

Delicate Care Limited
德嘉康養有限公司
(Incorporated in Hong Kong with limited liability)

Reports and Financial Statements
For the Year ended 31 December 2020

Delicate Care Limited
Reports and Financial Statements
for the year ended 31 December 2020

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Delicate Care Limited
For the year ended 31 December 2020

Directors' report

The directors hereby present the report and audited financial statements for the year ended 31 December 2020.

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 Room 517, New City Centre, 2 Lei Yue Mun Road, Kwun Tong, Kowloon, Hong Kong.

The principal activity of the Company is engaged in investment holding.

2. Results and appropriations

The financial performance of the Company for the year ended 31 December 2020 and the state of the Company's affairs as at that date are set out in financial statements on pages 6 to 17.

The directors do not recommend the payment of any dividend in respect to the year ended 31 December 2020 (2019: Nil).

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 year are set out in note 9 to the financial statements.

5. Directors

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

QI Heqing (戚和清)

XIE Hao (謝皓)

XIE Weiqi (謝瑋琪)

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.

6. Permitted indemnity provision

At no time during the year 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.

Directors' report (cont'd)

7. Directors' rights to acquire shares or debentures

At no time during the year was the Company, its holding company or its subsidiary 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.

8. Directors' interest in contracts of significance

No contract of significance in relation to the Company's business to which the Company, its holding company or its subsidiary was a party and in which the directors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

9. 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 year.

10. Business review

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

11. Equity-linked agreements

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

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

12. Other matters

In the opinion of the directors, there are no other matters, apart from those disclosed in this report, that are material for the shareholder's appreciation of the state of the Company's affairs for the year.

13. 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



XIE Hao
Director
Hong Kong, 21 October 2021



**Independent auditor's report to the member 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 17, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, 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 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively "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.

Emphasis of Matter

We draw attention to note 1 to the financial statements which discloses that the Company incurred net loss of HK\$15,980 for the year ended 31 December 2020, and had net liabilities of HK\$17,344 as at that date. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is 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 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 HKSA's 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 HKSA's, 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, 21 October 2021

Delicate Care Limited

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2020

(Expressed in Hong Kong dollars)

| | <u>Note</u> | <u>Year ended</u> <u>31/12/2020</u> | <u>Period from</u> <u>10/10/2019 to</u> <u>31/12/2019</u> |
|---|-------------|--|---|
| | | \$ | \$ |
| Revenue | 3 | - | - |
| Administrative expenses | | <u>(15,980)</u> | <u>(11,364)</u> |
| Loss before tax | | <u>(15,980)</u> | <u>(11,364)</u> |
| Income tax expense | 5 | <u>-</u> | <u>-</u> |
| Loss for the year/period | | <u>(15,980)</u> | <u>(11,364)</u> |
| Other comprehensive income for the year/period | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year/period | | <u><u>(15,980)</u></u> | <u><u>(11,364)</u></u> |

The notes on pages 10 to 17 form part of these financial statements.

Delicate Care Limited

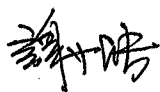
Statement of financial position

As at 31 December 2020

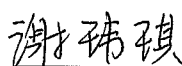
(Expressed in Hong Kong dollars)

| | Note | <u>2020</u> | <u>2019</u> |
|---------------------------------|------|-----------------|-----------------|
| | | \$ | \$ |
| Non-Current asset | | | |
| Investment in a subsidiary | 6 | - | - |
| Current asset | | | |
| Amount due from holding company | 7 | <u>10,000</u> | <u>10,000</u> |
| Current liabilities | | | |
| Accruals | | <u>15,730</u> | <u>11,364</u> |
| Amount due to a director | 8 | <u>11,614</u> | - |
| | | <u>27,344</u> | <u>11,364</u> |
| Net current liabilities | | <u>(17,344)</u> | <u>(1,364)</u> |
| Net liabilities | | <u>(17,344)</u> | <u>(1,364)</u> |
| Equity | | | |
| Share capital | 9 | <u>10,000</u> | <u>10,000</u> |
| Accumulated losses | | <u>(27,344)</u> | <u>(11,364)</u> |
| | | <u>(17,344)</u> | <u>(1,364)</u> |

The financial statements on pages 6 to 17 were approved and authorised for issue by the Board of Directors on 21 October 2021:



XIE Hao
Director



XIE Weiqi
Director

The notes on pages 10 to 17 form part of these financial statements.

