

EFT Solutions Holdings Limited

俊盟國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8062



2018
Annual Report

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lo Chun Kit Andrew
(Chairman and Chief Executive Officer)

Mr. Chan Lung Ming
(Vice Chairman and Chief Strategy Officer)
(Appointed on 1 September 2017)

Mr. Lo Chun Wa

Non-executive Directors

Ms. Lam Ching Man

Mr. Lui Hin Weng Samuel
(Re-designated from independent non-executive Director to non-executive Director on 9 August 2017)

Independent Non-executive Directors

Mr. Lam Keung

Ms. Yang Eugenia *(Appointed on 9 August 2017)*

Mr. Pang Victor Ho Man *(Resigned on 9 October 2017)*

Mr. Ng Ming Fai *(Appointed on 13 October 2017)*

COMPLIANCE OFFICER

Mr. Lo Chun Wa

COMPANY SECRETARY

Ms. Ng Wing Shan *(Resigned on 2 November 2017)*

Mr. Luk Pok Yin *(Appointed on 2 November 2017)*

AUTHORISED REPRESENTATIVES

Mr. Lo Chun Kit Andrew

Ms. Ng Wing Shan *(Resigned on 2 November 2017)*

Mr. Luk Pok Yin *(Appointed on 2 November 2017)*

AUDIT COMMITTEE

Ms. Yang Eugenia
(Appointed as the Chairman of the Audit Committee on 9 August 2017)

Mr. Lui Hin Weng Samuel
(Ceased to be the Chairman and member of the Audit Committee on 9 August 2017)

Mr. Lam Keung

Mr. Pang Victor Ho Man *(Resigned on 9 October 2017)*

Mr. Ng Ming Fai *(Appointed on 13 October 2017)*

REMUNERATION COMMITTEE

Mr. Ng Ming Fai
(Appointed as the Chairman of the Remuneration Committee on 13 October 2017)

Mr. Pang Victor Ho Man
(Ceased to be the Chairman and member of the Remuneration Committee on 9 October 2017)

Mr. Lo Chun Kit Andrew

Mr. Lam Keung

NOMINATION COMMITTEE

Mr. Lo Chun Kit Andrew *(Chairman)*

Mr. Lam Keung

Mr. Pang Victor Ho Man *(Resigned on 9 October 2017)*

Mr. Ng Ming Fai *(Appointed on 13 October 2017)*

COMPLIANCE ADVISER

Lego Corporate Finance Limited
Room 1601, 16/F, China Building
29 Queen's Road Central
Hong Kong

HONG KONG LEGAL ADVISER

Li & Partners
22/F, World-Wide House
Central, Hong Kong



AUDITOR

Elite Partners CPA Limited
10/F, 8 Observatory Road
Tsim Sha Tsui, Kowloon
Hong Kong

PRINCIPAL BANK

Hang Seng Bank Limited
9/F, 83 Des Voeux Road Central
Hong Kong

REGISTERED OFFICE

Clifton House
75 Fort Street, P.O. Box 1350, Grand Cayman
KY1-1108, Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Workshops B1 & B3
11/F, Yip Fung Industrial Building
28-36 Kwai Fung Crescent
Kwai Chung, New Territories
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street, P.O. Box 1350, Grand Cayman
KY1-1108, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point, Hong Kong

STOCK CODE

8062

COMPANY WEBSITE

www.eftsolutions.com

FINANCIAL HIGHLIGHTS

For the year ended 31 March	2018 HK\$'000	2017 HK\$'000	+/(–)
Revenue	94,148	53,282	+76.5%
Gross profit	48,833	22,048	+121.8%
Operating profit	27,618	14,380	+91.7%
Profit before tax	27,391	1,134	+2,390.9%
Profit (loss) for the year	21,698	(1,295)	+1,769.2%
Share-based payment expenses (included in administrative expenses)	(6,259)	–	N/A
Listing expenses (one-off in 2017)	–	(13,078)	N/A
Operating profit (excluding share-based payment expenses)	33,877	14,380	+135.4%
Profit before tax (excluding share-based payment expenses and listing expenses)	33,650	14,212	+137.3%
Profit for the year (excluding share-based payment expenses and listing expenses)	27,957	11,783	+137.3%

As at 31 March	2018 HK\$'000	2017 HK\$'000	+/(–)
Total current assets	95,807	62,492	+52.2%
Total assets	110,835	63,818	+73.7%
Net current assets	71,036	56,781	+25.1%
Total equity	86,064	58,107	+48.2%

EARNING (LOSS) PER SHARE

	2018 HK cents	2017 HK cents	+/(–)
Earnings (loss) per share			
– Basic	4.52	(0.31)	+1,558.1%
– Diluted	4.46	(0.31)	+1,538.7%



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the “**Board**”) of the Company, I am very pleased to present the annual report of the Group for the year ended 31 March 2018.

BUSINESS REVIEW

The Group has continued to take a leading position as an innovative electronic fund transfer at point-of-sales (“**EFT-POS**”) solution provider focusing on sourcing of EFT-POS terminals and peripheral devices, and provision of EFT-POS system support services and software solution services in Hong Kong.

We are confident in well-positioning ourselves to continue on consolidating as the link between EFT-POS terminal manufacturers and acquirers (i.e. acquiring bank or payment processor that processes credit or debit card payments on behalf of a merchant) to provide total EFT-POS solutions including sourcing of EFT-POS terminals and peripheral devices services, together with developing software that comply with electronic payment standards acceptance certification, installation and ongoing maintenance and repair services of EFT-POS terminals and other related services. We also provide customised project-based software solution services so as to further capture ongoing growth opportunities and expand local market share in the EFT-POS terminal market and strengthen our payment solution technology and software solution services. We provide sourcing of EFT-POS terminals and peripheral devices services to acquirers as well as merchants. Leveraging our experience in the electronic payment industry and our well-established business relationships with EFT-POS terminal and peripheral device manufacturers, we are able to recommend suitable EFT-POS solutions to meet the requirements of our customers.

During the year ended 31 March 2018, the Group continued its efforts in developing the sourcing of EFT-POS terminals and peripheral devices, and provision of EFT-POS system support services and software solution services and recorded growth in revenue from sourcing of EFT-POS terminals and peripheral devices and provision of EFT-POS system support services, while there was significant growth from software solution services. We expect there is great opportunity for growth in the software solution services and aim at promoting our expertise in integration of companies’ retail management with point-of-sales systems to facilitate them in meeting the demand for the cashless society.

Looking ahead, the management of the Group would make every endeavor to explore more business opportunities in payment solutions so as to strengthen the Group’s financial position and maintain its growth.



