

**Delicate Care Limited**

德嘉康養有限公司

(Incorporated in Hong Kong with limited liability)

**Reports and Financial Statements**

**For the period from 10 October 2019 (date of incorporation)  
to 31 December 2019**

***Delicate Care Limited***  
***Reports and Financial Statements***  
***for the period from 10 October 2019 (date of incorporation) to 31 December 2019***

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**Delicate Care Limited**  
**For the period from 10 October 2019 (date of incorporation) to 31 December 2019**

**Directors' report**

The directors hereby present the report and audited financial statements for the period from 10 October 2019 (date of incorporation) to 31 December 2019.

**1. Principal activity**

Delicate Care Limited ("the Company") is a company incorporated in Hong Kong with limited liability. The Company's registered office is located at Flat A, 12/F., Kiu Fu Commercial Building, 300 Lockhart Road, Wan Chai, Hong Kong.

The Company has not commenced business yet.

**2. Results and appropriations**

The financial performance of the Company for the period from 10 October 2019 (date of incorporation) to 31 December 2019 and the state of the Company's affairs as at 31 December 2019 are set out in financial statements on pages 6 to 13.

The directors do not recommend the payment of any dividend in respect to the period from 10 October 2019 (date of incorporation) to 31 December 2019.

**3. Transfer of reserves**

Details of movements in reserves are set out in statement of changes in equity.

**4. Share capital**

Details of the movements in share capital of the Company during the period are set out in page 8 to the financial statements.

**5. Directors**

The directors who held office during the period and up to the date of this report were:-

|                 |   |
|-----------------|---|
| QI Heqing (戚和清) | (appointed on 10 October 2019)                                  |
| XIE Hao (謝皓)    | (appointed on 10 October 2019)                                  |
| XIE Weiqi (謝瑋琪) | (appointed on 24 October 2019)                                  |
| DU Ping         | (appointed on 10 October 2019, and resigned on 24 October 2019) |

In accordance with Articles 20 and 21 of the Company's Articles of Association, the directors retire from office at the next annual general meeting and are eligible for re-appointment.

## **Directors' report (cont'd)**

### **6. Directors' rights to acquire shares or debentures**

At no time during the period was the Company a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### **7. Directors' interest in contracts of significance**

No contract of significance to which the Company was a party, in which the directors of the Company had a material interest, subsisted at the end of the period or at any time during the period.

### **8. Permitted indemnity provision**

At no time during the period and up to the date of this report, there was or is, any permitted indemnity provision being in force of the benefit of any of the directors of the Company or its associated company.

### **9. Business review**

The Company falls within reporting exemption for the financial period. Accordingly, the Company is exempted from preparing a business review.

### **10. Management contracts**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the period.

### **11. Equity-linked agreements**

During the financial period, the Company entered into no equity-linked agreement.

At the end of the financial period, the Company subsisted of no equity-linked agreement.

### **12. Auditor**

The financial statements were audited by Credential. A resolution to re-appoint Credential as auditor of the Company will be proposed at the forthcoming annual general meeting.

For and on behalf of the board



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XIE Hao

Director

Hong Kong, 29 JUL 2020



**Independent auditor's report to the shareholder of  
Delicate Care Limited**  
(Incorporated in Hong Kong with limited liability)

***Opinion***

We have audited the financial statements of Delicate Care Limited ("the Company") set out on pages 6 to 13, which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity for the period from 10 October 2019 (date of incorporation) to 31 December 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and its financial performance for the period from 10 October 2019 (date of incorporation) to 31 December 2019 in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

***Basis for Opinion***

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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.

***Other information***

The directors are responsible for the other information. The other information comprises the information included in the directors' report and detailed statement of profit or loss, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Directors for the Financial Statements***

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

In preparing the financial statements, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the 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. The report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**CREDENTIAL** CPA  
(PRACTISING)  
百信會計師事務所

*Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

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.

