform the shareholders and the public of the Company of the latest status of the Company's resumption of trading.

FINANCIAL OVERVIEW

Results

Revenue

For the year ended 31 December 2019, the Group recorded a revenue of approximately HK\$169,084,000 (2018: approximately HK\$177,448,000), representing a decrease of 4.7% compared with last fiscal year. The decrease was mainly attributed to the unfavourable economic environment in Hong Kong as a result of the social incident in the second half of the year 2019, leading to a downtrend on the revenue from money lending business and securities trading business. In addition to the economic uncertainties, the Group is also suffered from the decline of crypto-economy causing a significant decrease in the revenue from blockchain technology related business.

Other Gains and Losses

The other gains and losses was increased by 12.5% from a net loss of approximately HK\$56,000 for the year ended 31 December 2018 to a net loss of approximately HK\$63,000 for the year ended 31 December 2019. The increase was mainly attributed to the gain on lease termination.

Selling and Distribution Expenses

The selling and distribution expenses of the Group was approximately HK\$291,000 for the year ended 31 December 2019 (2018: approximately HK\$1,193,000), presenting a decrease of 75.6% compared to the last fiscal year. The decrease has caused by the reduced headcounts of marketing talents of blockchain technology related business.

Administrative and Other Operating Expenses

The administrative and other operating expenses for the year ended 31 December 2019 amounted to approximately HK\$49,612,000 (2018: approximately HK\$77,720,000), representing a decrease of 36.2% compared to the last fiscal year. The decrease was mainly attributed to (i) the strict cost-cutting measures in research and development of blockchain technology related business and (ii) the equity-settled share-based payments, which was not incurred in the current year.

Finance Costs

The finance costs are the interest expenses of lease liabilities from the adoption of HKFRS 16 effective from 1 January 2019. The Group recorded approximately HK\$113,000 (2018: HK\$Nil) of finance costs for the year ended 31 December 2019.

Cryptocurrencies

As a result of the downturn of cryptocurrencies market, the Group's investment in cryptocurrencies (which is classified as "cryptocurrencies" in the consolidated statement of financial position) mainly comprised of approximately 2,000 units of ETH and approximately 111.92 million units of XPA as at 31 December 2019 suffered from a price sink in the period, leading to an impairment loss of cryptocurrencies approximately HK\$23,480,000 (31 December 2018: approximately HK\$54,545,000).

Loss for the Year

The loss for the year decreased by 43.9% from approximately HK\$154,617,000 for the year ended 31 December 2018 to approximately HK\$86,781,000 for the year ended 31 December 2019. The improvement was mainly attributed to (i) the cost-cutting measures in the operation related to blockchain technology related business leading to a substantial decrease on administrative and other operating expenses, and selling and distribution expenses; (ii) lower of impairment loss on cryptocurrencies; (iii) no loss arising from the disposal of subsidiaries during the current year; and (iv) no equity-settled share-based payment was incurred during the year.

Liquidity and Financial Resources

As at 31 December 2019, the Group had total assets of approximately HK\$148,044,000 (2018: approximately HK\$225,265,000), including net cash and cash equivalents of approximately HK\$19,045,000 (2018: approximately HK\$48,982,000).

As at 31 December 2019, current ratio (defined as total current assets divided by total current liabilities) was 5.00 (2018: 8.26). As at 31 December 2019, the Group had approximately HK\$1,200,000 of amount due to a related party which were unsecured, interest-free and repayable on demand (2018: approximately HK\$296,000).

During the year under review, the Group financed its operations with fund raising.

Capital Structure

As at 31 December 2019, the Group had shareholder's capital of approximately HK\$41,455,000 (31 December 2018: approximately HK\$41,455,000). The shareholder's capital of the Company is constituted of 1,036,379,025 shares (31 December 2018: 1,036,379,025 shares).