LO CHUN KIT ANDREW

Chairman and Chief Executive Officer

FUTURE OUTLOOK

In recent years, cashless payment method becomes one of the main payment methods. We fully understand a quick response is needed to adapt to the fast-paced payment technology movement. During the year, our Group has assembled and organized a larger system development team and specialists on acquiring host software so as to improve the business performance and to cope with large scale projects such as projects from banks and renowned corporations ranging from leading railway operators to food and beverage companies. Further, with the growing integration of mobile payment methods and ongoing new payment technologies, we anticipated there will be a rapid development of the mobile payment market. As the EFT-POS terminal manufacturers are actively developing and upgrading their terminals so as to keep abreast of the fast-paced payment technology, new versions of EFT-POS terminals are emerging in the market incorporating the most cutting-edge payment technology. EFT-POS terminal distributors can therefore take advantage of the structural development of the payment market and approach acquirers and merchants for upgrading their older model EFT-POS terminals. All of these provide significant opportunities for our Group to expand our market share and strengthen our market position in Hong Kong's electronic payment industry by increasing our capabilities and offering diverse and high quality services.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express sincere gratitude to the management and all the staff of the Group for their hard work and dedication to the Group, as well as, the shareholders of the Company (the "**Shareholders**"), our customers and suppliers and all business partners for their trust and support to the Group.

Lo Chun Kit Andrew

Chairman and Chief Executive Officer

Hong Kong, 22 June 2018



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND STRATEGY

During the year ended 31 March 2018, the Group continued its efforts in developing the sourcing of EFT-POS terminals and peripheral devices, and provision of EFT-POS system support services and software solution services and recorded a growth of approximately 76.5% in total revenue.

The Group is a leading EFT-POS solutions provider in Hong Kong and continued to maintain its position as the leading EFT-POS solution provider that focuses on providing total EFT-POS solutions including sourcing of EFT-POS terminals and peripheral devices services, together with developing software that comply with electronic payment standards acceptance certification, installation and ongoing maintenance and repair services of EFT-POS terminals and other related services. The Company was listed on GEM of the Stock Exchange on 15 December 2016 (the “**Listing**”). We strive for enlarging our market share and strengthen our market position in Hong Kong by engaging large scale projects with renowned corporations and banks in Hong Kong and overseas. To achieve such objectives, we intend to implement our business strategies, which are to expand and diversify our business offering to increase revenue streams. Our strategies are aimed to promote the business opportunities in the following areas:

Acquiring host software services – to capture this market opportunity by leveraging our years of operating experience in the EFT-POS industry, together with the technical know-how and software development capabilities accumulated from developing electronic payment standards applications and software solution services. As at 31 March 2018, the Group has actively participated in merger and acquisitions to look for more business opportunities and approached potential customers to develop tailor-made data system and software to meet their specific needs and to strengthen their capabilities;

Food and beverage service providers – to promote and offer a wide range of EFT-POS terminals including “pay at table” devices with functionality and to develop tailored software that accommodate the different needs of food and beverage service providers so as to increase the number of “pay at table” devices for payment transactions used by the food and beverage service providers. As at 31 March 2018, the Group has launched project of EFT-POS terminals with one of the largest food and beverage service providers in Hong Kong and will continue to identify and explore more business opportunities in different industries in Hong Kong;

Public car parking systems – to continue for promoting a new generation of parking systems that accept EFT-POS terminals with features and functions that can enhance the corporate value of the target companies. As at 31 March 2018, the Group has sourced a batch of EFT-POS terminals to the customer in Australia for provision of “Smart” parking. The Group actively identify and explore more business opportunities like the provision of self-service car park payment system in overseas countries; and

Taxi – to capture market opportunities by building stronger relationships with more taxi management companies and taxi owners in Hong Kong and with acquirers so as to promote our services and increase the number of taxis accepting credit and debit card payments. As at 31 March 2018, the Group has continued to explore more opportunities in this category to provide all-in-one “Smart” payment solutions services.



COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison between the Group's business objectives as set out in the prospectus of the Company dated 5 December 2016 (the "**Prospectus**") and actual business progress as at 31 March 2018:

Business objectives

Actual business progress as at 31 March 2018

Expansion of information technology workforce for total EFT-POS solutions

We have recruited six information technology staffs and engaged an independent agent to search for talents to develop software solutions for new models of EFT-POS terminals.

Expansion of information technology workforce for acquiring host software services

We have engaged an independent agent to search for talents to develop acquiring host software services.

Expansion of our business development workforce

We have recruited one business development manager and engaged an independent agent to search for talents for business development.

Enhancement of information technology and network system

We have upgraded our server to achieve higher capacity and security and purchased additional computers for new staffs.

Expansion of office space for new headcount

We have renovated our office to accommodate new headcount.

Expansion of our product portfolio or increase our market share through potential future strategic acquisitions or arrangements

We have invested in Open Sparkz Pty Ltd ("**Open Sparkz**") to grasp the opportunity to enter into overseas software solutions business and electronic payment business. Please refer to the sub-heading "Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Capital Assets" for further details.

We have paid Hung Wai Holdings Limited ("**Hung Wai**") the deposit of HK\$8.0 million as earnest money for the proposed investments. Please refer to the sub-heading "Plans for Material Investments and Acquisitions" for further details.



Management Discussion and Analysis

USE OF PROCEEDS

The total net proceeds from the Listing after deducting all related expenses was approximately HK\$35.1 million, which are intended to be applied in the following manner:

- approximately HK\$8.9 million, will be used to expand our information technology workforce for total EFT-POS solutions;
- approximately HK\$5.4 million, will be used to expand our information technology workforce for acquiring host software services;
- approximately HK\$5.4 million, will be used to expand our business development workforce;
- approximately HK\$0.6 million, will be used to enhance our information technology and network system;
- approximately HK\$2.0 million, will be used for property improvements to accommodate new headcount;
- approximately HK\$10.0 million, will be used for potential future strategic acquisitions or arrangements to expand our product portfolio or increase our market share; and
- the remaining amount of approximately HK\$2.8 million will be used to provide funding for our working capital and other general corporate purposes.



Upon receipt of the proceeds, the actual use of the proceeds by the Group as at 31 March 2018 was as follows:

- approximately HK\$3.0 million has been used to expand our information technology workforce for total EFT-POS solutions;
- approximately HK\$1.3 million has been used to expand our information technology workforce for acquiring host software services;
- approximately HK\$1.2 million has been used to expand our business development workforce;
- approximately HK\$0.3 million has been used to enhance our information technology and network system;
- approximately HK\$1.0 million has been used for property improvements to accommodate new headcount;
- approximately HK\$10.0 million has been used for potential future strategic acquisitions or arrangements to expand our product portfolio or increase our market share;
- approximately HK\$2.8 million has been used for our working capital and other general corporate purposes; and
- the remaining balance of approximately HK\$15.5 million is placed with a licensed bank in Hong Kong.

