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 2018

The Board of Directors (the "Board") of Huabang Financial Holdings Limited (the "Company") presents the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2018 ("Current Year") together with the comparative figures of the corresponding year ended 31 March 2017 ("Last Corresponding Year").

## CONSOLIDATED INCOME STATEMENT

*For the year ended 31 March 2018*

| | Note | Year ended 31 March 2018 HK$'000 | 2017 HK$'000 |
|---|---|---|---|
| Revenue | 3 | **683,410** | 836,542 |
| Cost of sales | 3 | **(627,443)** | (802,321) |
| **Gross profit** | | **55,967** | 34,221 |
| Selling expenses | | **(762)** | (1,310) |
| General and administrative expenses | | **(41,317)** | (30,457) |
| Other losses | 5 | **(239)** | (791) |
| **Operating profit** | | **13,649** | 1,663 |
| 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) |
| Finance costs | 6 | **(477)** | (1,245) |
| **Profit before income tax** | | **13,172** | 6,312 |
| Income tax expense | 7 | **(3,961)** | (923) |
| **Profit for the year attributable to equity holders of the Company** | | **9,211** | 5,389 |
| **Earnings per share attributable to equity holders of the Company** | | | |
| Basic | 8 | **HK0.24 cent** | HK0.15 cent |
| Diluted | 8 | **HK0.24 cent** | HK0.15 cent |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 March 2018*

| | Year ended 31 March | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| **Comprehensive income** | | |
| Profit for the year | **9,211** | 5,389 |
| **Other comprehensive income** | | |
| *Item that may be subsequently reclassified to profit or loss* | | |
| Currency translation differences | **420** | (230) |
| **Total comprehensive income for the year attributable to equity holders of the Company** | **9,631** | 5,159 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 March 2018*

| | | As at 31 March | |
|---|---|---|---|
| | | **2018** | 2017 |
| | *Note* | ***HK$'000*** | *HK$'000* |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **44,515** | 45,894 |
| Intangible assets | | **60,377** | 6,162 |
| Account receivables | *11* | **1,000** | – |
| Deposits, prepayments and other receivables | *11* | **42,305** | 30,196 |
| Deferred tax assets | | **3,880** | 2,413 |
| | | **152,077** | 84,665 |
| **Current assets** | | | |
| Inventories | | **1,875** | 494 |
| Loan receivables | *10* | **50,000** | 70,400 |
| Account receivables | *11* | **173,593** | 88,477 |
| Deposits, prepayments and other receivables | *11* | **3,775** | 14,440 |
| Financial assets at fair value through profit or loss | *12* | **1,808** | – |
| Income tax recoverable | | **832** | 3,364 |
| Bank balances held on behalf of clients | *13* | **23,429** | – |
| Cash and cash equivalents | | **200,254** | 152,189 |
| | | **455,566** | 329,364 |
| **Total assets** | | **607,643** | 414,029 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

*As at 31 March 2018*

| | | As at 31 March | |
|---|---|---|---|
| | | **2018** | 2017 |
| | *Note* | ***HK$'000*** | *HK$'000* |
| **EQUITY** | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | |
| Share capital | *14* | **3,408** | 3,214 |
| Other reserves | | **435,239** | 315,428 |
| Retained earnings | | **100,394** | 91,183 |
| **Total equity** | | **539,041** | 409,825 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | | **500** | – |
| | | **500** | – |
| **Current liabilities** | | | |
| Account payables | *15* | **24,706** | – |
| Other payables and accrued expenses | *15* | **1,821** | 3,043 |
| Bank borrowings | | **36,124** | – |
| Current income tax liabilities | | **5,451** | 1,161 |
| | | **68,102** | 4,204 |
| **Total liabilities** | | **68,602** | 4,204 |
| **Total equity and liabilities** | | **607,643** | 414,029 |
| **Net current assets** | | **387,464** | 325,160 |
| **Total assets less current liabilities** | | **539,541** | 409,825 |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the year ended 31 March 2018*

| | | 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 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 | | – | – | – | – | – | – | – | – | (19,283) | (19,283) |
| Issuance of shares by placing | *14* | 275 | 151,525 | – | – | – | – | – | 151,525 | – | 151,800 |
| Share issuance expenses | | – | (7,590) | – | – | – | – | – | (7,590) | – | (7,590) |
| Employees share option scheme – value of employee services | | – | – | 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 |
| **For the year ended 31 March 2018** | | | | | | | | | | | |
| Balance at 1 April 2017 | | 3,214 | 243,749 | 14,260 | 50,374 | 2,480 | 1,042 | 3,523 | 315,428 | 91,183 | 409,825 |
| **Comprehensive income** | | | | | | | | | | | |
| Profit for the year | | – | – | – | – | – | – | – | – | 9,211 | 9,211 |
| **Other comprehensive income** | | | | | | | | | | | |
| Currency translation differences | | – | – | – | – | – | – | 420 | 420 | – | 420 |
| Total comprehensive income | | – | – | – | – | – | – | 420 | 420 | 9,211 | 9,631 |
| **Transaction with owners** | | | | | | | | | | | |
| Employees share option scheme | | | | | | | | | | | |
| – value of employee services | | – | – | 9,607 | – | – | – | – | 9,607 | – | 9,607 |
| – exercise of employee share options | *14* | 2 | 1,236 | (175) | – | – | – | – | 1,061 | – | 1,063 |
| – forfeiture of employee share options | | – | – | (810) | – | – | – | – | (810) | – | (810) |
| Issue of shares for acquisition of a subsidiary | *14* | 192 | 109,533 | – | – | – | – | – | 109,533 | – | 109,725 |
| Balance at 31 March 2018 | | 3,408 | 354,518 | 22,882 | 50,374 | 2,480 | 1,042 | 3,943 | 435,239 | 100,394 | 539,041 |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

*For the year ended 31 March 2018*

*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. The Group is principally engaged in (i) computer and peripheral products business, (ii) corporate finance advisory business, (iii) money lending business, and (iv) securities brokerage business (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").