*Credential*

Credential  
Certified Public Accountant (Practising)  
Hong Kong,

29 JUL 2020

**Delicate Care Limited**

**Statement of profit or loss and other comprehensive income**

**For the period from 10 October 2019 (date of incorporation) to 31 December 2019**

(Expressed in Hong Kong dollars)

|  | <u>Note</u> | <u>Period from<br/>10/10/2019 to<br/>31/12/2019</u><br>\$ |
|--|-------------|---|
| Revenue  | 3           | -   |
| Administrative expenses                          |             | <u>(11,364)</u>   |
| <b>Loss before tax</b>                           |             | <b>(11,364)</b>   |
| Income tax expense                               | 5           | <u>-</u>  |
| <b>Loss for the period</b>                       |             | <b>(11,364)</b>   |
| Other comprehensive income for the period        |             | <u>-</u>  |
| <b>Total comprehensive income for the period</b> |             | <b><u><u>(11,364)</u></u></b>                             |

The notes on pages 9 to 13 form part of these financial statements.



**Delicate Care Limited**

**Statement of financial position**

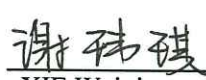
**As at 31 December 2019**

(Expressed in Hong Kong dollars)

|  | <u>Note</u> | <u>2019</u>           |
|--|-------------|-----------------------|
|  |             | \$                    |
| <b>Current asset</b>                           |             |                       |
| Amount due from immediate holding company      | 6           | 10,000                |
| <b>Current liability</b>                       |             |                       |
| Accruals                                       |             | <u>11,364</u>         |
| <b>Net current liability and net liability</b> |             | <u><u>(1,364)</u></u> |
| <b>Equity</b>                                  |             |                       |
| Share capital                                  | 7           | 10,000                |
| Accumulated losses                             |             | <u>(11,364)</u>       |
|  |             | <u><u>(1,364)</u></u> |

The financial statements on pages 6 to 13 were approved and authorised for issue by the Board of Director on **29 JUL 2020**.

  
\_\_\_\_\_  
XIE Hao  
Director

  
\_\_\_\_\_  
XIE Weiqi  
Director

The notes on pages 9 to 13 form part of these financial statements.

**Delicate Care Limited**

**Statement of changes in equity**

**For the period from 10 October 2019 (date of incorporation) to 31 December 2019**

(Expressed in Hong Kong dollars)

|   | <u>Share capital</u> | <u>Accumulated</u><br><u>losses</u> | <u>Total</u>          |
|---|----------------------|-------------------------------------|-----------------------|
|   | \$                   | \$                                  | \$                    |
| Issuance of subscribers' shares on<br>incorporation | 10,000               | -                                   | 10,000                |
| Total comprehensive income for the year             | <u>-</u>             | <u>(11,364)</u>                     | <u>(11,364)</u>       |
| <b>At 31 December 2019</b>                          | <b><u>10,000</u></b> | <b><u>(11,364)</u></b>              | <b><u>(1,364)</u></b> |

The notes on pages 9 to 13 form part of these financial statements.

**Delicate Care Limited**

**Notes to the financial statements**

**For the period from 10 October 2019 (date of incorporation) to 31 December 2019**

(Expressed in Hong Kong dollars unless otherwise indicated)

**Reporting entity**

Delicate Care Limited (“the Company”) is a company incorporated in Hong Kong with limited liability. The Company’s registered office is located at Flat A, 12/F., Kiu Fu Commercial Building, 300 Lockhart Road, Wan Chai, Hong Kong.

The Company has not commenced business yet.

**1. Significant accounting policies**

**(a) Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”). The measurement basis used in the preparation of the financial statements is the historical cost convention.

The Company incurred a net loss of \$11,364 for for the period from 10 October 2019 (date of incorporation) to 31 December 2019 and had net liabilities of \$1,364 as at that date. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company’s ability to continue as a going concern.