The Group has been actively exploring opportunities for strategic acquisitions to expand the Group. The Group intends to continue to apply the remaining net proceeds in accordance with the proposed applications set out above.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

The Group is exposed to various risks in the operations of the Group's business and the Group believes that risk management is important to the Group's success. Key operational risks faced by the Group include, among others, changes in general market conditions and ability to continue to attract and retain highly qualified technical and managerial staff with the appropriate technical expertise and knowledge of the electronic payment industry. The provision of our services relies heavily on the technical know-how and skill-set of such employees and their continued employment with us is therefore crucial to our business operations. To cope with our business expansion, we conduct continuous recruitment for high caliber candidates from university graduates in computer science with a view to train them up with technical knowledge in electronic payment industry.

FINANCIAL REVIEW

Revenue

The Group's revenue principally represented income derived from sourcing of EFT-POS terminals and peripheral devices, provision of EFT-POS system support services and software solutions services. Revenue of approximately HK\$53.3 million and HK\$94.1 million were recognised for the years ended 31 March 2017 and 2018, respectively, which represents a significant increase of approximately 76.5%. This was mainly due to an increase in provision of software solution services of approximately 1,052.2% compared to that in previous year.

For sourcing of EFT-POS terminals and peripheral devices, revenue of approximately HK\$23.8 million and HK\$31.4 million were recognised for the years ended 31 March 2017 and 2018, respectively, which represents an increase of approximately 31.9% due to increase in the number of EFT-POS terminals sold.

For provision of EFT-POS system support services, revenue of approximately HK\$27.2 million and HK\$36.2 million were recognised for the years ended 31 March 2017 and 2018, respectively, which represents an increase of approximately 33.1% due to the increase in the number of EFT-POS terminals covered by our system support services.

For provision of software solution services, revenue of approximately HK\$2.3 million and HK\$26.5 million were recognised for the years ended 31 March 2017 and 2018, respectively, which represents a significant increase of approximately 1,052.2% due to the increase in the number of software solution projects in relation to mobile payment methods and ongoing new payment technologies completed during the current year at a higher contract values as compared with that in previous year.

Costs of Goods Sold and Services

Costs of goods sold and services primarily consisted of costs of inventories recognised as expense, cost of independent service providers, tools and consumables, salaries and benefits, freight and transportation, rent, local travelling and telephone and utilities expense. Costs of goods sold and services were approximately HK\$31.2 million and HK\$45.3 million for the years ended 31 March 2017 and 2018, respectively, which represented a significant increase of approximately 45.2% mainly due to the increase in costs of inventories sold in accordance with the increase in revenue from sourcing of EFT-POS terminals and peripheral devices and increase in costs of independent services providers in accordance with the increase in revenue from provision of EFT-POS system support services and software solution services.



Gross Profit and Gross Profit Margin

The overall gross profit were approximately HK\$22.0 million and HK\$48.8 million for the years ended 31 March 2017 and 2018, respectively, which represented an increase of approximately 121.8%. And the overall gross profit margin for the years ended 31 March 2017 and 2018 were approximately 41.4% and 51.9%, respectively, which represented an increase of approximately 10.5%. The reason for the increase was that the Group completed an increased number of software solution projects with high contract values which generated relatively higher profit margin than that generated from sourcing EFT-POS terminals and system support services in the current year as compared to that in the previous year.

Other Income

Other income mainly represented income from delivery cost recharged to customers. Other income were approximately HK\$0.2 million and HK\$0.6 million for the years ended 31 March 2017 and 2018, respectively, which were relatively stable over the years.

Other Losses

Other losses mainly represented exchange difference arising from operating activities. Other losses were approximately HK\$0.2 million and HK\$0.3 million for the years ended 31 March 2017 and 2018, respectively, which were relatively stable over the years.

Staff Costs

Staff costs of approximately HK\$15.6 million and HK\$29.0 million were recorded for the years ended 31 March 2017 and 2018, respectively, which represented an increase of approximately 85.9% due to the increase in directors' remuneration and staff salaries after the Listing as well as the increase in share-based payment expenses.

Listing Expenses

During the year ended 31 March 2018, the Group had not incurred any listing expenses. The Group recorded listing expenses of approximately HK\$13.1 million for the year ended 31 March 2017 in connection with the preparation for the Listing which were charged as expenses. Total listing expenses were approximately HK\$21.0 million, and part of these expenses of approximately HK\$5.6 million was available for offsetting against the Company's equity reserves and approximately HK\$1.3 million had been borne by Mr. Lo Chun Kit Andrew ("**Mr. Lo**"), the selling Shareholder during the Listing.

Other Administrative Expenses

Other administrative expenses (excluding listing expenses and staff costs) are comprised mainly of auditors' remuneration, depreciation, legal and professional fees and office expenses.

Other administrative expenses for the years ended 31 March 2017 and 2018 were approximately HK\$3.8 million and HK\$5.9 million, respectively, which represents a significant increase of approximately 55.3% mainly due to the increased legal and professional fees of approximately HK\$3.0 million to cope with the needs of compliance work as a result of the listing status and potential investment projects.

Investment in an Associate

The Group has invested approximately HK\$5.1 million to subscribe for the shares of Open Sparkz during the year, which represented 21.97% of shareholdings of Open Sparkz as at 31 March 2018. Share of results of an associate represented operating losses arising from principal business activities of the associate. The Group's share of results of an associate of approximately HK\$0.2 million was recorded for the year ended 31 March 2018.

Finance Costs

Finance costs represented interest expenses on bank borrowings. Finance costs of approximately HK\$0.2 million and HK\$13,000 were recorded for the years ended 31 March 2017 and 2018, respectively. The carrying amount of the Group's bank borrowings as at 31 March 2017 has been fully settled in April 2017 while the Group has recently borrowed a bank loan of HK\$5.0 million in March 2018, and thus no material finance costs have been incurred during the year.

Income Tax Expense

Income tax expense represented provision of Hong Kong Profits Tax at the rate of 16.5% for the estimated assessable profits for the years ended 31 March 2017 and 2018. Listing expenses are not deductible for tax purpose.

Profit (loss) for the Year

The Group recorded profit for the year of approximately HK\$21.7 million for the year ended 31 March 2018 as compared to a loss of approximately HK\$1.3 million for the year ended 31 March 2017. The turnaround result was mainly due to completion of an increased number of software solution projects with high contract values for the year ended 31 March 2018, which is set off against the increase in the share-based payment expenses, and absence of non-recurring listing expenses, boosted the profit of the Group.

FINANCIAL POSITION, LIQUIDITY AND FINANCIAL RESOURCES

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimise the costs of funds, the Group's treasury activities are centralised and cash is generally deposited with major banks in Hong Kong and denominated mostly in Hong Kong dollars.