These consolidated financial information are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousands, unless otherwise stated.

## 2. BASIS OF PREPARATION

The consolidated financial statements 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, except for financial assets at fair value through profit or loss which have been measured at fair value. The preparation of the consolidated financial statements 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 statements are disclosed in the Group's annual report.

(a) Amendments to standards and annual improvements which are relevant to the Group's operations and are mandatory for the financial year beginning on or after 1 April 2017:

The following amendments to standards and annual improvements are mandatory for the first time for the financial year beginning 1 April 2017:

- Amendments to HKAS 7, "Disclosure Initiative"
- Amendments to HKAS 12, "Recognition of Deferred Tax Assets for Unrealised Losses"
- Amendments to HKFRS 12 included in Annual Improvements to HKFRSs 2014-2016 Cycle, "Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12"

The Group has adopted these standards other than as explained below regarding the impact of Amendments to HKAS 7, "Disclosure Initiative", the adoption of the remaining standards did not have a significant impact on the Group's results and financial position.

## 2. BASIS OF PREPARATION *(CONTINUED)*

(a) Amendments to standards and annual improvements which are relevant to the Group's operations and are mandatory for the financial year beginning on or after 1 April 2017: *(Continued)*

Amendments to HKAS 7 require an entity 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. Disclosure of the changes in liabilities arising from financing activities is provided in the Group's annual report.

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 2017 that are expected to have a material impact on the Group.

(b) New standards, amendments to standards, interpretations 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 to standards, interpretations and annual improvements are relevant to the Group, but are not yet effective for the accounting year ended 31 March 2018 and have not been early adopted:

| | **Effective for annual periods beginning on or after** |
|---|---|
| HKFRS 9, "Financial Instruments" | 1 January 2018 |
| Amendments to HKFRS 9, "Prepayment Features with Negative Compensation" | 1 January 2019 |
| HKFRS 15, "Revenue from Contracts with Customers" | 1 January 2018 |
| Amendments to HKFRS 15, "Clarifications to HKFRS 15 Revenue from Contracts with Customers" | 1 January 2018 |
| HKFRS 16, "Leases" | 1 January 2019 |
| Amendments to HKFRS 10 and HKAS 28 (2011), "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | No mandatory effective date yet determined |
| HK(IFRIC)-Int 22, "Foreign Currency Transactions and Advance Consideration" | 1 January 2018 |
| HK(IFRIC)-Int 23, "Uncertainty over Income Tax Treatments" | 1 January 2019 |
| Annual Improvements – 2014-2016 Cycle, "Amendments to HKFRS 1 and HKAS 28" | 1 January 2018 |
| Annual Improvements – 2015-2017 Cycle, "Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23" | 1 January 2019 |

## 2. BASIS OF PREPARATION *(CONTINUED)*

(b) New standards, amendments to standards, interpretations 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"**

HKFRS 9 has three financial asset classification categories for investments in debt instruments: amortised 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: amortised 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 recognised 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 recognised 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.

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 amortised cost a day-1 loss equal to the 12-month ECL is recognised in profit or loss. Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. In the case of account receivables, this day-1 loss will be equal to their lifetime 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 HKAS 39.

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.

The Group has performed an assessment of the impact of the adoption of HKFRS 9, and the expected impacts to the classification and measurement and the impairment requirements are summarised as follows:

## 2. BASIS OF PREPARATION *(CONTINUED)*

(b) New standards, amendments to standards, interpretations 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)*

***(a) Classification and measurement***

The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the classification and measurement of its financial instruments. It expects to continue measuring at fair value all financial assets currently held at fair value.

***(b) Impairment of financial assets***

Based on the assessment performed by the Group, the adoption of the ECL model mentioned above in respect of financial assets will slightly decrease the net assets of the Group as at 1 April 2018 by less than 1% of the amount as at 31 March 2018.

**Amendments to HKFRS 9, "Prepayment Features with Negative Compensation"**

Amendments to HKFRS 9, issued in December 2017, allow financial assets with prepayment features that permit or require either the borrower or the lender to pay or receive reasonable compensation for the early termination of the contract to be measured at amortised cost or at fair value through other comprehensive income. The amendments clarify that a financial asset passes the "solely payments of principal and interest on the principal amount outstanding" criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for that early termination. The Group expects to adopt these amendments from 1 January 2019 and to apply the exemption from restating comparative information of prior periods. Any difference between the previous carrying amount and the adjusted carrying amount will be recognised in the opening balance of equity. The amendments do not apply to the Group as the Group does not have any debt instruments with prepayment features along with compensation for early termination. In addition, as clarified in the amendments to the basis for conclusions on HKFRS 9, the gain or loss arising on modification of a financial liability that does not result in derecognition (calculated by discounting the change in contractual cash flows at the original effective rate) is immediately recognised in profit or loss. As there is no specific relief on this clarification, this requirement shall be applied retrospectively. The Group's current accounting policy is consistent with this clarification and therefore the adoption of the amendments is not expected to have any impact on the Group.

## 2. BASIS OF PREPARATION *(CONTINUED)*

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

**HKFRS 15, "Revenue from Contracts with Customers" and Amendments to HKFRS 15, "Clarifications to HKFRS 15 Revenue from Contracts with Customers"**

HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise 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) Recognise revenue when performance obligation is satisfied.

The core principle is that a company should recognise 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.

In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licenses of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard.

HKFRS 15 provides specific guidance on capitalisation 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.

The Group has performed a high level assessment on the impact of the adoption of HKFRS 15 and expects that the standard will not have significant impact, when applied, on the financial statements of the Group. The Group will continuously assess the impact of the adoption of HKFRS 15 based on further detailed analyses or additional supportable information being made available to the Group in the future.