Delicate Care Limited

Statement of changes in equity
For the year ended 31 December 2020
(Expressed in Hong Kong dollars)

| | <u>Share capital</u> | <u>Accumulated</u> <u>losses</u> | <u>Total</u> |
|---|----------------------|-------------------------------------|------------------------|
| | \$ | \$ | \$ |
| Issue of share capital | 10,000 | - | 10,000 |
| Total comprehensive income for the period | <u>-</u> | <u>(11,364)</u> | <u>(11,364)</u> |
| Balance as at 31 December 2019 | 10,000 | (11,364) | (1,364) |
| Total comprehensive income for the year | <u>-</u> | <u>(15,980)</u> | <u>(15,980)</u> |
| Balance as at 31 December 2020 | <u>10,000</u> | <u>(27,344)</u> | <u>(17,344)</u> |

The notes on pages 10 to 17 form part of these financial statements.

Delicate Care Limited

Statement of cash flows

For the year ended 31 December 2020

(Expressed in Hong Kong dollars)

| | Year ended 31/12/2020 | Period from 10/10/2019 to 31/12/2019 |
|--|----------------------------------|---|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Loss before tax | (15,980) | (11,364) |
| Changes in working capital | | |
| Increase in amount due from holding company | - | (10,000) |
| Increase in accruals | 4,366 | 11,364 |
| Increase in amount due to a director | 11,614 | - |
| Net cash used in operating activities | - | (10,000) |
| Cash flows from financing activities | | |
| Issued share capital | - | 10,000 |
| Net cash generated from financing activities | - | 10,000 |
| Net increase in cash and cash equivalents | - | - |
| Cash and cash equivalents at the beginning of the year/period | - | - |
| Cash and cash equivalents at the end of the year/period | - | - |

The notes on pages 10 to 17 form part of these financial statements.

Delicate Care Limited

Notes to the financial statements

For the year ended 31 December 2020

(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 Room 517, New City Centre, 2 Lei Yue Mun Road, Kwun Tong, Kowloon, Hong Kong.

The principal activity of the Company is engaged in investment holding.

1. Significant accounting policies

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and Interpretations (collectively “IFRSs”). The measurement basis used in the preparation of the financial statements is the historical cost convention.

For the purposes of compliance with sections 379 and 380 of the Hong Kong Companies Ordinance (Cap. 622), these financial statements have been prepared to present a true and fair view of the financial position and financial performance of the Company only. Consequently, they have been prepared in accordance with all applicable IFRSs and the requirements of the Hong Kong Companies Ordinance (Cap. 622) which apply to the preparation of separate financial statements.

As the company is a holding company that is a wholly owned subsidiary of another body corporate, it satisfies the exemption criteria set out in section 379(3)(a) of the Hong Kong Companies Ordinance (Cap. 622), and is therefore not required to prepare consolidated financial statements.

Given the above, these financial statements are not prepared for the purposes of compliance with the criteria set out in the IFRS 10, so far as the preparation of consolidated financial statements of a holding company is concerned. Consequently, the financial statements do not give all the information about the economic activities of the group of which the Company is the parent which would have been disclosed had the Company prepared consolidated financial statements.

The Company incurred a net loss of \$15,980 for the year ended 31 December 2020 and had net liabilities of \$17,344 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.

Notes to the financial statements (cont'd)
For the year ended 31 December 2020

1. Significant accounting policies (cont'd)

(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.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(e) 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.

Notes to the financial statements (cont'd)
For the year ended 31 December 2020

1. Significant accounting policies (cont'd)

(e) Income tax (cont'd)

(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.

(f) Investment in a subsidiary

Subsidiary is an entity controlled by the Company. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Company has power, only substantive rights (held by the Company and other parties) are considered.

When the Company loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

Investment in a subsidiary is accounted for in the Company's financial statements at cost less any impairment losses, unless the investment is classified as held for sale.

Notes to the financial statements (cont'd)
For the year ended 31 December 2020

1. Significant accounting policies (cont'd)

(g) Impairment of assets

At each reporting date, investments in a subsidiary is reviewed to determine whether there is any indication that this asset has suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If an estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(h) Trade 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.

(i) 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.

Notes to the financial statements (cont'd)
For the year ended 31 December 2020

1. Significant accounting policies (cont'd)

(i) Related parties (cont'd)

(b) An entity is related to a reporting entity if any of the following conditions applies: (cont'd)

(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.