The Group has remained at a sound financial resource level. As at 31 March 2018, the Group had net current assets of approximately HK\$71.0 million (2017: approximately HK\$56.8 million) including cash and cash equivalents of approximately HK\$22.6 million as at 31 March 2018 (2017: approximately HK\$46.4 million).

As at 31 March 2018, the gearing ratio (calculated on the basis of total bank borrowings divided by the total equity as at the end of the year) of the Group was approximately 5.8% (2017: approximately 0.5%). Details of the borrowings of the Group is disclosed in Note 22 to the consolidated financial statements.



Management Discussion and Analysis

PLEDGE OF ASSETS

As at 31 March 2018, the Group did not have any pledged assets (2017: nil).

Before the date of Listing, the Group's bank borrowing was previously guaranteed by Mr. Lo and secured by a property of Mr. Lo and these have been replaced by a corporate guarantee on the date of Listing.

FOREIGN CURRENCY RISK

The Group's business activities are in Hong Kong and are principally denominated in Hong Kong dollars and United States dollars. The Group currently does not have a foreign currency hedging policy. However, the Directors will continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2018, the Group had contracted capital commitment for the acquisition of a subsidiary of approximately HK\$210.0 million and capital injection in an associate of approximately HK\$0.9 million. Please refer to sub-heading "Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Capital Assets" for further details. Save as disclosed above, the Group did not have any significant capital commitment (2017: nil).

As at 31 March 2018, the Group did not have any significant capital expenditures (2017: nil).

As at 31 March 2018, the Group did not have any significant contingent liabilities (2017: nil).

CAPITAL STRUCTURE

As at 31 March 2018, the Group had bank borrowings of approximately HK\$5.0 million (2017: HK\$0.3 million). The borrowings were for import trade purpose and unsecured.

Save as disclosed above, there has been no change in the Company's capital structure during the year ended 31 March 2018. The capital structure of the Group comprises of issued share capital and reserves. The Directors review the Group's capital structure regularly.

SEGMENTAL INFORMATION

Segmental information is presented for the Group as disclosed in Note 7 to the consolidated financial statements.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2018, the Group employed 68 (2017: 57) full time employees (including Directors). We determine the employees' remuneration based on factors such as qualification, duty, contributions and years of experience. In addition, the Group provides comprehensive training programs to its employees or sponsors the employees to attend various job-related training courses.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND CAPITAL ASSETS

On 22 November 2017, the Group entered into a subscription agreement with Open Sparkz to subscribe for the subscription shares, which represents 25% of the enlarged issued share capital of Open Sparkz at the consideration of AUD1.0 million by five installments. Open Sparkz is incorporated in Australia and is principally specialising in highly automated offers and rewards solutions using front of wallet credit, debit and prepaid cards. The Group considers that the subscription could provide an opportunity to the Group to enter into the electronic payment business. For the year ended 31 March 2018 and up to the date of this report, the Group has paid AUD850,000 to Open Sparkz to subscribe 304,921 shares up to the fourth installments. As at 31 March 2018, the Group held 21.97% interests of Open Sparkz.

On 19 January 2018, the Group entered into the sale and purchase agreement with Earn World Enterprises Limited ("**Earn World Enterprises**"), pursuant to which Earn World Enterprises has conditionally agreed to sell and the Group has conditionally agreed to purchase the sale shares, which represented 70% of the entire issued share capital of Earn World Development Limited ("**Earn World Development**"). The consideration for the acquisition is HK\$210.0 million which shall be payable by the Group as to HK\$16.0 million by cash and HK\$194.0 million by issuance of promissory notes. Completion is subject to fulfillment of the terms and conditions precedent set out in the sale and purchase agreement. Earn World Development and its subsidiaries has been in the information technology industry for more than ten years. It is principally engaged in the provision of software solution in retail, distribution and accounting sectors including point of sales system, ordering and inventory system and accounting system, with the objective of providing commercial software applications and retail and distribution solutions which are suitable for global operation. The Group considers that the acquisition could provide an opportunity to the Group to enlarge the market share of the software solutions business and to explore more business opportunities in payment solutions so as to strengthen the Company's financial position and maintain its growth in Hong Kong. Please refer to the Company's announcement dated 19 January 2018 for further details. Up to the date of this report, the acquisition has been approved by the Shareholders in its extraordinary general meeting held on 31 May 2018. All the terms and conditions for completion have been fulfilled and the acquisition was completed on 31 May 2018. Please refer to the Company's announcement dated 31 May 2018 for further details.

On 2 March 2018, the Group entered into the subscription agreement with Newport Tek Pty Ltd ("**Newport**") to subscribe for the subscription shares, which represents 75% of the entire issued share capital of Newport at the consideration of approximately AUD360.0. Completion is subjected to fulfillment of the terms and conditions precedent set out in the subscription agreement. Newport is incorporated in Australia and is principally engaged in guiding the clients through the maze of embedded systems technology to achieve an effective price/performance ratio for their products. The Group considers that the subscription could provide an opportunity to the Group to enter into the overseas software solutions business. Up to the date of this report, all the terms and conditions for completion have been fulfilled and the acquisition was completed on 5 April 2018.

Save as disclosed above, the Group did not have any significant investments, material acquisitions and disposals of subsidiaries and capital assets during the year ended 31 March 2018 and up to the date of this report.

PLANS FOR MATERIAL INVESTMENTS AND ACQUISITIONS

As of the date of this report, the Group has entered into the Memorandum of Understanding (“**MOU**”) in respect of the following proposed material investments and acquisitions as follows:

- The Group has conditionally proposed to invest in Hung Wai for a majority stake by way of subscription of new shares or acquisition of shares. Hung Wai is incorporated in Hong Kong and is principally engaged in investment holding and the trading of electronic technological products, and vending machines used in conjunction with EFT-POS products and peripheral devices. The Group considers that the proposed investment could provide an opportunity to the Group to expand our market share through provision of customised EFT-POS products and devices to meet the specific customer needs and to meet global trend of smart city development and will further enhance the investment portfolio and future earnings of the Group. Please refer to the Company’s announcement dated 25 October 2017 for further details. The exclusivity period of the MOU has been extended to six months since the expiry date of MOU. Up to the date of this report, the process of due diligence on Hung Wai is still ongoing.
- The Group has conditionally proposed to make an angel investment in Trend Lab Limited (“**Trend Lab**”) by way of subscription of new shares, which represents approximately 10% of the enlarged issued share capital of Trend Lab. Trend Lab is incorporated in Hong Kong and is principally focusing on electronic payments. The Group considers that the proposed subscription could provide an opportunity to the Group to enter into the electronic payment business. Please refer to the Company’s announcement dated 15 January 2018 for further details.

