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華邦金融控股有限公司
Huabang Financial Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 3638)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2017

The Board of Directors (the "Board") of Huabang Financial Holdings Limited (the "Company") presents the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2017 ("Current Year") together with the comparative audited figures of the corresponding year ended 31 March 2016 ("Last Corresponding Year").

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2017

		Year ended 31 March	
		2017	2016
	Note	***HK$'000***	*HK$'000*
Revenue	*3*	**836,542**	1,206,159
Cost of sales	*4*	**(802,321)**	(1,144,529)
Gross profit		**34,221**	61,630
Selling expenses	*4*	**(1,310)**	(1,873)
General and administrative expenses	*4*	**(30,457)**	(19,078)
Other losses	*5*	**(791)**	(1,129)
Operating profit		**1,663**	39,550
Gain on disposal of equity interest in an investment accounted for using equity method	*10*	**6,736**	–
Gain on deemed partial disposal of equity interest in an investment accounted for using equity method	*10*	**–**	1,382
Share of loss of an investment accounted for using equity method	*10*	**(842)**	(4,488)
Finance costs	*6*	**(1,245)**	(5,925)
Profit before income tax		**6,312**	30,519
Income tax expense	*7*	**(923)**	(7,071)
Profit for the year attributable to equity holders of the Company		**5,389**	23,448
Earnings per share attributable to equity holders of the Company			
Basic and diluted	*8*	**HK0.15 cent**	HK0.67 cent

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Comprehensive income		
Profit for the year	**5,389**	23,448
Other comprehensive income		
Item that may be subsequently reclassified to profit or loss		
Currency translation differences	**(230)**	(31)
Total comprehensive income for the year attributable to equity holders of the Company	**5,159**	23,417

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

		As at 31 March	
		2017	2016
	Note	***HK$'000***	*HK$'000*
ASSETS			
Non-current assets			
Intangible assets		**6,162**	–
Property, plant and equipment		**45,894**	49,059
Investment accounted for using equity method	*10*	**–**	17,055
Deposits and prepayments – non-current portion	*12*	**30,196**	196
Deferred tax assets		**2,413**	28
		84,665	66,338
Current assets			
Inventories		**494**	16,632
Loan receivables	*11*	**70,400**	–
Trade receivables	*12*	**88,477**	187,588
Deposits, prepayments and other receivables	*12*	**14,440**	729
Income tax recoverable		**3,364**	–
Cash and cash equivalents		**152,189**	205,655
		329,364	410,604
Total assets		**414,029**	476,942

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 March 2017

		As at 31 March	
		2017	2016
	Note	***HK$'000***	*HK$'000*
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	*13*	**3,214**	2,939
Other reserves		**315,428**	157,463
Retained earnings		**91,183**	105,077
Total equity		**409,825**	265,479
LIABILITIES			
Current liabilities			
Trade payables	*14*	**–**	42,881
Other payables and accrued expenses		**3,043**	4,160
Bank borrowings		**–**	162,498
Current income tax liabilities		**1,161**	1,924
		4,204	211,463
Total liabilities		**4,204**	211,463
Total equity and liabilities		**414,029**	476,942
Net current assets		**325,160**	199,141
Total assets less current liabilities		**409,825**	265,479

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2017

		Attributable to equity holders of the Company										
			Other reserves									
		Share capital	Share premium	Employee share-based compensation reserve	Merger reserve *Note (a)*	Capital reserve *Note (b)*	Statutory reserve *Note (c)*	Exchange reserve	Sub total	Retained earnings	Total
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 March 2016											
Balance at 1 April 2015		2,640	65,333	–	50,374	2,480	1,042	3,784	123,013	81,629	207,282
Comprehensive income											
Profit for the year		–	–	–	–	–	–	–	–	23,448	23,448
Other comprehensive income											
Currency translation differences		–	–	–	–	–	–	(31)	(31)	–	(31)
Total comprehensive income		–	–	–	–	–	–	(31)	(31)	23,448	23,417
Transaction with owners											
Issuance of shares by placing	*13*	299	35,557	–	–	–	–	–	35,557	–	35,856
Share issuance expenses		–	(1,076)	–	–	–	–	–	(1,076)	–	(1,076)
Balance at 31 March 2016		2,939	99,814	–	50,374	2,480	1,042	3,753	157,463	105,077	265,479
For the year ended 31 March 2017											
Balance at 1 April 2016		2,939	99,814	–	50,374	2,480	1,042	3,753	157,463	105,077	265,479
Comprehensive income											
Profit for the year		–	–	–	–	–	–	–	–	5,389	5,389
Other comprehensive income											
Currency translation differences		–	–	–	–	–	–	(230)	(230)	–	(230)
Total comprehensive income		–	–	–	–	–	–	(230)	(230)	5,389	5,159
Transaction with owners											
Interim dividend declared and paid	*9*	–	–	–	–	–	–	–	–	(19,283)	(19,283)
Issuance of shares by placing	*13*	275	151,525	–	–	–	–	–	151,525	–	151,800
Share issuance expenses		–	(7,590)	–	–	–	–	–	(7,590)	–	(7,590)
Employees share option scheme – value of employee services	*15*	–	–	14,260	–	–	–	–	14,260	–	14,260
Balance at 31 March 2017		**3,214**	**243,749**	**14,260**	**50,374**	**2,480**	**1,042**	**3,523**	**315,428**	**91,183**	**409,825**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 March 2017

Notes:

(a) Merger reserve

The Group's merger reserve represents the difference between the share capital of the Company and the aggregate amount of share capital of other companies comprising the Group, after elimination of intra-group investments.

(b) Capital reserve

The Group's capital reserve represents deemed contribution by the Controlling Shareholders as a shareholder acquired the remaining non-controlling interests of a subsidiary and contributed to the Group at no cost prior to 1 April 2011.