Treasury Policies

The Group adopts a conservative approach towards its treasury policies. It strives to reduce its exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Charges on Group Assets

As at 31 December 2019 and 2018, none of the assets of the Group has been pledged to secure any loan granted to the Group.

Foreign Exchange Exposure

The Group's income and expenditure during the year ended 31 December 2019 were denominated in Hong Kong dollars ("HKD"), Renminbi ("RMB"), Taiwan dollars and US dollars, and most of the assets and liabilities as at 31 December 2019 were denominated either in HKD or RMB. The Group did not experience any material impact or difficulties in liquidity on its operations resulting from the fluctuation in exchange rates, and no hedging transaction or forward contract arrangement was made by the Group during the year under review.

UPDATE ON THE LISTING STATUS

On 28 June 2019, the GEM Listing Committee of the Stock Exchange (the "GEM Listing Committee") conducted a review hearing, upon the application of the Company, to review the decision of the Listing Department set out in the letter. Please refer to the Company's announcement dated 22 March 2019 for details of the Decision.

On 8 July 2019, the Company received a letter from the GEM Listing Committee setting out its ruling (the "Committee Ruling") to uphold the Decision to suspend trading in the Company's shares under Rule 9.04 of the GEM Listing Rules and proceed with cancellation of the Company's listing under Rule 9.14 of the GEM Listing Rules. Under Rule 4.06(2) of the GEM Listing Rules, the Company has the right to have the Committee ruling referred to the GEM Listing (Review) Committee for a review. The Company has submitted a written request to the GEM Listing (Review) Committee on 15 July 2019 for a review of the Committee Ruling. On 18 July 2019, the Company received a letter from the Review Hearing of the GEM Listing (Review) Committee (the "Review Hearing"). The Review Hearing was conducted on 8 October 2019.

As disclosed in the Company's announcement dated 28 October 2019, on 24 October 2019, the Company received a letter from the GEM Listing (Review) Committee that they had decided to uphold the Committee Ruling to suspend trading in the Company's shares under Rule 9.04 of the GEM Listing Rules and proceed with cancellation of the Company's Listing under Rule 9.14 of the GEM Listing Rules. Trading in the shares of the Company has been suspended with effect from 9:00 a.m. on 25 October 2019.

On 24 March 2020, the Company received a letter from the Stock Exchange (the “Additional Resumption Guidance”), in which the Stock Exchange sets out the Additional Resumption Guidance for the Company that the Company requires to publish all outstanding financial results and address any audit modifications. The Stock Exchange has further indicated that it may modify the resumption conditions/guidance that have been given and/or give further guidance if the Company’s situation changes.

MAJOR EVENTS DURING THE YEAR UNDER REVIEW

Termination of Continuing Connected Transactions

On 21 June 2019, Tide Global Exchange Technology Limited (an indirectly non-wholly owned subsidiary of the Company) entered into a termination agreement with Tide Digital Financial Holdings Limited to terminate the license agreement for the provision of framework and source code of the cryptocurrencies trading platform. Details of the termination are set out in the Company’s announcement dated 21 June 2019.

Extension of Loan Repayment Date

On 6 September 2019, United Property Finance Limited (the “Lender”), an indirectly wholly owned subsidiary of the Company, entered into the Fourth Extension Agreement with Infinity Wealth International Limited (the “Borrower”), an independent third party, whereby, among other matters, (i) the Lender agreed to extend the Third Extended Maturity Date to 8 September 2020, bearing same interest rate of 15% per annum and (ii) the parties agreed that the Borrower would pay the principal amount of the Loan and the interest accrued on the loan from the date of the Second Extended Maturity Date (i.e. 8 March 2019) to the date of the Fourth Maturity Date to the Lender on the Fourth Extended Maturity Date (i.e. 8 September 2020).