**2. BASIS OF PREPARATION** *(CONTINUED)*

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

**HKFRS 16, "Leases"**

HKFRS 16, issued in May 2016, replaces HKAS 17 Leases, HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases – Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach.

The Group expects to adopt HKFRS 16 from 1 April 2019. The Group is currently assessing the impact of HKFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in Note 16(a) to the financial information, at 31 March 2018, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately HK$4,669,000. Upon adoption of HKFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

## 2. BASIS OF PREPARATION *(CONTINUED)*

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

**Amendments to HKFRS 10 and HKAS 28 (2011), "Sale of Contribution of Assets between an Investor and its Associate or Joint Venture"**

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

**HK(IFRIC)-Int 22, "Foreign Currency Transactions and Advance Consideration"**

HK(IFRIC)-Int 22, issued in June 2017, provides guidance on how to determine the date of the transaction when applying HKAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. Entities may apply the interpretation on a full retrospective basis or on a prospective basis, either from the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group expects to adopt the interpretation prospectively from 1 April 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

## 2. BASIS OF PREPARATION *(CONTINUED)*

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

**HK(IFRIC)-Int 23, "Uncertainty over Income Tax Treatments"**

HK(IFRIC)-Int 23, issued in July 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 April 2019. The interpretation is not expected to have any significant impact on the Group's financial statements.

**Amendments under Annual Improvements to HKFRSs**

Improvements to HKFRSs contains numerous amendments to HKFRSs which the HKICPA considers not urgent but necessary. It comprises amendments that result in accounting changes for presentation, recognition or measurement purpose as well as terminology or editorial amendments related to a variety of individual HKFRSs. These improvements do not have a material impact on the Group's financial statements.

## 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 four operating and reporting segments which are (i) computer and peripheral products business, (ii) corporate finance advisory business, (iii) money lending business, and (iv) securities brokerage business.

The 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 CODM.

Segment assets consist primarily of intangible assets, inventories, account receivables, loan receivables, interest receivables, deposits, prepayments and other receivables, financial assets at fair value through profit or loss, bank balance held on behalf of clients and other assets. They exclude property, plant and equipment, investment accounted for using equity method, deferred income tax assets, cash and cash equivalents, income tax recoverable and other unallocated assets, which are managed centrally. Segment liabilities consist primarily of account payables and bank borrowings. They exclude deferred tax liabilities, current income tax and other unallocated liabilities, which are managed centrally.

## 3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

| | For the year ended 31 March 2018 | | | | |
|---|---|---|---|---|---|
| | **Computer and peripheral products business** | **Corporate finance advisory business** | **Money lending business** | **Securities brokerage business** | **Total** |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Revenue from external customers | 648,258 | 22,395 | 10,694 | 2,063 | 683,410 |
| Cost of sales from external customers | (627,193) | (250) | – | – | (627,443) |
| | 21,065 | 22,145 | 10,694 | 2,063 | 55,967 |
| Selling expenses | (644) | – | – | – | (644) |
| General and administrative expenses | (8,105) | (5,678) | (421) | (1,223) | (15,427) |
| Other losses | 517 | 3 | – | (578) | (58) |
| Finance costs | (477) | – | – | – | (477) |
| Adjusted operating profit | 12,356 | 16,470 | 10,273 | 262 | 39,361 |
| Unallocated expenses | | | | | (26,189) |
| Profit before tax | | | | | 13,172 |
| Income tax expense | | | | | (3,961) |
| Profit for the year | | | | | 9,211 |

## 3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

| | For the year ended 31 March 2017 | | | | |
|---|---|---|---|---|---|
| | **Computer and peripheral products business** | **Corporate finance advisory business** | **Money lending business** | **Securities brokerage business** | **Total** |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Revenue from external customers | 829,016 | 1,400 | 6,126 | – | 836,542 |
| Cost of sales from external customers | (802,321) | – | – | – | (802,321) |
| | 26,695 | 1,400 | 6,126 | – | 34,221 |
| Selling expenses | (1,195) | – | – | – | (1,195) |
| General and administrative expenses | (8,630) | (279) | (245) | – | (9,154) |
| Other losses | (902) | – | – | – | (902) |
| Finance costs | (1,024) | – | – | – | (1,024) |
| Adjusted operating profit | 14,944 | 1,121 | 5,881 | – | 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 tax | | | | | 6,312 |
| Income tax expense | | | | | (923) |
| Profit for the year | | | | | 5,389 |

Interest revenue of HK$11,587,000 (2017: HK$6,126,000) was included in revenue from external customers, contributed by money lending business segment of HK$10,694,000 (2017: HK$6,126,000) and securities brokerage business segment of HK$893,000 (2017: nil), respectively.

## 3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

The following table presents segment assets and segment liabilities.

**31 March 2018**

| | **Computer and peripheral products business** | **Corporate finance advisory business** | **Money lending business** | **Securities brokerage business** | **Total** |
|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Segment assets | **241,108** | **42,051** | **69,094** | **165,477** | **517,730** |
| Segment liabilities | **37,583** | **47** | **–** | **24,968** | **62,598** |
| Capital expenditure | **43** | **41** | **–** | **–** | **84** |

31 March 2017

| | Computer and peripheral products business | Corporate finance advisory business | Money lending business | Securities brokerage business | Total |
|---|---|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Segment assets | 219,645 | 25,527 | 76,613 | – | 321,785 |
| Segment liabilities | 2,873 | 94 | 6 | – | 2,973 |
| Capital expenditure | 216 | – | – | – | 216 |