(c) Statutory reserve

The Company's subsidiary in the People's Republic of China (the "PRC") is required to transfer 10% of its profit after income tax calculated in accordance with the PRC accounting standards and regulations to the statutory reserve until the balance reaches 50% of its respective registered capital, where further transfers will be at their directors' discretion. The statutory reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to equity holders of the PRC subsidiary in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the statutory reserve after such issue is no less than 25% of share capital of the PRC subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 23 February 2011 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the principal place of business is 29th Floor, Enterprise Square Two, 3 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

The Company is an investment holding company. Prior to July 2016, the Company and its subsidiaries are principally engaged in computer and peripheral products business. In July 2016, the Group acquired a money lending license in Hong Kong through acquisition of a Hong Kong incorporated company. In addition, on 10 February 2017, the Group completed the acquisition of Qianhai Financial Limited and subsequently renamed it to Huabang Financial Limited ("Huabang Financial"). Huabang Financial is a company incorporated in Hong Kong and together with its subsidiary, are principally engaged in provision of corporate finance advisory services (Note 17). Upon completion of these acquisitions, the Group is principally engaged in (i) computer and peripheral products business, (ii) money lending business, and (iii) provision of corporate finance advisory services (the "Business").

The directors considered Mr. George Lu and Ms. Shen Wei, spouse of Mr. George Lu, to be the ultimate controlling shareholders.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Main Board").

Pursuant to a special resolution passed at an extraordinary general meeting held on 24 February 2017, the name of the Company was changed from Goldenmars Technology Holdings Limited to the present one.

These consolidated financial information are presented in Hong Kong dollars ("HK$"), unless otherwise stated.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of preparation

The consolidated financial information have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They have been prepared under the historical cost convention. The preparation of the consolidated financial information in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial information will be disclosed in the Group's annual report.

2. SUMMARY OF ACCOUNTING POLICIES *(CONTINUED)*

Basis of preparation *(Continued)*

(a) New standards, amendments and interpretations which are relevant to the Group's operations and are mandatory for the financial year beginning on or after 1 April 2016:

The following amendments to standards and annual improvements are mandatory for the first time for the financial year beginning 1 April 2016:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 28, "Investments entities applying the consolidation exception"
- Amendments to HKFRS 11, "Accounting for acquisitions of interests in joint operations"
- HKFRS 14, "Regulatory deferral accounts"
- Amendments to HKAS 1, "The disclosure initiative"
- Amendments to HKAS 16 and HKAS 38, "Clarification of acceptable methods of depreciation and amortization"
- Amendment to HKAS 27, "Equity method in separate financial statements"
- Annual improvements to HKFRSs – 2012-2014 cycle

The Group has adopted these standards but the adoption of these standards did not have a significant impact on the Group's results and financial position.

There are no other new standards or amendments to standards that are effective for the first time for the financial year beginning on or after 1 April 2016 that are expected to have a material impact on the Group.

2. SUMMARY OF ACCOUNTING POLICIES *(CONTINUED)*

Basis of preparation *(Continued)*

(b) New standards, amendments to standards and annual improvements that have been issued but not yet effective and have not been early adopted by the Group:

The following new standards, amendments and interpretations are relevant to the Group, but are not yet effective for accounting periods beginning on 1 April 2016 and have not been early adopted:

	Effective for annual periods beginning on or after
HKFRS 9, "Financial Instruments"	1 January 2018
HKFRS 15, "Revenue from Contracts with Customers"	1 January 2018
HKFRS 16, "Leases"	1 January 2019
Amendments to HKFRS 2, "Classification and measurement of Share-based Payment Transactions"	1 January 2018
Amendments to HKAS 12, "Income taxes"	1 January 2017
Amendments to HKAS 7, "Statement of cash flows"	1 January 2017

HKFRS 9 "Financial Instruments"

HKFRS 9 has three financial asset classification categories for investments in debt instruments: amortized cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. Classification is driven by the entity's business model for managing the debt instruments and their contractual cash flow characteristics. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in OCI, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities, there are two classification categories: amortized cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability's own credit risk are recognized in OCI, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognized in profit or loss. There is no subsequent recycling of the amounts in OCI to profit or loss. For financial liabilities held for trading (including derivative financial liabilities), all changes in fair value are presented in profit or loss.

2. SUMMARY OF ACCOUNTING POLICIES *(CONTINUED)*

Basis of preparation *(Continued)*

(b) New standards, amendments to standards and annual improvements that have been issued but not yet effective and have not been early adopted by the Group: *(Continued)*

HKFRS 9 "Financial Instruments" (Continued)

HKFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses "ECL" model, which constitutes a change from the incurred loss model in HKAS 39. HKFRS 9 contains a 'three stage' approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. The new rules mean that on initial recognition of a non-credit impaired financial asset carried at amortized cost a day-1 loss equal to the 12-month ECL is recognized in profit or loss. In the case of accounts receivables this day-1 loss will be equal to their lifetime ECL. Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL.

HKFRS 9 applies to all hedging relationships, with the exception of portfolio fair value hedges of interest rate risk. The new guidance better aligns hedge accounting with the risk management activities of an entity and provides relief from the more "rule-based" approach of HKAS39.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS15 "Revenue from Contracts with Customers"

HKFRS 15 establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize through a 5-step approach:

(1) Identify the contract(s) with customer;

(2) Identify separate performance obligations in a contract;

(3) Determine the transaction price;

(4) Allocate transaction price to performance obligations; and

(5) Recognize revenue when performance obligation is satisfied.

2. SUMMARY OF ACCOUNTING POLICIES *(CONTINUED)*

Basis of preparation *(Continued)*

(b) New standards, amendments to standards and annual improvements that have been issued but not yet effective and have not been early adopted by the Group: *(Continued)*

HKFRS15 "Revenue from Contracts with Customers" (Continued)

The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an 'earnings processes to an 'asset-liability' approach based on transfer of control.

HKFRS 15 provides specific guidance on capitalization of contract cost and license arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Management is currently assessing the impact of applying HKFRS 15 on the Group's financial statements by identifying the separate performance obligations in the contracts with customers and allocating the transactions price, which could affect the timing of the revenue recognition.

HKFRS 16 "Leases"

HKFRS 16, 'Leases' addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from HKFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces HKAS 17 'Leases', and related interpretations.

Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group's operating leases. As at the reporting date, the Group has no non-cancellable operating lease commitments (Note 16). The Group does not expect the adoption would have any material impact on its financial position and results of operations.

2. SUMMARY OF ACCOUNTING POLICIES *(CONTINUED)*

Basis of preparation *(Continued)*

(b) New standards, amendments to standards and annual improvements that have been issued but not yet effective and have not been early adopted by the Group: *(Continued)*

Amendments to HKFRS 2, "Classification and measurement of Share-based Payment Transactions"

The HKICPA has issued amendments to HKFRS 2, 'Classification and Measurement of Share-based Payment Transactions'. These amendments clarify the measurement basis for cash-settled share-based payments and the accounting for modification from cash-settled awards to equity-settled awards. It also introduces an exception to the principles in HKFRS 2 that requires an award to be treated as if it is wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

The directors do not foresee any material impact on the Group since the Group has no cash-settled share-based payment transactions.