Disposal of Rental of Energy-Saving Air-conditioners Business

On 30 December 2019, the Group disposed 51% of the paid up equity interest in Shenzhen Shun Tian Yun Environmental Technology Limited, which is principally engaged in the rental of energy-saving air-conditioners business, to an independent third party at a consideration of RMB2,800,000 (equivalent to approximately HK\$3,119,000). The Directors noted that the rental of air-conditioners business segment, had been loss-making and was in a net deficit position. The Directors anticipated that the continued operation of such business might require the Group to make further financial contribution. As such, the Directors do not intend to continue to operate such business segment and would like to dispose of the entire business. Details of the disposal are set out in the Company’s announcement dated 30 December 2019. The disposal was completed on 23 April 2020.

PRINCIPAL RISKS

The Group's financial position, business prospect may be affected by a number of risks including operation risks, market risk, financial risk and compliance risk. The Group's trading business and money lending business are subject to credit risks. The Group's blockchain technology related business are subject to operation risks, compliance risks and financial risks.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019, the Group had 47 (2018: 192) full-time employees in Hong Kong and the PRC. Total staff costs (including directors's remuneration but excluding share-based compensation) were approximately HK\$29,607,000 for the year ended 31 December 2019 (2018: approximately HK\$34,337,000). Remuneration is determined with reference to market terms, employment conditions, responsibilities and the performance, qualification and experience of individual employee. Other benefits include Corporate Liabilities Insurance for the Directors and Officers, contributions to the statutory mandatory provident fund scheme for its employees in Hong Kong and social insurance for its employees in the PRC, and are paid at appropriate levels.

USE OF PROCEEDS

The gross proceeds raised from subscription of new shares (the "Subscription of New Shares") and rights issue (the "Rights Issue") were approximately HK\$37,885,000 and HK\$103,638,000, respectively. The intended use of net proceeds from the Subscription of New Shares and Rights Issue, utilisation, remaining balance of the proceeds as at 31 December 2019 and the revised allocation before and after adjustment are summarised below:

(a) Subscription of New Shares

On 4 January 2017, the Company entered into the subscription agreements pursuant to which the Company has conditionally agreed to allot and issue, and the subscribers have agreed to subscribe for a total of 115,153,225 shares at HK\$0.329 per subscription price, representing approximately 20.0% of the issued share capital of the Company. The net proceeds from the subscription of shares received by the Company was approximately HK\$37,750,000.

The below table sets out intended use of net proceeds, utilisation and the remaining balance of the net proceeds as at 31 December 2019:

	Intended use of net proceeds	Utilisation	Remaining balance as at 31 December 2019
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Repayment of short-term loan	21.00	(21.00)	–
Expansion of securities trading business	8.00	(8.00)	–
General working capital	8.75	(8.75)	–
	<hr/>	<hr/>	<hr/>
Total	37.75	(37.75)	–
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(b) Rights Issue

On 29 March 2017, the Company entered into an underwriting agreement with an underwriter by issuing 345,459,675 rights shares on the basis of one rights share for every two shares on the record date (13 April 2017) at the subscription price of HK\$0.3 per right shares, representing approximately 50.0% of the then issued shares capital of the Company. The net proceeds raised from the rights issues received by the Company was approximately HK\$99,690,000.

As disclosed in the Company's announcement dated on 18 January 2018, the Board has resolved to re-allocate approximately HK\$50.00 million of the unreleased net proceeds (comprising approximately HK\$35.00 million out of the development of securities trading business and approximately HK\$15.00 million out of the development of money lending business) to the Group's investment business sector a view to enhancing the value of the Group as a whole.

And as disclosed in the Company's announcement dated 13 August 2019, the Board resolved to re-allocate approximately HK\$8.88 million of the unutilised net proceeds from investment business sector to general working capital after careful consideration of the global economic environment and detailed evaluation of the Group's operation.