Save as disclosed above, the Group did not have any plans for material investments and acquisitions as at 31 March 2018 and up to the date of this report.

OUTLOOK

We will strive our best effort to achieve business growth. We aim to further expand our market share and strengthen our market position in Hong Kong’s electronic payment industry by increasing our capabilities and offering diverse and high quality services.

The Group will continue to identify suitable investments, acquisitions and project opportunities in order to enhance the value of the Company and create higher returns for the Shareholders.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Lo Chun Kit Andrew, aged 43, was appointed as the chairman of the Board (“**Chairman**”), an executive Director and the chief executive officer of the Company (“**CEO**”) in June 2016. Mr. Lo is also the chairman of the Nomination Committee. He is one of the founders of the Group and has been appointed as a director of EFT Solutions Limited (“**EFT**”), a wholly-owned subsidiary of the Company, since August 2008. Mr. Lo is currently responsible for supervising the overall corporate strategic planning, business development and major decision-making of the Group as well as the daily operation and management of the Group. Mr. Lo obtained a bachelor’s degree in science from The University of Western Ontario in Canada in June 1996. Mr. Lo is experienced in electronic payment solutions having over 20 years of experience in the industry with 9 years accumulated in Ingenico International (Pacific) Pty Limited responsible for electronic payment solution development in Hong Kong and for taxi industry in New York, the United States; and 1 year in Hang Seng Bank Limited (stock code: 0011) responsible for credit card payment support services for merchants in Hong Kong and Macau. Mr. Lo is the spouse of Ms. Lam Ching Man (“**Ms. Lam**”) and the eldest brother of Mr. Lo Chun Wa. The remuneration of Mr. Lo was adjusted to HK\$200,000 per month with effect from June 2017.

Mr. Chan Lung Ming (“**Mr. Chan**”), aged 40, was appointed as a chief strategy officer (“**CSO**”) of the Company in June 2017 and as the vice chairman of the Company and executive Director in September 2017. Mr. Chan is currently responsible for supervising the overall corporate strategic planning, business development and major decision-making of the Group. Mr. Chan obtained a Master of Science in Professional Accounting and Corporate Governance from City University of Hong Kong in 2014, a Master of Laws from Renmin University of China in 2007, a Master of Laws in International Economic Law from City University of Hong Kong in 2006, a Bachelor of Laws degree (Hons) from University of London in 2004 and a Bachelor of Business Administration degree from The Open University of Hong Kong in 2000. Mr. Chan is a responsible officer under the Securities and Futures Commission possessing the type 6 (advising on corporate finance) licence. Mr. Chan has several years of experience in the areas of corporate finance, regulatory and compliance. Mr. Chan is currently a director of investment banking at a corporation licensed to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Chan was a director of China Oil Gangran Energy Group Holdings Limited (Stock code: 8132) from August 2013 to December 2016.

Mr. Lo Chun Wa, aged 34, was appointed as an executive Director in June 2016. Mr. Lo Chun Wa has worked as the customer service manager of EFT since April 2009 and has been repositioned to chief procurement and logistics officer since January 2017. Mr. Lo Chun Wa is currently responsible for formulating the overall corporate strategic planning, business development and major decision-making of the Group as well as the daily operation and management of procurement and logistics division and warehousing of the Group. Mr. Lo Chun Wa is experienced in electronic payment solutions with over 11 years of experience in customer service and service maintenance aspects. Mr. Lo Chun Wa is the youngest brother of Mr. Lo and the brother-in-law of Ms. Lam.

NON-EXECUTIVE DIRECTORS

Ms. Lam Ching Man, aged 43, was appointed as a non-executive Director in June 2016. Ms. Lam was appointed as a director of EFT for the periods from June 2005 to August 2008 and from April 2013 to February 2015, respectively. Ms. Lam is currently responsible for formulating the overall corporate strategic planning and major decision-making of the Group as well as supervising the administration of the Group. Ms. Lam completed her secondary education in July 1993. Ms. Lam has over 11 years of experience in administrative function. Ms. Lam is the spouse of Mr. Lo, and the sister-in-law of Mr. Lo Chun Wa.

Mr. Lui Hin Weng Samuel (“**Mr. Lui**”), aged 43, was appointed as an independent non-executive Director in November 2016 and has been re-designated from an independent non-executive Director to a non-executive Director in August 2017. Mr. Lui is currently responsible for formulating the overall corporate strategic planning and major decision-making of the Group. Mr. Lui obtained a bachelor’s degree in accountancy from Nanyang Technological University in Singapore in July 1998. Mr. Lui has been a member of the Institute of Singapore Chartered Accountants (previously known as the Institute of Certified Public Accountants of Singapore) since October 2002. Mr. Lui has about 19 years of experience in capital markets, investment banking, private equity, financial and risk management, compliance and auditing.

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Keung (“Mr. Lam”), aged 45, was appointed as an independent non-executive Director in November 2016. Mr. Lam is currently responsible for supervising and providing independent judgment to the Board. Mr. Lam obtained a bachelor’s degree in electrical engineering from the University of Tennessee in the United States in December 1993. Mr. Lam possesses over 22 years of experience in integrated circuit and semi-conductor industry. Mr. Lam is experienced in marketing and sales of electronic products and related solutions.

Ms. Yang Eugenia (“Ms. Yang”), aged 41, was appointed as an independent non-executive Director in August 2017. Ms. Yang is currently responsible for supervising and providing independent judgment to the Board. Ms. Yang is a practicing barrister in Hong Kong. Ms. Yang is a member of Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. Ms. Yang is also a member of Institute of Chartered Accountants in English and Wales and a member of the Institute of Certified Public Accountants of Pakistan. Ms. Yang graduated from The University of Melbourne, Australia with a Bachelor Degree in Commerce, Postgraduate Diploma in Finance and a Master Degree in Commerce (Finance). Ms. Yang is also a graduate of Monash University, Australia with a Bachelor of Laws Degree. From August 2005 to May 2006, Ms. Yang was an independent non-executive director of Nority International Group Limited (currently known as Wai Chun Mining Industry Group Co. Ltd. (stock code: 660), a company listed on the Stock Exchange. Ms. Yang was also an independent non-executive director of Millennium Pacific Group Holdings Limited (stock code: 8147), a company listed on GEM between June 2014 and July 2017. Ms. Yang was also an independent non-executive director of China Oil Gangran Energy Group Holdings Limited (stock code: 8132) from August 2013 to June 2018.