Amendments to HKAS 12, "Income taxes"

The amendments stemmed from a request to clarify the requirements on recognition of deferred tax assets for unrealized losses on debt instruments measured at fair value. However, the amendments address a broader area of accounting for deferred tax assets in general.

The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

The amendments also provide guidance on how an entity should determine future taxable profits to support the recognition of a deferred tax asset arising from a deductible temporary difference.

As the Group does not have debt instruments measured at fair value, the amendments will not have any impact on the financial position or performance of the Group.

2. SUMMARY OF ACCOUNTING POLICIES *(CONTINUED)*

Basis of preparation *(Continued)*

(b) New standards, amendments to standards and annual improvements that have been issued but not yet effective and have not been early adopted by the Group: *(Continued)*

Amendments to HKAS 7, "Statement of cash flows"

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments do not prescribe a specific method to fulfil the new disclosure requirements. However, the amendments indicate that one way is to provide a reconciliation between the opening and closing balances for liabilities arising from financing activities.

The directors anticipate that the application of amendments to HKAS 7 in the future may have a material impact on the consolidated statement of cash flows in the Group's combined financial statements. However, it is not practicable to provide a reasonable estimate of the effect of Amendments to HKAS 7 until the Group performs a detailed review.

3. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company ("CODM"). The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segment based on these reports.

The CODM considers that the Group has three single operating and reporting segments which are (i) computer and peripheral products business, (ii) money lending business, and (iii) provision of corporate finance advisory services.

The Group's CODM assesses the performance of the operating segments based on adjusted operating profit/(loss). Expenses, where appropriate, are allocated to operating segments with reference to revenue contributions of the respective segments. Gain on disposal of equity interest in an investment accounted for using equity method, share of loss of an investment accounted for using equity method and unallocated expenses are not included in the result for each operating segment that is reviewed by the Group's CODM.

Segment assets consist primarily of intangible assets, inventories, trade receivables, loan receivables, interest receivables, deposits, prepayments and other receivables and other assets. They exclude property, plant and equipment, investment accounted for using equity method, deferred income tax assets, cash and cash equivalents and other unallocated assets, which are managed centrally. Segment liabilities consist primarily of trade payables and bank borrowings. They exclude current income tax and other unallocated liabilities, which are managed centrally.

3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

For the year ended 31 March 2016, the CODM considers that the Group had only one single operating and reporting segment which is computer and peripheral products business.

The revenue reported to the CODM is measured in a manner consistent with that in the consolidated income statement and is categorized according to the nature of businesses.

	For the year ended 31 March 2017			
	Computer and peripheral products business	**Money lending business**	**Provision of corporate finance advisory services**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	829,016	6,126	1,400	836,542
Cost of sales	(802,321)	–	–	(802,321)
	26,695	6,126	1,400	34,221
Selling expenses	(1,195)	–	–	(1,195)
General and administrative expenses	(8,630)	(245)	(279)	(9,154)
Other losses	(902)	–	–	(902)
Finance costs	(1,024)	–	–	(1,024)
Adjusted operating profit	14,944	5,881	1,121	21,946
Unallocated expenses				(21,307)
Operating profit				639
Finance costs				(221)
Gain on disposal of equity interest in an investment accounted for using equity method				6,736
Share of loss of an investment accounted for using equity method				(842)
Profit before income tax				6,312

3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

The following table presents segment assets and segment liabilities as at 31 March 2017.

	As at 31 March 2017			
	Computer and peripheral products business	**Money lending business**	**Provision of corporate finance advisory services**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	219,645	76,613	25,527	321,785
Segment liabilities	2,873	6	94	2,973

The reconciliations of segment assets to total assets and segment liabilities to total liabilities are provided as follows:

	As at 31 March 2017
	HK$'000
Segment assets	321,785
Cash and cash equivalents	1,050
Property, plant and equipment	44,666
Deposits, prepayments and other receivables	40,751
Deferred tax assets	2,413
Income tax recoverable	3,364
Total assets	414,029
Segment liabilities	2,973
Current income tax liabilities	1,161
Other unallocated liabilities	70
Total liabilities	4,204

3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Majority of the Group's sales were carried out in Hong Kong.

Revenue from the top five customers for all reportable segments is as follows:

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Revenue from top five customers	**794,982**	1,102,604
Total revenue	**836,542**	1,206,159
Percentage	**95%**	91%
Number of customers that individually accounted for more than 10% of the Group's revenue	**2**	2

For the year ended 31 March 2017, there were two customers that individually accounted for approximately 77% and 11% (2016: two customers – 54% and 21%) of the Group's revenue respectively. These customers belong to the Group's trading business.

The Group's total non-current assets (excluding investment accounted for using equity method) are located in the following regions:

	As at 31 March	
	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**84,512**	47,926
The PRC	**153**	1,285
Others	**–**	72
	84,665	49,283

4. EXPENSES BY NATURE

Expenses included in cost of sales, selling expenses, and general and administrative expenses are analysed as follows:

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Cost of inventories sold	**803,316**	1,142,674
Reversal of impairment of inventories	**(1,386)**	(658)
Provision for impairment of trade receivables	**–**	183
Auditor's remuneration		
– Audit services	**1,350**	1,120
– Non-audit services	**–**	1,060
Depreciation of property, plant and equipment	**2,328**	3,016
Amortisation of intangible assets	**238**	–
Legal and professional fees	**1,350**	2,873
Employee benefit expenses	**8,790**	9,854
Share option expenses	**14,260**	–
Operating lease rentals of premises	**388**	629
Utilities expenses	**123**	406
Building management fees	**567**	541
Donation	**–**	1,000
Others	**2,764**	2,782
Total	**834,088**	1,165,480

5. OTHER LOSSES

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Finance income	**12**	551
Exchange losses	**(645)**	(2,222)
Repair and testing income	**–**	520
Loss on disposal of property, plant and equipment	**(186)**	(1)
Others	**28**	23
Total	**(791)**	(1,129)

6. FINANCE COSTS

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Finance costs		
– Interest expense on bank borrowings	**1,245**	5,925

7. INCOME TAX EXPENSE

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**3,248**	7,186
– PRC corporate income tax	**–**	–
Under/(over)–provision in prior year	**60**	(19)
Deferred income tax	**(2,385)**	(96)
	923	7,071

The Group is subject to both Hong Kong profits tax and PRC corporate income tax.