The below table sets out intended use of net proceeds, utilisation and the remaining balance of the net proceeds as at 31 December 2019:

	Intended use of net proceeds	Reallocations	Utilisation after reallocations up to 31 December 2019	Remaining balance as at 31 December 2019
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Development of securities trading business	50.00	(35.00)	(15.00)	–
Development of money lending business	25.00	(15.00)	(10.00)	–
Operations of carbon emission trading platform	3.00	–	(3.00)	–
Investment business sector	–	41.12	(41.12)	–
General working capital	21.69	8.88	(30.57)	–
Total	99.69	–	(99.69)	–

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

EVENTS AFTER THE REPORTING PERIOD

Acquisition of High Sharp Electronic Limited (“High Sharp”) and Shanghai High Sharp Tech Limited (“Shanghai High Sharp”)

The Group expanded its trading business coverage to include the trading of cryptocurrencies mining hardware for Bitcoin through the acquisition of 85.7% equity interest of High Sharp, a company incorporated in Hong Kong with limited liability, at a consideration of HK\$600,000 and 90.0% equity interest of Shanghai High Sharp, a company incorporated in the PRC with limited liability, at a consideration of RMB585,000 (equivalent to approximately HK\$648,000). High Sharp is principally engaged in the provision of general trading and Shanghai High Sharp is principally engaged in the research and development of ASIC-based chips which are critical components of the cryptocurrencies mining hardware products.

After the acquisition, High Sharp and Shanghai High Sharp become indirect 85.7%-owned and 90.0%-owned subsidiaries of the Group, respectively. The acquisition of High Sharp was completed on 18 March 2020. The acquisition of Shanghai High Sharp has not yet completed at the date of this announcement.

Financial Assistance from a Substantial Shareholder

On 18 March 2020, High Sharp entered into a loan agreement with Cloud Digit Investment LP, an indirect wholly-owned subsidiary of the Group's substantial shareholder, Yuxing InfoTech Investment Holdings Limited, in the amount of HK\$60,000,000 with a term of 18 months. The loan bears an interest at rate of 5.0% per annum and was received on 3 April 2020.

Disposal of Cryptocurrencies

China Glory International Holdings Limited, an indirect wholly-owned subsidiary of the Company has disposed of an aggregate of 13.458 units of Bitcoin and 1,446 units of Ethereum on the open market for an aggregate consideration of approximately HK\$3,495,000 (before deducting related expenses) at an average price of approximately HK\$69,500 per Bitcoin and approximately HK\$1,770 per Ethereum on 5 March 2020.

Disposal of Non-mainstream Cryptocurrency Trading Business and Acquisition of Cryptocurrencies

On 1 April 2020, the Group entered into a sale and purchase agreement (the "SP Agreement") with an independent third party for the disposal of its entire interests in Even Reward Limited and its subsidiary, Tide Global Exchange Technology Limited (the "Disposal Group") at a consideration of HK\$1,400,000 which was settled by transferring 28.35 units Bitcoin to the Group (the "Disposal and Acquisition"). The Disposal Group was principally engaged in operating of non-mainstream cryptocurrency trading business. As at 10:00 a.m. on 1 April 2020, being the date of the SP Agreement, the market value of such Bitcoin amounted to approximately HK\$1,406,000. The Disposal and Acquisition was completed on the same date.

Discontinued Operation of Blockchain Technology Related Business

Given the unsatisfactory financial performance of blockchain technology related business, the Directors is of the opinion that it's cost-intensive to continue the operation. The business has contributed to a substantial segment loss since its commencement and no revenue was able to generate from the business since the second quarter of 2019. A further substantial capital contribution might be required in the development cost of the blockchain technology as the industry is still in its initial stage. On 15 May 2020, the board of Directors of the Company approved to discontinue the entire blockchain technology related business including the existing sub-segments of mainstream cryptocurrencies trading and enterprise solution for blockchain technology.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATION

As at 31 December 2019, interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were 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 pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long Positions in the Ordinary Shares and Underlying Shares of the Company