## 3. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

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

| | As at 31 March | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| Segment assets | **517,730** | 321,785 |
| Cash and cash equivalents | **476** | 1,050 |
| Property, plant and equipment | **43,027** | 44,666 |
| Deposits, prepayments and other receivables | **41,698** | 40,751 |
| Deferred tax assets | **3,880** | 2,413 |
| Income tax recoverable | **832** | 3,364 |
| Total assets | **607,643** | 414,029 |
| Segment liabilities | **62,598** | 2,973 |
| Deferred tax liabilities | **500** | – |
| Current income tax liabilities | **5,451** | 1,161 |
| Other unallocated liabilities | **53** | 70 |
| Total liabilities | **68,602** | 4,204 |

Majority of the Group's revenue were derived from Hong Kong. Revenue from the top five customers for all reportable segments is as follows:

| | As at 31 March | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| Revenue from top five customers | **646,852** | 794,982 |
| Total revenue | **683,410** | 836,542 |
| Percentage | **95%** | 95% |
| Number of customers that individually accounted for more than 10% of the Group's revenue | **2** | 2 |

For the year ended 31 March 2018, there were two customers that individually accounted for approximately 80% and 11% (2017: two customers – 77% and 11%) of the Group's revenue respectively. These customers belong to the Group's trading business.

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

| | As at 31 March | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| Hong Kong | **145,904** | 51,903 |
| The PRC | **128** | 153 |
| | **146,032** | 52,056 |

## 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 | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| Cost of inventories sold | **627,193** | 803,316 |
| Reversal of impairment of inventories | **–** | (1,386) |
| Auditor's remuneration | **1,208** | 1,350 |
| Depreciation of property, plant and equipment | **2,150** | 2,328 |
| Amortisation of intangible assets | **498** | 238 |
| Legal and professional fees | **11,352** | 1,350 |
| Employee benefit expenses | **12,485** | 8,790 |
| Equity-settled share option expenses | **8,797** | 14,260 |
| Operating lease rentals of premises | **1,051** | 388 |
| Utilities expenses | **85** | 123 |
| Building management fees | **648** | 567 |
| Service fees for broker supplied systems | **158** | – |
| Others | **3,897** | 2,764 |
| Total | **669,522** | 834,088 |

## 5. OTHER LOSSES

| | Year ended 31 March 2018 *HK$'000* | 2017 *HK$'000* |
|---|---|---|
| Finance income | **204** | 12 |
| Exchange gain/(loss) | **73** | (645) |
| Gain/(loss) on disposal of property, plant and equipment | **55** | (186) |
| Realised gain on disposal of equity investments at fair value through profit or loss | **21** | – |
| Unrealised loss on fair value of equity investments at fair value through profit or loss | **(612)** | – |
| Others | **20** | 28 |
| Total | **(239)** | (791) |

## 6. FINANCE COSTS

| | Year ended 31 March 2018 *HK$'000* | 2017 *HK$'000* |
|---|---|---|
| Finance costs | | |
| – Interest expense on bank borrowings | **477** | 1,245 |

## 7. INCOME TAX EXPENSE

| | Year ended 31 March 2018 *HK$'000* | 2017 *HK$'000* |
|---|---|---|
| Current income tax | | |
| – Hong Kong profits tax | **5,508** | 3,248 |
| – PRC corporate income tax | **–** | – |
| (Over)/under-provision in prior year | **(58)** | 60 |
| Deferred income tax | **(1,489)** | (2,385) |
| | **3,961** | 923 |

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% (2017: 16.5%) 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% (2017: 25%).

## 8. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is 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 | |
|---|---|---|
| | **2018** | 2017 |
| Profit attributable to equity holders of the Company *(HK$'000)* | **9,211** | 5,389 |
| Weighted average number of ordinary shares in issue | **3,885,939,047** | 3,670,313,425 |
| Basic earnings per share | **HK0.24 cent** | HK0.15 cent |

### (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 (2017: one) category of dilutive potential ordinary share: share options (2017: share options). 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.

The calculation of diluted earnings per share is as follows:

| | **Year ended 31 March 2018** |
|---|---|
| Profit attributable to equity holders of the Company *(HK$'000)* | **9,211** |
| Weighted average number of ordinary shares in issue | **3,885,939,047** |
| Effect of dilution – weighted average number of ordinary shares: | |
| Share options | **24,421,064** |
| | **3,910,360,111** |
| Diluted earnings per share | **HK0.24 cent** |

## 8. EARNINGS PER SHARE *(CONTINUED)*

### (b) Diluted *(Continued)*

Diluted earnings per share for the year ended 31 March 2017 was 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.

## 9. DIVIDENDS

No final dividend for the years ended 31 March 2018 and 2017 was proposed.

During the year ended 31 March 2017, the Company declared and paid an interim dividend of HK$0.005 per ordinary share, totalling approximately HK$19,293,000.

## 10. LOAN RECEIVABLES

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 years ended 31 March 2018 and 2017.

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

| | **As at 31 March** | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| Current – within one year | **50,000** | 70,400 |

## NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 11. ACCOUNT RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

| | As at 31 March | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| **Non-current** | | |
| Account receivables *(Note h)* | **1,000** | – |
| Prepayments for acquisition of a subsidiary *(Note a)* | **–** | 30,000 |
| Non-current deposits and prepayments for acquisition of a property *(Note b)* | **41,140** | – |
| Other non-current deposits | **960** | 196 |
| Other assets *(Note c)* | **205** | – |
| | **43,305** | 30,196 |
| **Current** | | |
| Account receivables *(Note h)* | **111,662** | 88,660 |
| Provision for impairment of account receivables *(Note i)* | **-** | (183) |
| Cash client receivables *(Note d)* | **61,910** | - |
| Due from clearing house *(Note e)* | **21** | - |
| | **173,593** | 88,477 |
| Prepayments | **582** | 589 |
| Due from related parties | **25** | - |
| Other receivables *(Note f)* | **227** | 10,395 |
| Interest receivables *(Note g)* | **2,941** | 3,456 |
| | **3,775** | 14,440 |
| Total account receivables, deposits, prepayments and other receivables | **220,673** | 133,113 |

As at 31 March 2018 and 2017, the maximum exposures of the Group to credit risk were the carrying value of account receivables mentioned above.