Hong Kong profits tax has been provided for at a rate of 16.5% (2016: same) on the estimated assessable profits arising in or derived from Hong Kong. The subsidiary in the PRC is subjected to PRC corporate income tax at a rate of 25% (2016: same).

8. EARNINGS PER SHARE

(a) Basic

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

	Year ended 31 March	
	2017	2016 (Restated)
Profit attributable to equity holders of the Company *(HK$'000)*	**5,389**	23,448
Weighted average number of ordinary shares in issue	**3,670,313,425**	3,518,722,623
Basic earnings per share	**HK0.15 cent**	HK0.67 cent

Weighted average number of ordinary shares in issue and basic earnings per share as stated have taken into account the effect of the Share Subdivision that took place on 6 May 2016 (Note 13). Comparative figures have also been restated on the assumption that the Share Subdivision had been effective as at 1 April 2015.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company has one (2016: nil) category of dilutive potential ordinary share: share options (2016: nil). For the share options, a calculation was performed to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares for the period) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of share options.

Diluted earnings per share for the year ended 31 March 2017 is the same as the basic earnings per share as the conversion of potential ordinary shares in relation to the outstanding share options would have an anti-dilutive effect to the basic earnings per share.

There were no potential dilutive ordinary shares outstanding during the year ended 31 March 2016.

9. DIVIDENDS

No final dividend for the years ended 31 March 2017 and 2016 were proposed.

During the year ended 31 March 2017, the Company declared and paid an interim dividend of HK$0.005 per ordinary share (2016: nil), totalling approximately HK$19,283,000 (2016: nil).

10. INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

	As at 31 March	
	2017	2016
	HK$'000	*HK$'000*
At beginning of the year	**17,055**	21,078
Gain on deemed partial disposal of equity interest in an investment accounted for using equity method	**–**	1,382
Share of loss for the period/year	**(842)**	(4,488)
Disposal of equity interest in an investment accounted for using equity method	**(15,662)**	–
Exchange realignment	**(551)**	(917)
At end of the year	**–**	17,055

Investment accounted for using equity method as at 31 March 2016 represented a 12.42% equity interest in Bozhou Botong Information Technology Company Limited ("Bozhou Botong"), a limited company incorporated in the PRC, which is principally engaged in manufacturing and sales of smartphone and computer peripheral products. The registered capital of Bozhou Botong as of 31 March 2016 was RMB155,000,000.

On 15 June 2016, the Group entered into an agreement with an independent third party to dispose of the entire equity interest in Bozhou Botong at cash consideration of RMB19,250,000 (approximately HK$22,398,000). The disposal was completed on 29 September 2016 and the Company recognized a gain on disposal of approximately HK$6,736,000 from such disposal, being the difference between the consideration of disposal and the carrying value of the investment as at the date of disposal.

11. LOAN RECEIVABLES

	As at 31 March	
	2017	2016
	HK$'000	*HK$'000*
Loan receivables	**70,400**	–
Less: provision for impairment	**–**	–
Loan receivables, net	**70,400**	–

The Group's loan receivables, which arise from its money lending business in Hong Kong, are denominated in Hong Kong dollars, unsecured, bear fixed interest rate, and repayable within one year from the dates of inception of the loan agreements. No provision for impairment of loan receivables has been made during the year.

11. LOAN RECEIVABLES *(CONTINUED)*

A maturity profile of the loan receivable as at the end of the reporting periods, based on the maturity date, net of provision, is as follows:

	As at 31 March	
	2017	2016
	HK$'000	*HK$'000*
Current – within one year	**70,400**	–

12. TRADE RECEIVABLES AND DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 March	
	2017	2016
	HK$'000	*HK$'000*
Non-current		
Prepayments for acquisition of a subsidiary *(Note a)*	**30,000**	–
Non-current deposits	**196**	196
	30,196	196
Current		
Trade receivables	**88,660**	187,771
Less: provision for impairment	**(183)**	(183)
Trade receivables	**88,477**	187,588
Prepayments	**589**	516
Other receivables *(Note b)*	**10,395**	213
Interest receivables *(Note c)*	**3,456**	–
Deposits, prepayments and other receivables	**14,440**	729
Total trade receivables and deposits, prepayments and other receivables	**133,113**	188,513

12. TRADE RECEIVABLES AND DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES *(CONTINUED)*

Notes:

(a) On 7 March 2017, Goldenmars Technology Investments Limited ("Goldenmars Technology Investments"), an indirectly wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with an independent third party, pursuant to which the Goldenmars Technology Investments has conditionally agreed to acquire a 100% equity interest in a target company, which is a company incorporated in Hong Kong, at a consideration of HK$180,150,000, to be satisfied by cash of HK$30,000,000 and the allotment and issue of 231,000,000 shares of the Company at HK$0.65 per share each. As at 31 March 2017, a refundable prepayment of HK$30,000,000 was paid to the vendor.

The target company is a licensed corporation under the Securities and Futures Ordinance, and is principally engaged in provision of brokerage services and securities margin financing.

The transaction is expected to be completed in the third quarter of 2017 upon fulfillment of the completion conditions, including obtaining approval from the regulators.

(b) Included in other receivables is the proceeds receivable from the disposal of the Group's investment accounted for using equity method amounting to HK$10,288,000. Such balance is unsecured, non-interesting bearing and due on 15 June 2017.

(c) The Group's interest receivables, which arise from the money lending business, are denominated in Hong Kong dollars and repayable at terms as agreed with the borrowers.

The directors consider that the carrying amounts of trade receivables, deposits, prepayments and other receivables approximate to their fair values as at 31 March 2017 (2016: same).

The Group grants credit period ranging from 5 days to 60 days (2016: same) to the customers. The aging analysis of trade receivables (mostly denominated in US$) at the date of statement of financial position based on invoice date is as follows:

	As at 31 March	
	2017	2016
	HK$'000	*HK$'000*
1 – 30 days	**62,870**	134,393
31 – 60 days	**25,601**	53,162
61 – 90 days	**–**	33
Over 90 days	**189**	183
	88,660	187,771
Less: Provision for impairment	**(183)**	(183)
	88,477	187,588

13. SHARE CAPITAL

The Group and the Company

Authorised shares:

As at 31 March 2017, the total authorised number of ordinary shares is 8,000 million shares (2016: same) with a par value of HK$0.0008333 per share (2016: HK$0.01 per share). On 6 May 2016, the Company effected a subdivision of shares whereby each ordinary shares was subdivided into twelve ordinary shares of HK$0.0008333 each.