Mr. Ng Ming Fai (“Mr. Ng”), aged 46, was appointed as an independent non-executive Director in October 2017. Mr. Ng is currently responsible for supervising and providing independent judgment to the Board. Mr. Ng obtained a Graduate Diploma in Transportation Logistics Management from Hong Kong University of Science and Technology in May 2000 and a Bachelor of Art degree in Administrative and Financial Studies (Major in Financial Accounting and Economics) from University of Western Ontario in June 1996. Mr. Ng is currently a director responsible for Distribution Services in North Asia of Expeditors Hong Kong Ltd. since March 2013. Mr. Ng possesses over 22 years of experience in logistics and distribution and supply chain services industry.

SENIOR MANAGEMENT

Mr. Lee Ka Ming Kelvin (“Mr. Lee”), aged 43, is the chief operation officer of the Company. Mr. Lee was a director of EFT since its incorporation in February 2004 until December 2006. Mr. Lee re-joined the Group as chief operation officer in July 2015. Mr. Lee is responsible for daily management and supervision of customer and technical service provision of the Group. Mr. Lee obtained a bachelor’s degree in science majoring in marketing from University of Wales in the United Kingdom in November 2009. Mr. Lee is experienced in electronic payment solutions having over 18 years of experience in the industry with 8 years accumulated in Ingenico International (Pacific) Pty Limited responsible for supervising customer service provision to bank customers and 8 years in Hang Seng Bank Limited (stock code: 0011) responsible for providing credit card transaction support to merchants and handling disputes from cardholders in relation to credit card transactions.

Mr. Chan Wai To, aged 41, is the chief information officer. He worked as an engineer in EFT from February 2005 to June 2007, responsible for providing technical support to customers and re-joined the Group as chief information officer in September 2015. He obtained a bachelor’s degree in science majoring in computer science and a master of philosophy degree in computer science, respectively, from The Chinese University of Hong Kong in December 1999 and October 2001, respectively. Mr. Chan Wai To is responsible for planning and overseeing electronic payment software development and technical support. Mr. Chan Wai To is experienced in electronic payment and software solutions having over 12 years of experience in the industry with 7 years accumulated in Hang Seng Bank Limited (stock code: 0011) responsible for developing new technical products or solutions for merchant business development.

Biographical Details of Directors and Senior Management

Mr. Cheung Chun Bong (“Mr. Cheung”), aged 40, is the senior manager of the procurement and logistics function. Mr. Cheung joined the Group as the project manager of EFT in April 2009. In February 2016, Mr. Cheung was appointed as the chief procurement and logistics officer and subsequently re-positioned to senior manager in January 2017. Mr. Cheung is responsible for managing the logistics of delivery of payment terminals and repair of payment terminals. Mr. Cheung obtained a bachelor’s degree in science majoring in electrical and electronic engineering from University of Glamorgan in Wales, the United Kingdom in June 1999. Mr. Cheung is experienced in electronic payment solutions having over 13 years of experience in the industry with 3 years accumulated in Ingenico International (Pacific) Pty Limited responsible for payment terminals maintenance support.

Mr. Cheung Chung Ching, aged 32, is the project manager. Mr. Cheung Chung Ching joined the Group as a project development engineer (programmer) of EFT in October 2009. In February 2016, Mr. Cheung Chung Ching was appointed as the project manager. Mr. Cheung Chung Ching is responsible for overseeing system support and software solution services projects. Mr. Cheung Chung Ching obtained a bachelor’s degree in engineering majoring in computer engineering from the Hong Kong University of Science and Technology in November 2009. Mr. Cheung Chung Ching possesses over 8 years of experience in electronic payment and software solutions.

Save as disclosed above, each of the Directors or senior management has not been a director of any public company, the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this report.

Save as disclosed above, there is no other information relating to the relationship of any of the Directors or members of senior management with other Directors or members of senior management that should be disclosed pursuant to Rule 17.50(2) or paragraph 41(1) of Appendix 1A of the GEM Listing Rules. None of the Directors or members of the senior management is interested in any business which competes or is likely to compete with the business of the Group.

COMPANY SECRETARY

Mr. Luk Pok Yin (“Mr. Luk”), aged 32, was appointed as the company secretary of the Company in November 2017. Mr. Luk joined the company secretary department of the Company since August 2017. Mr. Luk is a Master of Laws candidate at the University of Greenwich. Mr. Luk obtained a Master of Science in Professional Accounting and Corporate Governance from City University of Hong Kong in 2010 and a Bachelor of Business Administration degree with Honors in Applied Economics from Hong Kong Baptist University in 2009. Mr. Luk became an associate member of Hong Kong Institute of Chartered Secretaries and an associate member of Institute of Chartered Secretaries and Administrators in 2014. Mr. Luk has extensive experience in corporate governance and compliance issues through his previous dealings with a number of private and listed companies in Hong Kong.



CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance in emphasising a quality board of directors, sound risk management and internal control, transparency and accountability with a view to enhance corporate value and to safeguard the interests of all the Shareholders and the Company as a whole.

The Board continues to monitor and review the Company's corporate governance and makes necessary changes at appropriate time.

The Board has adopted the principles, the code provisions of Corporate Governance Code (the "**CG Code**") and the recommended best practices contained in Appendix 15 to the GEM Listing Rules. In accordance with the requirements of the GEM Listing Rules, the Company has established an Audit Committee ("**Audit Committee**"), a Nomination Committee ("**Nomination Committee**") and a Remuneration Committee ("**Remuneration Committee**") with specific written terms of reference. During the year ended 31 March 2018 and up to the date of this report, the Company has complied with all the code provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules except for the deviations as follows:-

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Lo is the Chairman and the CEO of the Company. In view that Mr. Lo has been assuming day-to-day responsibilities in operating and managing the Group since 2008 and the rapid development of the Group, the Board believes that with the support of Mr. Lo's extensive experience and knowledge in the business of the Group, vesting the roles of both Chairman and CEO of the Company in Mr. Lo strengthens the solid and consistent leadership and thereby allows for efficient business planning and decision which is in the best interest to the Group. The Board considers that the deviation from code provision A.2.1 of the CG Code is appropriate in such circumstances.

Following the resignation of Mr. Pang Victor Ho Man ("**Mr. Pang**") as an independent non-executive Director on 9 October 2017, the number of independent non-executive Directors, the number of the Audit Committee members and the number of the Remuneration Committee members of the Company fell below the minimum requirements under Rule 5.05(1), Rule 5.06, Rule 5.28 and Rule 5.34 of the GEM Listing Rules.

Following the appointment of Mr. Ng as independent non-executive Director, the Chairman of the Remuneration Committee, the member of each of the Audit Committee and the Nomination Committee of the Company on 13 October 2017, the Company met the requirement under Rule 5.05(1), Rule 5.06, Rule 5.28 and Rule 5.34 of the GEM Listing Rules.