Interests in the Company

Name of Directors	Personal Interest	Family Interest	Corporate Interest	Ordinary Interest in Shares	Total Interest in Underlying Shares –		% of the Company's issued voting shares
					Share options	Aggregate Interests	
Mr. Chen Ping (<i>Note 1</i>)	10,356,000	–	–	–	10,356,000	10,356,000	1.00%
Ms. Ma Jian Ying (<i>Note 2</i>)	10,356,000	–	–	–	10,356,000	10,356,000	1.00%
Mr. Tsang Chun Kit Terence	10,356,000	–	–	–	10,356,000	10,356,000	1.00%
Mr. Shi Guang Rong	1,032,000	–	–	–	1,032,000	1,032,000	0.10%

Notes:

1. Mr. Chen Ping resigned as the chairman and executive Director of the Board on 16 March 2020.
2. Ms. Ma Jian Ying resigned as the co-chief executive officer and executive Director of the Board on 23 April 2020.

Save as disclosed herein, neither the Directors nor any of their associates had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations as at 31 December 2019 as defined in Section 352 of the SFO. In addition, at no time during the year had the Directors and chief executives of the Company (including their spouses and children under 18 years of age) any interest in, or been granted, or exercised any rights to subscribe for shares (or warrants or debentures, if applicable) of the Company and its associated corporations (within the meaning of the SFO).

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

SHARE OPTION SCHEME

The Company has conditionally adopted the share option scheme (“Share Option Scheme”), which was approved by the shareholders of the Company at the annual general meeting held on 9 May 2012. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

The purpose of Share Option Scheme is to provide incentives or rewards to the Participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes shall not in aggregate exceed 10% of the total number of shares in issue from time to time under the Company obtains a fresh approval from the shareholders pursuant to the conditions set out in the Share Option Scheme. The 10% limit of the Share Option Scheme has been refreshed on 13 May 2015 and 3 May 2016.

The Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption, after which period no further options will be granted or offered.

The subscription price in respect of each Share issued pursuant to the exercise of options granted shall be a price solely determined by the Board and notified to a Participant and shall be at least the highest of:

- (a) the closing price of Shares as stated in the Stock Exchange’s daily quotation sheet on the date of grant, which must be a business day;
- (b) the average closing price of the Shares as stated in the Stock Exchange’s daily quotation sheet for the five business days immediately preceding the date of grant; and
- (c) the nominal value of a Share on the offer date.

The share options are exercisable at any time during period of not more than ten years from the date of grant, subject to the terms and conditions of the Share Option Scheme, or any conditions stipulated by the Board of Directors. An offer shall be deemed to be granted and to have taken effect when the Offer Letter comprising acceptance of the Option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company before or on the Last Acceptance Date.

As at 31 December 2019, the Company has 50,649,500 options outstanding which represented approximately 4.89% of the total number of issued shares of the Company as at that date.

The following table discloses movements in the Company's share options during the year ended 31 December 2019:

Category of participants	Date of share options granted	Vesting period	Outstanding at beginning of the period	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at end of the period	Adjusted exercise price HK\$	Exercise period
Directors									
Mr. Chen Ping (Note 1)	11 January 2018	Vested upon granted	10,356,000	-	-	-	10,356,000	0.370	11 January 2018 – 9 May 2022
Ms. Ma Jian Ying (Note 2)	11 January 2018	Vested upon granted	10,356,000	-	-	-	10,356,000	0.370	11 January 2018 – 9 May 2022
Mr. Tsang Chun Kit Terence	11 January 2018	Vested upon granted	10,356,000	-	-	-	10,356,000	0.370	11 January 2018 – 9 May 2022
Mr. Shi Guang Rong	11 January 2018	Vested upon granted	1,032,000	-	-	-	1,032,000	0.370	11 January 2018 – 9 May 2022
Employee	18 January 2016	Vested upon granted	6,129,500	-	-	-	6,129,500	0.488 (Note 3)	18 January 2016 – 9 May 2022
Advisers	11 January 2018	Vested upon granted	19,668,000	-	-	(7,248,000)	12,420,000	0.370	11 January 2018 – 9 May 2022
			<u>57,897,500</u>	<u>-</u>	<u>-</u>	<u>(7,248,000)</u>	<u>50,649,500</u>		