Issued shares:

	Number of shares	**Share capital**
	'000	*HK'000*
As at 31 March 2015	264,000	2,640
Issuance of shares by placing *(Note)*	29,880	299
As at 31 March 2016	293,880	2,939
As at 31 March 2016	293,880	2,939
Share subdivision	3,232,680	–
Issuance of shares by placing *(Note)*	330,000	275
As at 31 March 2017	**3,856,560**	**3,214**

Note:

On 9 April 2015, the Company issued 29,880,000 ordinary shares of HK$0.01 each at price of HK$1.20 each through placement for an aggregate consideration of approximately HK$35,856,000.

On 24 October 2016, the Company issued 330,000,000 ordinary shares of HK$0.0008333 each at price of HK$0.46 each through placement for an aggregate consideration of approximately HK$151,800,000.

14 TRADE PAYABLES

The aging analysis of the trade payables based on invoice dates is as follows:

	As at 31 March	
	2017	2016
	HK$'000	*HK$'000*
1 – 30 days	**–**	42,450
31 – 60 days	**–**	1
61 – 90 days	**–**	35
Over 90 days	**–**	395
	–	42,881

15. SHARE-BASED PAYMENTS

On 21 August 2013 ("the date of adoption"), the Company conditionally approved a share option scheme (the "Share Option Scheme") under which options will be granted to eligible persons to subscribe for shares of the Company at subscription price which should not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a trading day ("Offer Date"); (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date; and (iii) the nominal value of the Company's shares, provided that for the purpose of calculating the subscription price, where the Company has been listed for less than five trading days, the issue price shall be used as the closing price for any business day falling within the period before listing.

On 21 December 2016, the Group announced the granting of a total of 288,000,000 share options to selected employees and directors under the Share Option Scheme and 203,000,000 share options have been approved and granted to the employees and some directors on the same date. The remaining 85,000,000 share options have been subsequently approved and granted to the remaining director in an extraordinary general meeting held on 24 February 2017. The exercise price of the granted options is HK$0.55 per share.

For the 203,000,000 share options granted on 21 December 2016, details of the validity period and vesting period of share options are as follows:

(i) One-third of the share options is exercisable from the 21 December 2016 to 20 December 2019 ("Tranche 1.1"). These share options are unconditionally vested as at 21 December 2016 or date of grants, whichever is later;

(ii) One-third of the share options is exercisable from 21 December 2017 to 20 December 2019 ("Tranche 1.2"). These share options will be vested as at 21 December 2017; and

(iii) One-third of the share options is exercisable from 21 December 2018 to 20 December 2019 ("Tranche 1.3"). These share options will be vested as at 21 December 2018.

For the 85,000,000 share options granted on 24 February 2017, details of the validity period and vesting period of share options are as follows:

(iv) One-third of the share options is exercisable from the 24 February 2017 to 20 December 2019 ("Tranche 2.1"). These share options are unconditionally vested as at 21 December 2016 or date of grants, whichever is later;

(v) One-third of the share options is exercisable from 21 December 2017 to 20 December 2019 ("Tranche 2.2"). These share options will be vested as at 21 December 2017; and

(vi) One-third of the share options is exercisable from 21 December 2018 to 20 December 2019 ("Tranche 2.3"). These share options will be vested as at 21 December 2018.

No share options were exercised or forfeited during the year ended 31 March 2017.

15. SHARE-BASED PAYMENTS *(CONTINUED)*

Movements in the number of outstanding share options and their related average exercise prices are as follows:

	2017 Average exercise price in HK$ per share option	**2017** Number of share options *(thousands)*	2016 Average exercise price in HK$ per share option	2016 Number of share options *(thousands)*
1 April 2016	**–**	**–**	–	–
Granted during the year	**0.55**	**288,000**	–	–
31 March 2017		**288,000**		–

Share options outstanding as at 31 March 2017 have the following expiry dates and exercise prices:

Expiry date	Exercise price in HK$ per share option	Number of share options *(thousands)* 2017	Number of share options *(thousands)* 2016
20 December 2019	**0.55**	**288,000**	N/A

As at 31 March 2017, 96,000,000 share options were vested.

The fair value of each option granted during the year was determined using Black Scholes model at HK$0.091, HK$0.109, HK$0.126, HK$0.146, HK$0.163 and HK$0.182 for Tranche 1.1, Tranche 1.2, Tranche 1.3, Tranche 2.1, Tranche 2.2 and Tranche 2.3, respectively.

For those share options granted to selected employees and directors on 21 December 2016, the significant inputs into the model were closing share price of HK$0.49 at the grant date, exercise price shown above, volatility of 46.25%, a vesting periods of one, two and three years respectively for each tranche of the share options shown above, dividend yield of 1% per annum and risk-free interest rates of 0.97%, 1.14% and 1.30% per annum for Tranche 1.1, Tranche 1.2 and Tranche 1.3 respectively. The volatility measured at the grant date is referenced to the historical volatility of the Company.

15. SHARE-BASED PAYMENTS *(CONTINUED)*

For those share options granted to the director on 24 February 2017, the significant inputs into the model were closing share price of HK$0.59 at the grant date, exercise price shown above, volatility of 45.39%, a vesting periods of one, two and three years respectively for each tranche of the share options shown above, dividend yield of 1% per annum and risk-free interest rates of 0.81%, 0.91% and 1.01% for Tranche 2.1, Tranche 2.2 and Tranche 2.3 respectively. The volatility measured at the grant date is referenced to the historical volatility of the Company.

Share-based payments of HK$115,000 (2016: nil) and HK$14,145,000 (2016: nil) were included in selling expenses and general and administrative expenses in the consolidated income statement respectively.

16. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Year ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Not later than 1 year	**–**	80
Later than 1 year and not later than 5 years	**–**	–
	–	80

17 BUSINESS COMBINATION

On 10 February 2017, Goldenmars Internet Media Company Limited ("Goldenmars Internet Media"), an indirectly wholly-owned subsidiary of the Company, completed the acquisition of a 100% equity interest in Qianhai Financial Limited, which was subsequently renamed as Huabang Financial from an independent third party pursuant to a sales and purchase agreement dated 28 July 2016 at a cash consideration of HK$24,000,000. Huabang Financial is a company incorporated in Hong Kong which directly holds the entire issued share capital of Huabang Corporate Finance Limited ("Huabang Corporate Finance"), a company incorporated in Hong Kong which is principally engaged in provision of corporate finance advisory services in Hong Kong.