## 11. ACCOUNT RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES *(CONTINUED)*

Account receivables, deposits, prepayments and other receivables are denominated in the following currencies:

| | As at 31 March | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| HK$ | **112,803** | 34,191 |
| RMB | **92** | 10,371 |
| US$ | **107,778** | 88,551 |
| | **220,673** | 133,113 |

The directors consider the balances of deposits, prepayments and other receivables are neither past due nor impaired.

Other than those disclosed in note (d) below, the Group does not hold any collateral as security for account receivables, deposits and other receivables.

*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 Goldenmars Technology Investments agreed to acquire 100% equity interest in Huabang Securities Limited, 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. As at 31 March 2017, a refundable prepayment of HK$30,000,000 was paid to the vendor. Huabang Securities Limited is a licensed corporation under the Securities and Futures Ordinance, and is principally engaged in securities brokerage business. The transaction was completed on 15 February 2018 upon fulfillment of the completion conditions, including obtaining approval from the regulators.

(b) On 11 January 2018, Huabang Financial Investments Limited ("Huabang Financial Investments"), an indirectly wholly-owned subsidiary of the Company, entered into a formal sales and purchase agreement with an independent third party, pursuant to which Huabang Financial Investments has agreed to purchase a property located in Hong Kong, at a consideration of HK$219,765,000, to be satisfied by cash. At 31 March 2018, non-refundable deposits and other prepayments totalling HK$41,140,000 was paid for the acquisition of the property.

The transaction was completed on 18 April 2018 in accordance with the terms and conditions of the sales and purchase agreement.

## 11. ACCOUNT RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES *(CONTINUED)*

*Notes: (Continued)*

(c) An analysis of other assets is as follows:

| | As at 31 March | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| Hong Kong Securities Clearing Company Limited ("HKSCC") | | |
| – guarantee fund deposit | **50** | – |
| – admission fee | **50** | – |
| The Stock Exchange of Hong Kong Limited | | |
| – compensation fund deposit | **50** | – |
| – fidelity fund deposit | **50** | – |
| – stamp duty deposit | **5** | – |
| | **205** | – |

These assets are held by Huabang Securities Limited, which was acquired by the Group on 15 February 2018.

(d) At 31 March 2018, the Group held securities with an aggregate fair value of HK$281,175,000 as collaterals over the receivables. Management has assessed the market value of the pledged securities of each individual client at the end of each reporting period. The collateral held can be sold at the Group's discretion to settle any outstanding amount owned by the cash client.

The cash client receivables are interest-bearing and have no fixed repayment terms.

(e) The settlement terms of receivables arising from the ordinary course of business of dealing in securities from clearing house are within two days after trade date. Clearing house receivables are neither past due nor impaired and represent unsettled trades transacted on the last two days prior to the end of each financial year and solely related to the HKSCC for which there is limited risk of default.

In presenting the amounts due from HKSCC, the Group has offset the gross amount of the account receivables from and the gross amount of the account payable to HKSCC.

No aging analysis is disclosed for account receivables from clearing house as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of the business.

These assets are held by Huabang Securities Limited, which was acquired by the Group on 15 February 2018.

## 11. ACCOUNT RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES *(CONTINUED)*

*Notes: (Continued)*

(f) Included in other receivables at 31 March 2017 was the proceeds receivable from the disposal of the Group's investment accounted for using equity method amounting to HK$10,288,000. Such balance was unsecured, non-interest-bearing and fully settled on 12 June 2017.

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

(g) 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.

(h) The Group grants credit period ranging from 1 day to 60 days (2017: from 1 day to 60 days) to the customers of trading business and corporate finance business. The aging analysis of relevant account receivables (mostly denominated in US$) at the date of statement of financial position based on invoice date is as follows:

| | **As at 31 March** | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| 1 – 30 days* | **78,819** | 62,870 |
| 31 – 60 days | **33,697** | 25,601 |
| 61 – 90 days | **–** | – |
| Over 90 days | **146** | 189 |
| | **112,662** | 88,660 |
| Less: provision for impairment | **–** | (183) |
| | **112,662** | 88,477 |

* Including unbilled revenue of HK$4,739,000 (2017: Nil).

## 11. ACCOUNT RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES *(CONTINUED)*

*Notes: (Continued)*

Including in the above account receivables are receivables of approximately HK$193,000 (2017: HK$95,000) that were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The aging analysis of account receivables that are not individually nor collectively considered to be impaired is as follows:

| | As at 31 March | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| Neither past due nor impaired | **112,469** | 88,382 |
| 1 – 30 days past due | **47** | 89 |
| 31 – 60 days past due | **–** | – |
| 61 – 90 days past due | **76** | – |
| Over 90 days past due | **70** | 6 |
| | **112,662** | 88,477 |

As at 31 March 2017, gross account receivables of approximately HK$183,000 were fully impaired. The impaired receivables were related to balances due from a customer which the directors believe that the recoverability was remote. The aging analysis of these impaired receivables is as follows:

| | As at 31 March | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| Over 90 days | **–** | 183 |

(i) Movements in the provision for impairment of account receivables are as follows:

| | As at 31 March | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| At beginning of the year | **183** | 183 |
| Write-off of account receivables | **(183)** | – |
| At end of the year | **–** | 183 |

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | As at 31 March | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| Investments designated at fair value through profit or loss: | | |
| Listed equity securities – Hong Kong | **1,808** | – |
| | **1,808** | – |

These financial assets are held by Huabang Securities Limited, which was acquired by the Group on 15 February 2018.

## 13. BANK BALANCES HELD ON BEHALF OF CLIENTS

The Group maintains segregated trust accounts with licensed banks to hold clients' monies in accordance with the relevant legislation. The Group has classified the clients' monies as bank balances held on behalf of clients in current assets of the statement of financial position and recognised the corresponding account payables to respective clients in current liabilities of the statement of financial position. The Group is allowed to retain interest on the clients' monies. The Group is not allowed to use the clients' monies to settle its own obligations.