Notwithstanding the above, the member of the Company has confirmed that it will provide continuing financial support to the Company to enable it to meet its liabilities as and when they fall due. The directors believe that the Company will continue as a going concern. Consequently, the financial statements are prepared on a going concern basis and under the historical cost.

**(b) Translation of foreign currencies**

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

**(c) Revenue**

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Company is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

**Notes to the financial statements (cont'd)**  
**For the period from 10 October 2019 (date of incorporation) to 31 December 2019**

**1. Significant accounting policies (cont'd)**

(d) Income tax

Income tax expense comprises current and deferred tax.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

**Notes to the financial statements (cont'd)**  
**For the period from 10 October 2019 (date of incorporation) to 31 December 2019**

**1. Significant accounting policies (cont'd)**

(e) Trad and other receivables

A receivable is recognised when the Company has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognized before the Company has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

(f) Related parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
  - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) both entities are joint ventures of the same third entity.
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
  - (vi) the entity is controlled or jointly controlled by a person identified in (a).
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

**Notes to the financial statements (cont'd)**  
**For the period from 10 October 2019 (date of incorporation) to 31 December 2019**

**2. Significant accounting judgement and estimate**

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

**3. Revenue**

The Company has not commenced business yet and no revenue was recognised.

**4. Directors' remuneration**

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is as follows:

|                  | <b>Period from<br/>10/10/2019 to<br/>31/12/2019</b> |
|------------------|---|
|                  | <b>\$</b>   |
| Fees             | -   |
| Other emoluments | -   |
|                  | <u>-</u>  |

**5. Income tax expense**

No provision for Hong Kong profits tax has been made in the financial statements as the Company incurred tax loss for the period.

Unused tax losses available to be carried forward against future taxable profits amount to \$11,364.

**6. Amount due from immediate holding company**

The amount due is unsecured, interest-free and has no fixed terms of repayment.

**7. Share capital**

|                              | <b>2019</b>          |               |
|------------------------------|----------------------|---------------|
|                              | <b>No. of shares</b> | <b>\$</b>     |
| <b>Issued and fully paid</b> |                      |               |
| Ordinary shares              | <u>200,000,000</u>   | <u>10,000</u> |

Upon incorporation, the Company issued 200,000,000 founder members' shares for cash paid up totaling \$10,000 to provide for initial capital of the Company.

**Notes to the financial statements (cont'd)**  
**For the period from 10 October 2019 (date of incorporation) to 31 December 2019**

**8. Financial risk management**

(a) Credit risk

The Company is not subject to significant credit risk.

(b) Liquidity risk

The Company is not subject to significant liquidity risk

(c) Market risk

The Company is not subject to significant market risk, which includes interest rate risk and currency risk.

**9. Immediate parent and ultimate controlling party**

At 31 December 2019, the directors consider the immediate parent and ultimate controlling company to be DecaCare, business consulting, Ltd, incorporated in the Republic Slovenija.

**10. Standards issued but not yet effective**

A number of new standards are effective for annual periods beginning after 10 October 2019 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations may be relevant to the Company, but are not expected to have a significant impact on the Company's financial statements.

- *Amendments to References to Conceptual Framework in IFRS Standards.*
- *Definition of a Business (Amendments to IFRS 3).*
- *Definition of Material (Amendments to IAS 1 and IAS 8).*

Delicate Care Limited

**Detailed Statement of Profit or Loss****For the period from 10 October 2019 (date of incorporation) to 31 December 2019**

(Expressed in Hong Kong dollars)

|                                      | <b>Period from<br/>1/10/2019 to<br/>31/12/2019</b> |
|--------------------------------------|--|
|                                      | <b>\$</b>  |
| <b>Revenue</b>                       | -----<br>-   |
| <b>Less: Administrative expenses</b> |  |
| Accountancy fee                      | 1,705  |
| Auditor's remuneration               | 9,659  |
|                                      | <u>11,364</u>                                      |
| <b>Loss before tax</b>               | <u><u>(11,364)</u></u>                             |