In accordance with HKFRS 3 (Revised), "Business Combination", the Group is required to recognise the identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria at their fair value at the acquisition date. Accordingly, the Group has undertaken a purchase price allocation allocating the purchase consideration to the identifiable assets and liabilities acquired at the acquisition date. Significant accounting estimates have been involved when performing the allocation.

17 BUSINESS COMBINATION *(CONTINUED)*

The following table summarises the consideration, the fair values of the assets acquired and liabilities assumed at the acquisition date and goodwill arising from the acquisition:

	HK$'000
Purchase consideration	
– Cash paid	13,249
– Offset with receivable from the then owner of Qianhai Financial Limited	10,751
	24,000
Recognised amounts of identifiable assets acquired and liabilities assumed	
– at fair value	
Cash and cash equivalents	20,353
Customer relationship contract	56
Trade and other receivables	176
Receipt in advance and other payables	(1,226)
Total identifiable net assets	19,359
Goodwill	4,641

Goodwill is attributable to the provision of corporate finance advisory services segment and the synergies expected to arise after the Group's acquisition of the business operation.

Revenue included in the consolidated income statement since acquisition date contributed by Huabang Financial was HK$1,400,000. This acquired business contributed profit of HK$1,009,000 for the year ended 31 March 2017 from the acquisition date.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year, the Group was principally engaged in (i) computer and peripheral products business; (ii) money lending business; and (iii) provision of corporate finance advisory services.

The Group operates in the computer and peripheral products industry which is dynamic and competitive and there have been constant changes in new technologies in the industry. During the year under review, the global economy remained fragile and challenging compared with previous year. China's economic growth continued to slow down and the overall market competition remained intensive. Attributed to the overall market environment and decrease in market demand in the computer and peripheral products business, the Group's overall revenue decreased accordingly. In view of such market conditions, the Group continuously keep on tight control of its operations. The Group focused on enhancing operation efficiency and implementing various cost control measures. The Group continues to monitor the market trends and take prompt and appropriate actions to adjust our business strategies and allocate resources effectively under different market conditions.

In order to maximise returns to the shareholders and to diversify the Group's income stream, apart from existing business, the Group from time to time explores possibilities of new scope of businesses.

In late July 2016, the Group acquired a money lender license through a wholly-owned subsidiary of Group. The license was issued under and pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The money lending operation had commenced and the primary source of revenue is generated from interest received from loans provided to customers. The income from money lending business contributed approximately HK$6.1 million for the year.

In February 2017, the Group completed the acquisition of the entire equity interest in Qianhai Financial Limited, which was subsequently renamed as Huabang Financial at a cash consideration of HK$24,000,000. Huabang Financial is a company incorporated in Hong Kong which directly holds the entire issued share capital of Huabang Corporate Finance. Huabang Corporate Finance is a licensed corporation carrying on business in Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong (the 'SFO"). It is licensed to conduct the following regulated activities under the SFO in Hong Kong:

- Acting as sponsor for the corporate clients to have an initial public offering ("IPO") on the Hong Kong Stock Exchange
- Advising on the Codes on Takeovers and Mergers and Share Buy-backs in Hong Kong
- Acting as Financial Adviser for the listed companies in Hong Kong in the context of the Listing Rules

Revenue from this new provision of corporate finance advisory services contributed approximately HK$1.4 million for the year.

In March 2017, the Group entered into a conditional sale and purchase agreement for the acquisition of the entire issued share capital of a target company at the consideration of approximately HK$180.2 million. The target Company is a licensed corporation under the SFO with the following regulated activities: (i) Type 1: Dealing in securities; and (ii) Type 4: Advising on securities. The principal activities are provision of brokerage services and securities margin financing to clients. This transaction had not been completed yet at the date of this announcement and the completion of the acquisition is still subjected to the fulfilment of all the conditions precedent in accordance to the agreement. Upon completion of this acquisition, the Group would further expand and diversify its financial services business and achieve synergy effect.

The Group believes the above acquisitions made during the year provide a strong foothold for the Group to extend its business presence in the financial service industry and enable the Group to diversify its business scope and further broaden its source of income.

LOOKING AHEAD

Looking ahead, the economic environment will remain challenging. The Group understands the challenges and will focus on improving operational efficiency, cost saving and strict risk control in facing the economic uncertainty. The Group will continue to adhere to the principle of steady development for its existing business segments with the view of further improving profitability and generating better returns and long term values for shareholders.

Despite the uncertainties and competitive landscape, it is the Group's strategy to keep looking for market opportunities. The Group will continuously dedicate to exploiting new business opportunities in other financial service sectors or other business sectors. The Group will continue to make effort to further extend its business foothold in the financial service industry in order to diversity our business scope and broaden the income sources with the aim to maximise the return to its shareholders and help the Group develop sustainably. The Group looks forward to its further development in coming year.

FINANCIAL REVIEW

Revenue and Gross Profit Margin

During the year under review, the Group has diversified its operations into three business segments, being

(a) computer and peripheral products business;

(b) money lending business; and

(c) provision of corporate finance advisory services;

Revenue by business segments for the Group's revenue for the year ended 31 March 2017 is as follows:

- Computer and peripheral products business: approximately HK$829.0 million, representing 99.1% of revenue

- Money lending business: approximately HK$6.1 million, representing 0.7% of revenue

- Provision of corporate finance advisory services: approximately HK$1.4 million, representing 0.2% of revenue

The Group's total revenue for the year was approximately HK$836.5 million, being a decrease of approximately HK$369.7 million when compared to the previous year of approximately HK$1,206.2 million. The decrease was mainly attributable to decrease in revenue derived from computer and peripheral products business due to unfavorable market conditions and increasing competitive among the business segment, which was partially offset by the revenue contribution from the Group's new business segments on money lending business and provision of corporate finance advisory services.

Gross profit margin for the year was approximately 4.1% (2016: 5.1%). Decrease in gross profit margin was mainly caused by the relatively lower gross profit margin earned from computer and peripheral products business for the year.