## 14. SHARE CAPITAL

***Authorised shares:***

As at 31 March 2018, the total authorised number of ordinary shares is 8,000 million shares (2017: 8,000 million shares) with a par value of HK$0.0008333 per share (2017: HK$0.0008333 per share). On 6 May 2016, the Company effected a subdivision of shares whereby each ordinary share was subdivided into twelve ordinary shares of HK$0.0008333 each.

***Issued shares:***

| | Number of shares *'000* | Share capital *HK'000* |
|---|---|---|
| As at 31 March 2016 | 293,880 | 2,939 |
| Share subdivision | 3,232,680 | – |
| Issuance of shares by placing *(Note a)* | 330,000 | 275 |
| As at 31 March 2017 | 3,856,560 | 3,214 |
| As at 31 March 2017 | 3,856,560 | 3,214 |
| Share options exercised | 1,932 | 2 |
| Issuance of consideration shares for acquisition of a subsidiary *(Note b)* | 231,000 | 192 |
| As at 31 March 2018 | 4,089,492 | 3,408 |

*Note:*

(a) 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.

(b) 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 Goldenmars Technology Investments agreed to acquire 100% equity interest in Huabang Securities Limited, 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.

## 15. ACCOUNT PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

An analysis of the account payables, other payables and accrued expenses is as follows:

| | As at 31 March | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| Cash client payables *(Note a)* | **24,543** | – |
| Due to clearing house *(Note b)* | **163** | – |
| Total account payables | **24,706** | – |
| Other payables and accrued expenses: | | |
| Accrued expenses | **1,762** | 2,009 |
| Receipt in advance | **–** | 1,013 |
| Other payables | **59** | 21 |
| Total other payables and accrued expenses | **1,821** | 3,043 |
| Total account payables, other payables and accrued expenses | **26,527** | 3,043 |

*Note:*

(a) The settlement terms of payables arising from securities business are normally two to three days after trade date or specific terms agreed. The majority of the cash client payables are unsecured non-interest-bearing and repayable on demand, except where certain balances represent trades pending settlement or cash received from clients for their trading activities under the normal course of business.

(b) In presenting the amounts due to HKSCC, the Group has offset the gross amount of the account receivables from and the gross amount of the account payables to HKSCC.

Account payables, other payables and accrued expenses of the Group are denominated in the following currencies:

| | As at 31 March | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| HK$ | **26,240** | 1,720 |
| RMB | **287** | 310 |
| | **26,527** | 2,030 |

Other than those disclosed in note (a) above, account payables and other payables are unsecured, non-interest-bearing and payable on demand.

## 16. COMMITMENTS

### (a) Operating lease commitments

The Group leases an office property under operating lease arrangement, with lease negotiated for terms of two years. The future aggregate minimum lease payments for a office property under non-cancellable operating leases are as follows:

| | **Year ended 31 March** | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| Not later than 1 year | **2,790** | – |
| Later than 1 year and not later than 5 years | **1,879** | – |
| | **4,669** | – |

### (b) Capital commitments

In addition to the operating lease commitments detailed in note (a) above, the Group had the following capital commitments at the end of the reporting period:

| | **Year ended 31 March** | |
|---|---|---|
| | **2018** | 2017 |
| | ***HK$'000*** | *HK$'000* |
| Contracted, but not provided for: | | |
| Leasehold properties | **198,589** | – |
| Leasehold improvements | **189** | – |
| | **198,778** | – |

## 17. BUSINESS COMBINATION

### Acquisition in 2018

On 15 February 2018, Goldenmars Technology Investments, an indirectly wholly-owned subsidiary of the Company, completed the acquisition of 100% equity interest in Huabang Securities Limited from an independent third party pursuant to a sales and purchase agreement dated 7 March 2017 at a consideration of HK$180,150,000, to be satisfied by cash of HK$30,000,000 and the allotment of issue of 231,000,000 shares of the Company. Huabang Securities Limited is a licensed corporation under the Securities and Futures Ordinance and is principally engaged in securities brokerage business in Hong Kong. Its wholly owned subsidiary, Sen Mei Logistics Limited, is an inactive company which holds a motor vehicle for own use.

## 17. BUSINESS COMBINATION *(CONTINUED)*

In accordance with HKFRS 3 (Revised), "Business Combinations", 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.

The fair values of the identifiable assets and liabilities of Huabang Securities Limited and Sen Mei Logistics Limited (collectively referred to "Huabang Securities Group") as at the date of acquisition were as follows:

| | *HK$'000* |
|---|---|
| Purchase consideration | |
| – Cash paid | 30,000 |
| – Consideration shares issued at market price on 15 February 2018 | 109,725 |
| | 139,725 |
| Recognised amounts of identifiable assets acquired and liabilities assumed | |
| – at fair value | |
| Property, plant and equipment | 680 |
| Customer relationship contract | 2,700 |
| Financial assets at fair value through profit or loss | 2,420 |
| Account receivables | 53,908 |
| Deposits, prepayments and other receivables | 760 |
| Bank balances held on behalf of clients | 28,764 |
| Cash and cash equivalents | 30,003 |
| Account payables | (29,499) |
| Other payables and accrued expenses | (1,502) |
| Deferred tax liabilities | (522) |
| Total identifiable net assets | 87,712 |
| Goodwill | 52,013 |

The Group incurred transaction costs of HK$360,000 for this acquisition. These transaction costs have been expensed and are included in general and administrative expenses in the consolidated income statement.

Included in the goodwill of HK$52,013,000 recognised above is an assembled workforce, which is not recognised separately. Because the Group would not have sufficient control over the expected future economic benefits arising from the assembled workforce, it does not meet the criteria for recognition as an intangible asset under HKAS 38, "Intangible Assets". None of the goodwill recognised is expected to be deductible for income tax purposes.