Notwithstanding the above, the Board believes that the balance of power and authority is adequately ensured by the operation of the Board which comprises experienced and high-caliber individuals, with three of them being independent non-executive Directors.

COMPLIANCE WITH DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions (the “**Model Code**”) by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has confirmed that, having made specific enquiry of all the Directors, the Company was not aware of any non-compliance with the required standard as set out in the code of conduct regarding the directors' securities transactions throughout the year ended 31 March 2018.

Pursuant to Rule 5.66 of the GEM Listing Rules, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company, not to deal in securities of the Company when he/she would be prohibited from dealing by the Model Code as if he/she was a Director.

BOARD OF DIRECTORS

Composition

The Board currently comprises three executive Directors, two non-executive Directors and three independent non-executive Directors:

Executive Directors

Mr. Lo Chun Kit Andrew (*Chairman and CEO*)

Mr. Chan Lung Ming (*Vice Chairman and CSO*) (*appointed on 1 September 2017*)

Mr. Lo Chun Wa

Non-executive Directors

Ms. Lam Ching Man

Mr. Lui Hin Weng Samuel

(re-designated from independent non-executive Director to non-executive Director on 9 August 2017)

Independent non-executive Directors

Mr. Lam Keung

Ms. Yang Eugenia (*appointed on 9 August 2017*)

Mr. Ng Ming Fai (*appointed on 13 October 2017*)

Mr. Pang Victor Ho Man (*resigned on 9 October 2017*)

In compliance with Rules 5.05A, 5.05(1) and (2) of the GEM Listing Rules, the Company has appointed three independent non-executive Directors representing more than one-third of the Board and at least one of whom has appropriate professional qualifications and accounting or related financial management expertise. The Company has received from each independent non-executive Director an annual confirmation of his/her independence, and the Company considers such Directors to be independent in accordance with the independence guidelines set out in Rule 5.09 of the GEM Listing Rules.

The biographical details of the Directors are set out in the section “Biographical details of Directors and Senior Management” of this annual report. With the various experience of the Directors and the nature of the Group's business, the Board considers that the Directors have a balance of skills and experience for the business of the Group.

Mr. Lo is the spouse of Ms. Lam (a non-executive Director) and the eldest brother of Mr. Lo Chun Wa (an executive Director). Except as above, there is no relationship (including financial, business, family or other material/relevant relationship(s)) among members of the Board.

Responsibilities

Responsibilities of the Board include but are not limited to (i) convening meetings of the Shareholders, reporting on the Board's work at these meetings, implementing the Shareholders' resolutions passed at these meetings; (ii) determining business operation, financial, capital and investment plans; (iii) determining internal management structure, setting down fundamental management rules; (iv) appointing and discharging members of senior management, determining Directors' remuneration and formulating the proposals for profit distributions and for the increase or reduction of registered capital; and (v) taking responsibilities pursuant to the relevant laws, regulation and the Articles of Association of the Company (the "Articles"). Pursuant to the code provision A.1.1 of the CG Code as set out in Appendix 15 to the GEM Listing Rules, the Board should meet regularly and board meetings should be at least four times every year at approximately quarterly intervals. The Board is also responsible for the corporate governance functions under code provision D.3.1 of the CG Code. The Board has reviewed and discussed the corporate governance policy of the Group, and was satisfied with the performance of the corporate governance policy.

The Board supervises the management of the business and affairs of the Company following the Board's formulated business strategies to ensure they are managed in the best interests of the Shareholders and the Company as a whole while taking into account the interest of other stakeholders. Execution of operational matters and the powers thereof are delegated to the management by the Board with clear directions. The Board is regularly provided with management reports to give a balanced and understandable assessment of the performance, position, recent development and prospect of the Group in sufficient details.

Appointments, Re-election and Removal

Each of the executive Directors, non-executive Directors and independent non-executive Directors, excluding one executive Director has entered into a service contract or letter of appointment with the Company for a specific term. The non-executive Director and independent non-executive Directors have been initially appointed for a term of three years and automatically extended for successive term of one year upon the expiry of the current term unless and until it is terminated by either the Company or such Director. The term of appointment of each Director is subject to retirement by rotation and re-election in accordance with the Articles and the GEM Listing Rules.

Pursuant to the Articles, one-third of all Directors (whether executive or non-executive) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation and re-election at each annual general meeting provided that every Director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election and continue to act as a Director throughout the meeting at which he/she retires.

The Articles provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office only until the first general meeting of the Company or as an addition to the existing Board, shall hold office only until the next following annual general meeting of the Company after his/her appointment and shall then be eligible for re-election.

The Company may, in accordance with the Articles, by ordinary resolution remove any Director before the expiration of his/her term of office notwithstanding anything to the contrary in the Articles or in any agreement between the Company and such Director.

Continuous Professional Development

According to the code provision A.6.5 of the CG Code, all Directors shall keep informed of their collective responsibilities as Directors and of the Business activities of the Group. Directors receive updates and presentations on changes and developments to the Group's business and to environments in which the Group operates, and participate in continuous professional development ("CPD") to develop and refresh their knowledge and skills as well as their responsibilities under the relevant laws and regulations to ensure compliance and enhance good corporate governance.

During the year ended 31 March 2018, all the Directors have participated in continuous professional development in relation to duties and responsibilities of the Directors, regulatory updates and the business of the Group in the following manner:

Name of Directors	CPD Participation Yes/No
Executive Directors	
Mr. Lo Chun Kit Andrew (<i>Chairman and CEO</i>)	Yes
Mr. Chan Lung Ming (<i>Vice Chairman and CSO</i>)	Yes
Mr. Lo Chun Wa	Yes
Non-executive Directors	
Ms. Lam Ching Man	Yes
Mr. Lui Hin Weng Samuel <i>(re-designated from independent non-executive Director to non-executive Director on 9 August 2017)</i>	Yes
Independent non-executive Directors	
Mr. Lam Keung	Yes
Ms. Yang Eugenia (<i>appointed on 9 August 2017</i>)	Yes
Mr. Ng Ming Fai (<i>appointed on 13 October 2017</i>)	Yes
Mr. Pang Victor Ho Man (<i>resigned on 9 October 2017</i>)	Yes

Participation in CPD includes attending seminars, reading relevant materials in relation to corporate governance, regulatory updates of the GEM Listing Rules and other regulatory requirements and the business of the Group.

BOARD COMMITTEES

The Board has established three board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, which are sufficiently resourced to fulfil their roles and their terms of reference have been approved by the Board and are available for review on the Company's website (www.eftsolutions.com) and the GEM's website (www.hkgem.com).

Audit Committee

The Audit Committee was established on 23 November 2016 in compliance with Rule 5.28 of the GEM Listing Rules. As at 31 March 2018, the Audit Committee comprised three independent non-executive Directors, namely Ms. Yang, Mr. Lam and Mr. Ng. Ms. Yang is the chairman of the Audit Committee.