Selling Expenses

The decrease in selling expenses by approximately HK$0.6 million was mainly due to the decrease in employee benefit expenses contributed by the results of enhancement of organizational structure.

General and Administrative Expenses

General and administrative expenses for year increased by approximately HK$11.4 million from the Last Corresponding Year, which was mainly due to recognition of equity-settled share-based payments of approximately HK$14.3 million (2016: nil) relating to the granting of share options to the Directors and certain employees of the Group during the year. This item was non-cash expense in nature and did not have any impact to the Group's cash flow position.

Excluding such equity-settled share-based payments of HK$14.3 million, the Group's general and administrative expenses for the year was approximately HK$16.2 million, being a decrease of approximately HK$2.9 million when compared to the previous year of approximately HK$19.1 million. The decrease was mainly attributable to the enhancement of organizational structure and strict cost control during the year.

Other Losses

The Group's other losses for the year was approximately HK$0.8 million, being a decrease of approximately HK$0.3 million when compared to the previous year of approximately HK$1.1 million. The decrease was mainly due to the decrease in exchange loss in foreign currency translation during the year.

Gain on Disposal of Equity Interest in an Investment Accounted for Using Equity Method

On 15 June 2016, the Group signed an agreement with an independent third party to dispose of the entire 12.42% equity interest in Bozhou Botong Information Technology Company Limited ("Bozhou Botong"), an associate for cash consideration of RMB19,250,000. The completion took place on 29 September 2016. Following the completion, the Company ceased to have any direct or indirect equity interest in Bozhou Botong. A gain on disposal of approximately HK$6.7 million was recognised from the disposal, being difference between the consideration of disposal and the carrying value of the investment in associate.

Finance Costs

Finance costs for the year was approximately HK$1.2 million, being a decrease of approximately HK$4.7 million when compared to the previous year of approximately HK$5.9 million. The decrease was mainly attributable to less bank interest expenses being incurred due to repayment of bank borrowings and decrease in making trust receipt loans during the year.

Income Tax Expense

Income tax expense for the year was approximately HK$0.9 million, being a decrease of approximately HK$6.2 million when compared to the previous year of approximately HK$7.1 million, which was due to the decrease in the assessable profits for the year.

Profit for the Year Attributable to Equity Holders of the Company

The profit for the year attributed to equity holders of the Company amounted to approximately HK$5.4 million, being a decrease of approximately HK$18.0 million when compared to the previous year of approximately HK$23.4 million, resulted in a basic and diluted earnings per share for the year of HK0.15 cent (2016: HK0.67 cent).

Inventories, Loan Receivables and Trade Receivables

The Group has enhanced the inventory control policy to manage business risks associated with its principal activities, which resulted in the decrease in inventories by approximately 97.0% as at year end date and the overall inventories turnover days was significantly improved to below one week during the year.

The Group continues to closely monitor the settlements from its customers on a going basis to ensure the credit risk is minimised at a reasonable and acceptable level from time to time. As at 31 March 2017, the Group's loan receivables amounted to approximately HK$70.4 million (2016: nil), which arise from its money lending business in Hong Kong, are all repayable within one year from the dates of inception of the loan agreements and no provision for impairment of loan receivables has been made during the year. The Group's trade receivables decreased by approximately HK$99.1 million, from approximately HK$187.6 million as at 31 March 2016 to approximately HK$88.5 million as at 31 March 2017.

Liquidity, Financial Resources and Treasury Policy

The Group maintained a solid financial position during the year. As at 31 March 2017, cash and cash equivalents of the Group amounted to approximately HK$152.2 million (31 March 2016: approximately HK$205.7 million), and the Group's net assets amounted to approximately HK$409.8 million (31 March 2016: approximately HK$265.5 million).

The Group had settled all bank borrowings during the year. As at 31 March 2017, there was no outstanding bank borrowings balance (31 March 2016: HK$162.5 million). The Group's liquidity position was well-managed during the year.

As at 31 March 2017, the Group was at a healthy financial position as there were sufficient cash and cash equivalents with no bank borrowings (that is net cash position). The current ratio of the Group, calculated by dividing the total current assets by total current liabilities, was significantly improved from approximately 1.9 as at 31 March 2016 to approximately 78.3 as at 31 March 2017.

The Group has adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout the year. The Group strives to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status 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 other commitments can meet its funding requirements from time to time.

The Group's financial resources are at a strong and healthy position and are sufficient to support its business operations.

Capital Structure and Fund Raising Activities

Share Subdivision

The capital of the Company comprises only ordinary shares. By an ordinary resolution passed at an extraordinary general meeting on 5 May 2016, the Company effected a subdivision of shares whereby every issued and unissued ordinary shares of HK$0.01 each were subdivided into twelve new ordinary shares ("Subdivided Shares") of HK$0.0008333 each (the "Share Subdivision"). Following the Share Subdivision which became effective on 6 May 2016, the Company's authorised share capital was divided from 8,000,000,000 shares of HK$0.01 each into 96,000,000,000 Subdivided Shares of HK$0.0008333 each, of which 3,526,560,000 ordinary shares were in issue and fully paid as at the date of the subdivision.

Placing

On 24 October 2016, the Company completed a placing of 330,000,000 ordinary shares, of nominal value of approximately HK$275,000 in the capital of the Company at a price of HK$0.46 per placing share to not less than six independent third parties. The gross proceeds and net proceeds from the Placing are approximately HK$151.8 million and HK$144.2 million respectively. Details of which please refer to the announcement of the Company dated 24 October 2016.

As at 31 March 2017, the number of ordinary shares of the Company in issued and fully paid was 3,856,560,000.

Capital Commitments

As at 31 March 2017 and 2016, there is no significant capital commitment.

Pledge of Assets

As at 31 March 2017, the Group has pledged the properties with carrying values of approximately HK$43.9 million to secure general banking facilities granted to the Group.

As at 31 March 2016, the Group has pledged the properties with carrying values of approximately HK$45.3 million to secure general banking facilities granted to the Group.