## 17. BUSINESS COMBINATION *(CONTINUED)*

The fair values of the account receivables and other receivables as at the date of acquisition amounted to HK$53,908,000 and HK$494,000, respectively. The gross contractual amounts of account receivables and other receivables were HK$61,154,000 and HK$494,000, respectively, of which account receivables of HK$7,246,000 are expected to be uncollectible.

Revenue included in the consolidated income statement since acquisition date contributed by Huabang Securities Limited was HK$2,063,000. This acquired business contributed operating profit of HK$262,000 for the year ended 31 March 2018 from the acquisition date.

Had the combination taken place at the beginning of the year, the revenue from continuing operations of the Group and the loss of the Group for the year would have been HK$695,283,000 and HK$600,000, respectively.

### Acquisition in 2017

On 10 February 2017, Goldenmars Internet Media Company Limited, an indirectly wholly-owned subsidiary of the Company, completed the acquisition of 100% equity interest in Huabang Financial Limited 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 Limited is a company incorporated in Hong Kong which directly holds the entire issued share capital of Huabang Corporate Finance Limited, a company incorporated in Hong Kong which is principally engaged in corporate finance advisory business in Hong Kong.

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 Huabang Financial Limited (formerly known as 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 corporate finance advisory business segment and the synergies expected to arise after the Group's acquisition of the business operation.

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND PROSPECT

The Group was principally engaged in (i) computer and peripheral products business and (ii) financial services business.

### (i) Computer and peripheral products business

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 and the overall market competition remained intensive. Attributed to these market conditions, the Group's overall revenue in the business segment of computer and peripheral products decreased accordingly. In view of such market conditions, the Group continuously keeps 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.

### (ii) Financial services business

The financial services business that the Group operates mainly includes (i) corporate finance advisory business; (ii) money lending business; and (iii) securities brokerage business.

***Corporate finance advisory business***

The Group engages in corporate finance advisory business through its wholly owned subsidiary Huabang Corporate Finance Limited ("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

During the year under review, the group successfully achieved a remarkable growth in the business segment of corporate finance advisory business. Revenue generated from IPO sponsorship services, financial advisory services, compliance advisory engagements was significantly increased compared to that of previous year. The Group recorded a total revenue from the business of corporate finance advisory business of approximately HK$22.4 million during the year (for the period from 10 February 2017 to 31 March 2017: approximately HK$1.4 million).

***Money lending business***

The Group engaged in money lending business through an indirect wholly-owned subsidiary of the Company, which holds a money lender licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) to carry out money lending business in Hong Kong. The Group is able to engage in the provision of loan financing including but not limited to personal loans and business loans under the scope of Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong. The money lending business segment has shown a significant growth during the year under review. The Group recorded a total revenue from this business segment of approximately HK$10.7 million (2017: approximately HK$6.1 million) during the year. The Group continued to make efforts to develop the money lending business. Even though the market competition of the money lending industry in Hong Kong is increasing, the loan demand in Hong Kong remains robust during recent years and the Group believes that the money lending business will have a promising prospect.

***Securities brokerage business***

In order to enhance long-term growth of the Group and create substantial value to the Shareholders, the Group is dedicated to continuously exploiting possibilities of new scope of businesses to further expand its business presence in the financial services sector.

In February 2018, the Group completed the acquisition of the entire equity interest in Huabang Securities Limited. Huabang Securities Limited 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. Revenue from this new business of securities brokerage business contributed approximately HK$2.1 million since the date of completion of the acquisition up to year ended 31 March 2018.

Upon completion of the acquisition of Huabang Securities Limited, the Group further expanded and diversified its financial services business. The business of the Huabang Securities Limited is expected to achieve synergistic effect with the business of Huabang Corporate Finance, a licensed corporation carry out Type 6 regulated activities (advising on corporate finance) under the SFO. The Group will be able to offer a one-stop shop solution to its corporate clients, and undertake the roles of sponsor/financial adviser, underwriter and bookrunner to meet the client's fund-raising needs and capital market services needs. This acquisition can hence provide the Group with integrated capability to serve its corporate clients and cost-saving synergies through economies of scale.

## LOOKING AHEAD

Looking ahead, the management are confident with the future development of the Group. The Group will continue to adhere to our principle of steady development, and positively cope with any challenges and capture suitable opportunities. The Group will continue to dedicate to exploiting new business opportunities in other sectors from time to time, such as other financial services sectors or other business sectors, in order to further diversify and broaden revenue sources of the Group and generate fabulous returns and long-term values for the Shareholders.

## FINANCIAL REVIEW

### Revenue and Gross Profit Margin

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

(a) computer and peripheral products business;

(b) corporate finance advisory business;

(c) money lending business; and

(d) securities brokerage business;

Revenue by business segments for the Group's revenue for the year ended 31 March 2018 is as follows:

- Computer and peripheral products business: approximately HK$648.3 million, representing 94.9% of revenue
- Corporate finance advisory business: approximately HK$22.4 million, representing 3.2% of revenue
- Money lending business: approximately HK$10.7 million, representing 1.6% of revenue
- Securities brokerage business: approximately HK$2.1 million, representing 0.3% of revenue

The Group's total revenue for the year was approximately HK$683.4 million, being a decrease of approximately HK$153.1 million when compared to the previous year of approximately HK$836.5 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 corporate finance advisory business, money lending business and securities brokerage business.

Gross profit margin for the year was approximately 8.2% (2017: approximately 4.1%). Increase in gross profit margin was mainly caused by stable gross profit margin earned from computer and peripheral products business for the year and the relatively high gross profit margin contributed from the business segments of corporate finance advisory business, money lending business and securities brokerage business.