Notes:

1. Mr. Chen Ping resigned as the chairman and executive Director of the Board on 16 March 2020.
2. Ms. Ma Jian Ying resigned as the co-chief executive officer and executive Director of the Board on 23 April 2020.
3. Adjustments were made to the exercise price and the number of shares of the Company comprised in the outstanding share options which may be allotted and issued upon exercise as a result of the right issues completed on 12 May 2017. Details of the adjustments to the outstanding share options, please refer to the announcement of the Company dated 11 May 2017.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2019, the interests or short positions of person in the shares and underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights

to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Positions in the Ordinary Shares and Underlying Shares of the Company

Name of Shareholders	Number of shares Interested	Capacity in which shares are held	Percentage of issued share capital
Mr. Sun Li Jun	129,547,378	Beneficial owner	12.50%
Mr. Zhu Wei Sha	93,475,000	Beneficial owner	9.02%
Yuxing InfoTech Investment Holdings Limited (<i>Note 1</i>)	80,880,000	Interest in controlled corporation	7.80%
Yuxing Group (International) Limited (<i>Note 1</i>)	80,800,000	Interest in controlled corporation	7.80%
Yuxing Technology Company Limited (<i>Note 1</i>)	80,800,000	Beneficial owner	7.80%

Note:

- 80,880,000 shares of the Company are held by Yuxing Technology Company Limited which is a wholly-owned subsidiary of Yuxing Group (International) Limited, which in turns is wholly owned by Yuxing InfoTech Investment Holdings Limited. By virtue of the provisions of Part XV of the SFO, each of Yuxing Group (International) Limited and Yuxing InfoTech Investment Holdings Limited was deemed to be interested in the shares of the Company in which Yuxing Technology Company Limited was interested.

Save as disclosed above, as at 31 December 2019, the Directors were not aware of any other person (other than the directors and chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. For the year ended 31 December 2019, the Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules and there has been no deviation from the code provisions set out in the CG Code for the year ended 31 December 2019.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. As at the date of this announcement, the Audit Committee has three members comprising Mr. Leung Wah, Ms. Wong Mei Ling and Mr. Hu Xiaoming, the three independent non-executive Directors.

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

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors and the substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any business or interest in companies that competes or may compete with the business of the Group or any other conflict of interests which any such person has or may have with the Group.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiries of all Directors, each Director has confirmed that he has fully complied with such code of conduct and the required standard of dealings regarding securities transactions throughout the year ended 31 December 2019. Other employees of the Group who are likely to be in possession of unpublished inside information of the Company are also subject to compliance with guidelines on no less than exacting terms than the required standard of dealings set out in 5.48 to 5.67 of the GEM Listing Rules. No incident of non-compliance of the Written Guidelines by the relevant employees was noted by the Company.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company has been suspended with effect from 9:00 a.m. on 25 October 2019 in accordance with Rule 9.04 of the GEM Listing Rules and will remain suspended until further notice.

Shareholders who have queries about the implication of the delisting of the shares of the Company are advised to seek appropriate professional advice.

On behalf of the Board
Global Token Limited
Guo Yong
Chairman and executive Director

Hong Kong, 28 May 2020

As at the date of this announcement, the board of Directors comprises Mr. Guo Yong, Mr. Tsang Chun Kit Terence, Mr. Wang An Zhong and Mr. Xu Wenbin as executive Directors, Mr. Shi Guang Rong as a non-executive Director and Mr. Leung Wah, Ms. Wong Mei Ling and Mr. Hu Xiaoming as independent non-executive Directors.