Foreign Currency Exposure

The Group exposes to certain foreign currency risk primarily with respect to Renminbi ("RMB") and United States dollar ("US$") as most of the transactions are denominated in Hong Kong dollar ("HK$"), RMB and US$. The Group is exposed to foreign exchange risk primarily through sales, purchases, capital expenditure and expenses transactions that are denominated in currencies other than the functional currencies of the group companies. During the year, the Group generated a foreign exchange loss of approximately HK$0.6 million (2016: HK$2.2 million). The Group manages its exposures to foreign currency transactions by monitoring the level of foreign currency receipts and payments and ensures that the net exposure to foreign exchange risk is kept to an acceptable level. During the year, the Group has not used any forward exchange contract to hedge against foreign exchange risk as management considers its exposure as not significant. The Group will continue to manage the net exposure of foreign exchange risk to keep at an acceptable level from time to time.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 March 2017 and 2016.

Employees and Emolument Policy

As at 31 March 2017, the Group had a total of 29 employees. Employee benefit expenses and share option expenses, including Directors' remuneration for the year ended 31 March 2017, amounted to approximately HK$8.8 million (2016: HK$9.9 million) and HK$14.3 million (2016: nil) respectively. The Group's remuneration policy is based on position, duties and performance of the employees. The employees' remuneration varies according to their positions, which may include salary, overtime allowance, bonus and various subsidies. The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. In addition, the Group has adopted a share option scheme for the purpose of providing incentives and rewards to eligible persons who contribute to the success of the Group's operations. The Group has also adopted other employee benefit including a provident fund scheme for its employees in Hong Kong, as required under the Mandatory Provident Fund Schemes Ordinance, and has participated in employee pension schemes organised and governed by the relevant local governments for its employees in the PRC.

Dividend

Interim dividend

Pursuant to the resolution passed at the meeting of the Board on 14 November 2016, the Board declared an interim dividend of HK$0.005 per ordinary share, totaling approximately HK$19.3 million for the six months ended 30 September 2016. The interim dividend was paid in December 2016.

Final dividend

The Board does not recommend the payment of final dividend for the year ended 31 March 2017.

Business Combination

(i) On 10 February 2017, Goldenmars Internet Media, an indirectly wholly-owned subsidiary of the Company, completed the acquisition of a 100% equity interest in Qianhai Financial Limited, which was subsequently renamed as Huabang Financial from an independent third party pursuant to a sales and purchase agreement dated 28 July 2016 at a cash consideration of HK$24,000,000. Huabang Financial is a company incorporated in Hong Kong which directly holds the entire issued share capital of Huabang Corporate Finance. Huabang Corporate Finance, a financial services provider company incorporated in Hong Kong with limited liability, is a licensed corporation carrying on business in Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong (the 'SFO"). Details of which please refer to the announcement of the Company dated 10 February 2017.

(ii) On 7 March 2017, Goldenmars Technology Investments, an indirect wholly-owned subsidiary of the Company, entered into the agreement with an independent third party vendor, pursuant to which Goldenmars Technology Investments has conditionally agreed to acquire and the vendor has conditionally agreed to sell the entire issued share capital of the a target company, at the consideration of HK$180,150,000, which shall be satisfied by cash of HK$30,000,000 and the Company to allot and issue of 231,000,000 consideration shares at the issue price of HK$0.65 per share to the vendor in accordance with the terms and conditions of the agreement. The target company is a company with limited liability incorporated in Hong Kong and is a licensed corporation under the SFO with the following regulated activities: (i) Type 1: Dealing in securities; and (ii) Type 4: Advising on securities. The principal activities are provision of brokerage services and securities margin financing to clients. The completion of this acquisition is subjected to the fulfilment of all the conditions precedent in accordance to the agreement. The transaction has not yet been completed as the date of this announcement. Details of which please refer to the announcement of the Company dated 7 March 2017.

COMPETING INTEREST OF DIRECTORS, CONTROLLING SHAREHOLDERS AND THEIR RESPECTIVE ASSOCIATES

For the year ended 31 March 2017, none of the Directors, controlling shareholders of the Company or any of their respective associates (as defined under the Listing Rules) is considered to have interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group and any other conflicts of interests, which is required to be disclosed under the Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings according to the Model Code for Securities Transactions by Directors of Listed Issues (the "Model Code") as set out in Appendix 10 to the Listing Rules. The Company had made specific enquiries of all Directors and was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the year ended 31 March 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

CORPORATE GOVERNANCE

The Board is committed to achieving high standards of corporate governance to safeguard the interest of the Company's shareholders and to enhance corporate value and accountability. During the year ended 31 March 2017, the Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules, except in relation to CG Code provisions A.2.1 and A.6.7, as more particularly described below.

CG Code provision A.2.1

Code provision A.2.1 stipulates that the roles of Chairman and CEO should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing. The current Chairman and CEO of the Company is Mr. George Lu. The Board believes that vesting the roles of both Chairman and CEO in the same person will not impair the balance of power and authority between the Directors and the management of the Company. Mr. George Lu has extensive experience in the industry which is beneficial and of great value to the overall development of the Company. The Board is of the view that although the Chairman is also the CEO, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meets from time to time to discuss issues affecting operation of the Company. The Board also believes that the current structure is conducive to strong and consistent leadership, enabling the Company to make and implement decisions promptly and efficiently.

CG code provision A.6.7

Code provision A.6.7 of the CG Code requires that independent Non-Executive Directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Due to other important business engagement, one independent Non-Executive Director was unable to attend the annual general meeting held on 15 August 2016 and one independent Non-Executive Director was unable to attend the extraordinary general meetings held on 5 May 2016 and 24 February 2017.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Board (the "Audit Committee") comprises three independent Non-Executive Directors, namely Mr. Shin Yick Fabian (Chairman of the Audit Committee), Mr. Loo Hong Shing Vincent and Mr. Lam Allan Loc. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the consolidated financial statements of the Group for the year ended 31 March 2017 with the Directors.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2017 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement. The Audit Committee has reviewed the annual results for the year ended 31 March 2017.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Friday, 25 August 2017. Details of the annual general meeting will be set out in the notice of the annual general meeting which will be published and issued to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 22 August 2017 to Friday, 25 August 2017 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 21 August 2017.

PUBLICATION OF THE ANNUAL RESULTS AND 2017 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange and the Company, and the annual report of the Company for the year ended 31 March 2017 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Huabang Financial Holdings Limited
George Lu
Chairman and Chief Executive Officer

Hong Kong, 14 June 2017

As at the date of this announcement, the executive Directors of the Company are George Lu, Pang Chung Fai Benny, Lau Wan Po and Lau Wing Sze, and the independent non-executive Directors of the Company are Loo Hong Shing Vincent, Shin Yick Fabian, Mu Binrui and Lam Allan Loc.