**Selling Expenses**

The decrease in selling expenses by approximately HK$0.5 million was mainly due to the decrease in employee benefit expenses contributed by the results of enhancement of organisational structure.

**General and Administrative Expenses**

General and administrative expenses for year increased by approximately HK$10.9 million from the Last Corresponding Year, which was mainly due to the increase in legal and professional fees of approximately HK$10.0 million during the year.

**Other Losses**

The Group's other losses for the year was approximately HK$0.2 million, being a decrease of approximately HK$0.6 million when compared to the previous year of approximately HK$0.8 million. The decrease was mainly due to change of exchange loss to exchange gain in foreign currency translation during the year.

**Finance Costs**

Finance costs for the year was approximately HK$0.5 million, being a decrease of approximately HK$0.7 million when compared to the previous year of approximately HK$1.2 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$4.0 million, being an increase of approximately HK$3.1 million when compared to the previous year of approximately HK$0.9 million, which was due to the increase 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$9.2 million, being an increase of approximately HK$3.8 million when compared to the previous year of approximately HK$5.4 million, resulted in a basic earnings per share for the year of HK0.24 cent (2017: HK0.15 cent) and diluted earnings per share for the year of HK0.24 cent (2017: HK0.15 cent).

**Inventories, Loan Receivables and Account Receivables**

The Group has enhanced the inventory control policy to manage business risks associated with its principal activities. Inventories as at 31 March 2018 was approximately HK$1.9 million (31 March 2017: approximately HK$0.5 million). The overall inventories turnover days remained fairly stable for the year under review.

As at 31 March 2018, the Group's loan receivables amounted to HK$50.0 million, 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 Current Period.

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. The Group's account receivables increased by approximately HK$86.1 million, from approximately HK$88.5 million as at 31 March 2017 to approximately HK$174.6 million as at 31 March 2018.

**Liquidity, Financial Resources and Treasury Policy**

The Group maintained a solid financial position during the year. As at 31 March 2018, cash and cash equivalents of the Group amounted to approximately HK$200.3 million (31 March 2017: approximately HK$152.2 million), and the Group's net assets amounted to approximately HK$539.0 million (31 March 2017: approximately HK$409.8 million). As at 31 March 2018, there was HK$36.1 million outstanding bank borrowings balance (31 March 2017: nil). The Group's liquidity position was well-managed during the year.

As at 31 March 2018, the Group was at a healthy financial position as there were sufficient cash and cash equivalents which was higher than the bank borrowings (that is net cash position), with a healthy current ratio of approximately 6.7 (calculated by dividing the total current assets by total current liabilities).

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**

***Issuance of consideration shares***

On 15 February 2018, Goldenmars Technology Investments Limited, an indirectly wholly-owned subsidiary of the Company, completed the acquisition of 100% equity interest in Huabang Securities Limited from an independent third party pursuant to a sales and purchase agreement dated 7 March 2017 at a consideration of HK$180.15 million, to be satisfied by cash of HK$30.0 million and the allotment of issue of 231,000,000 ordinary shares of the Company. 231,000,000 ordinary shares of the Company were issued and allotted on 15 February 2018 accordingly.

As at 31 March 2018, the number of ordinary shares of the Company in issued and fully paid was 4,089,492,000.

**Capital Commitments**

Other than disclosed in note 16(b) to the financial information in this announcement, the Group had no other capital commitments as at 31 March 2018.

**Pledge of Assets**

As at 31 March 2018, the Group has pledged the properties with carrying values of approximately HK$42.5 million to secure general banking facilities granted to the Group.

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.

## 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 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 gain of approximately HK$0.1 million (2017: exchange loss of approximately HK$0.6 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 2018 and 2017.

## Employees and Emolument Policy

As at 31 March 2018, the Group had a total of 41 employees. Employee benefit expenses and share option expenses, including Directors' remuneration for the year ended 31 March 2018, amounted to approximately HK$12.5 million (2017: approximately HK$8.8 million) and approximately HK$8.8 million (2017: approximately HK$14.3 million) 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

The Board does not recommend the payment of final dividend for the year ended 31 March 2018.

## Material Acquisitions

(i) On 11 January 2018, Huabang Financial Investments Limited ("Huabang Financial Investments"), an indirectly wholly-owned subsidiary of the Company, enters into a formal sales and purchase agreement with an independent third party, pursuant to which the Huabang Financial Investments has agreed to purchase a property located in Hong Kong, at a consideration of approximately HK$219.8 million, to be satisfied by cash. At 31 March 2018, total non-refundable deposits and other prepayments of approximately HK$41.1 million was paid for the acquisition of the property. The transaction was completed on 18 April 2018 in accordance with the terms and conditions of the sales and purchase agreement.

(ii) On 15 February 2018, Goldenmars Technology Investments Limited, an indirectly wholly-owned subsidiary of the Company, completed the acquisition of 100% equity interest in Huabang Securities Limited from an independent third party pursuant to a sales and purchase agreement dated 7 March 2017 at a consideration of HK$180.15 million, to be satisfied by cash of HK$30.0 million and the allotment of issue of 231,000,000 shares of the Company. Huabang Securities Limited is a licensed corporation under the Securities and Futures Ordinance and is principally engaged in securities brokerage business in Hong Kong.

## COMPETING INTEREST OF DIRECTORS, CONTROLLING SHAREHOLDERS AND THEIR RESPECTIVE ASSOCIATES

For the year ended 31 March 2018, 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 2018.

## 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 2018, 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 extraordinary general meetings held on 31 October 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 2018 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 2018 have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young 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 Ernst & Young on the preliminary announcement. The Audit Committee has reviewed the annual results for the year ended 31 March 2018.

## ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Friday, 24 August 2018. 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, 21 August 2018 to Friday, 24 August 2018 (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, 20 August 2018.

## PUBLICATION OF THE ANNUAL RESULTS AND 2018 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 2018 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, 21 June 2018

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