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

No revenue was recognized during the year (2019: Nil).

4. Directors' remuneration

Particulars of directors' benefits and interests disclosed pursuant to section 383 of the Companies Ordinance and Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

(a) Directors' emoluments

| | Year ended 31/12/2020 | Period from 10/10/2019 to 31/12/2019 |
|------------------|----------------------------------|---|
| | \$ | \$ |
| Fees | - | - |
| Other emoluments | - | - |
| | <u>-</u> | <u>-</u> |

Notes to the financial statements (cont'd)
For the year ended 31 December 2020

4. Directors' remuneration (cont'd)

- (b) Consideration provided to or receivable by third parties for making available directors' services

No consideration was provided to or receivable by third parties during the year for making available the services of a person as a director of the Company, or in any other capacity while being a director.

- (c) Loans, quasi-loans and other dealings

No loans, quasi-loans and other dealings were made during the year in favour of directors, controlled bodies corporate and connected entities, except as disclosed in the financial statements.

- (d) Directors' material interests in transactions, arrangements or contracts

No directors' material interests in transactions, arrangements or contracts has been entered into by the Company during the year.

5. Income tax expense

No provision for Hong Kong Profits Tax is made as the Company did not generate any assessable profits for the year (2019: 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 (2019: \$11,364).

Deferred assets have not been recognised in respect of the tax losses of \$11,364 (2019: \$11,364) because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom. Tax losses for which no deferred asset was recognised to be carried forward.

6. Investment in a subsidiary

| | <u>2020</u> | <u>2019</u> |
|--------------------------|-------------|-------------|
| | \$ | \$ |
| Unlisted shares, at cost | - | - |

As at 31 December 2020, the Company had an interest in the following subsidiary:

| <u>Name of subsidiary</u> | <u>Place of incorporation and operation</u> | <u>Particulars of registered and paid up capital</u> | <u>Proportion of ownership interest</u> | <u>Principal activities</u> |
|---------------------------|---|--|---|------------------------------------|
| 揚州德嘉健康 養老有限公司 | People's Republic of China | US\$20,000,000; Paid up: Nil (Note 10) | 100% Direct (2019: Nil) | Provision of elderly service |

7. Amount due from holding company

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

Notes to the financial statements (cont'd)
For the year ended 31 December 2020

8. Amount due to a director

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

9. Share capital

| | <u>2020</u> | | <u>2019</u> | |
|------------------------------|--------------------|---------------|--------------------|---------------|
| | No. of shares | \$ | No. of shares | \$ |
| Issued and fully paid | | | | |
| Ordinary shares | <u>200,000,000</u> | <u>10,000</u> | <u>200,000,000</u> | <u>10,000</u> |

10. Capital commitments

Capital commitments outstanding at 31 December 2020 not provided for in the financial statements were as follows:

| | <u>2020</u> | <u>2019</u> |
|--|--------------------|-------------|
| | \$ | \$ |
| Capital injection to a subsidiary (note 6) | <u>155,164,000</u> | <u>-</u> |

The capital injection of US\$20,000,000 (equivalent to \$155,164,000) is required to be completed on or before 23 January 2040.

11. 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.

12. Immediate parent and ultimate controlling party

At 31 December 2020, the directors consider the immediate parent and ultimate controlling company to be DecaCare, business consulting, Ltd, incorporated in the Republic of Slovenija.

Notes to the financial statements (cont'd)
For the year ended 31 December 2020

13. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2020 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).*
- *Classification of liabilities (Amendments to IAS 1)*
- *Disclosure of accounting policies (Amendments to IAS 1).*
- *Definition of Material (Amendments to IAS 1 and IAS 8).*
- *Definition of estimates (Amendments to IAS 8)*

Delicate Care Limited

APPENDIX

Detailed Statement of Profit or Loss
For the year ended 31 December 2020
(Expressed in Hong Kong dollars)

| | Year ended 31/12/2020 | Period from 10/10/2019 to 31/12/2019 |
|--------------------------------------|----------------------------------|---|
| | \$ | \$ |
| Revenue | - | - |
| Less: Administrative expenses | | |
| Accountancy fee | 3,370 | 1,705 |
| Auditor's remuneration | 12,360 | 9,659 |
| Business registration fee | 250 | - |
| | <u>15,980</u> | <u>11,364</u> |
| Loss before tax | <u>(15,980)</u> | <u>(11,364)</u> |