None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

Corporate Governance Report

Written terms of reference in compliance with code provisions C.3.3 and C.3.7 of the CG Code as set out in Appendix 15 to the GEM Listing Rules have been adopted. It is the Board's responsibility to ensure that an effective internal control and risk management framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators, and proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action. The Board has delegated the responsibility for the initial establishment and the maintenance of a framework of internal controls and ethical standards for the Group's management to the Audit Committee. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control and risk management systems of the Group. Besides, the Audit Committee reviews and monitors the Company's compliance with its whistleblowing policy and oversees the Company's relations with the external auditor.

During the year ended 31 March 2018, the Audit Committee has reviewed the quarterly, interim and annual results of the Group. As at the date of this report, the Audit Committee and the external auditor have also reviewed the audited annual results of the Group for the year ended 31 March 2018. The Audit Committee and the external auditor were satisfied that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

Remuneration Committee

The Remuneration Committee was established on 23 November 2016. As at 31 March 2018, the Remuneration Committee comprised Mr. Ng (an independent non-executive Director), Mr. Lo (an executive Director) and Mr. Lam (an independent non-executive Director). Mr. Ng is the chairman of the Remuneration Committee.

Written terms of reference in compliance with code provision B.1.2 of the CG Code as set out in Appendix 15 to the GEM Listing Rules have been adopted. The primary duties of the Remuneration Committee are, among other things, to recommend to the Board the remuneration packages for all executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive Directors. Pursuant to the terms of reference of the Remuneration Committee, meeting shall be at least once every year.

Details of the Directors' remuneration for the year ended 31 March 2018 are set out in Note 13 to the consolidated financial statements of this annual report.

The remuneration of the senior management of the Group by band for the year ended 31 March 2018 is set out below:

Remuneration band	Number of senior management
HK\$100,001 to HK\$1,000,000	4

Nomination Committee

The Nomination Committee was established on 23 November 2016. As at 31 March 2018, the Nomination Committee comprised Mr. Lo (an executive Director), Mr. Lam (an independent non-executive Director) and Mr. Ng (an independent non-executive Director). Mr. Lo is the chairman of the Nomination Committee.

Written terms of reference in compliance with code provision A.5.2 of the CG Code as set out in Appendix 15 to the GEM Listing Rules have been adopted. The primary duties of the Nomination Committee are, among other things, to review the structure, size composition and diversity of the Board, to assess the independence of the independent non-executive Directors, and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors. Pursuant to the terms of reference of the Nomination Committee, meeting shall be at least once every year.

In recommending candidates for appointment to the Board, the Nomination Committee considers candidates on merit against objective criteria and with due regards to the benefits of diversity on the Board. In designing the Board's composition, board diversity has been considered from a number of perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional skills and/or qualifications, knowledge, length of services and time to be devoted as a director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

Corporate Governance Function

The Board is responsible for developing, reviewing and monitoring the policies and practices on corporate governance and legal and regulatory compliance of the Group, and the training and continuous professional development of directors and senior management. The Board reviews the disclosures in the corporate governance report to ensure compliance.

The Board's responsibility in this regard includes:

- (a) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors;
- (d) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on matters; and
- (e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

Corporate Governance Report

Attendance Records of Meetings

The Company Secretary records the proceedings of each board meeting, Audit Committee meeting, Remuneration Committee meeting and Nomination Committee meeting and general meeting in detail by keeping detailed minutes, including all decisions by the Board together with concerns raised and dissenting views expressed (if any). All minutes are open for inspection at any reasonable time on request by any director. The attendance of each Director at Board meetings, Audit Committee meetings, Remuneration Committee meeting and Nomination Committee meeting and general meeting during the year is set out in the following table:

	Board meeting	Audit Committee meeting	Remuneration Committee meeting	Nomination Committee meeting	General meeting
Number of meetings held during the year	18	5	6	8	3

Name of Directors	Number of meetings attended/Number of meetings entitled to attend				
Executive Directors					
Mr. Lo Chun Kit Andrew	17/18	–	6/6	8/8	3/3
Mr. Chan Lung Ming (Note a)	16/18	–	–	–	1/3
Mr. Lo Chun Wa	17/18	–	–	–	3/3
Non-executive Directors					
Ms. Lam Ching Man	17/18	–	–	–	2/3
Mr. Lui Hin Weng Samuel (Note b)	17/18	2/5	–	–	3/3
Independent non-executive Directors					
Mr. Lam Keung	18/18	5/5	6/6	8/8	2/3
Ms. Yang Eugenia (Note c)	12/12	3/3	–	–	1/1
Mr. Ng Ming Fai (Note d)	10/10	2/2	2/2	2/2	1/1
Mr. Pang Victor Ho Man (Note e)	2/2	1/1	2/2	2/2	0/0

Notes:

- (a) Mr. Chan Lung Ming was appointed as an executive Director of the Company on 1 September 2017.
- (b) Mr. Lui Hin Weng Samuel was re-designated from an independent non-executive Director to a non-executive Director of the Company on 9 August 2017.
- (c) Ms. Yang Eugenia was appointed as an independent non-executive Director of the Company on 9 August 2017.
- (d) Mr. Ng Ming Fai was appointed as an independent non-executive Director of the Company on 13 October 2017.
- (e) Mr. Pang Ho Man Victor resigned as an independent non-executive Director of the Company on 9 October 2017.

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for the Consolidated Financial Statements

All Directors acknowledge their responsibility to prepare the Group's consolidated financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the consolidated financial statements for the year ended 31 March 2018, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements of the Group on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Auditor's Remuneration

During the year ended 31 March 2018, the remuneration paid or payable to the Company's auditor, Elite Partners CPA Limited, in respect of their audit and non-audit services was as follows:

	HK\$
Audit services	600,000
Non-audit services	62,300
Total	662,300

The remuneration for non-audit services represents the professional services as reporting accountants of the Company for the Listing.

COMPANY SECRETARY

Mr. Luk, our Company Secretary, possesses the necessary qualification and experience and is capable of performance of the functions of the company secretary. His biography is set out in the section "Biographical Details of Directors and Senior Management" of this annual report. During the year ended 31 March 2018, Mr. Luk has confirmed that he has taken no less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledges its responsibility for the Group's internal control systems and risk management. To fulfil its responsibility, the Board has set up policies and procedures which provide a framework for the identification and management of risks. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group's internal control systems include a well-established organisational structure with clearly defined lines of responsibility and authority. The operation departments would entrust to related business department which is accountable for its own conduct and performance and is required to operate its own department's business within the scope of the delegated authority and to implement and strictly adhere to the strategies and policies set by the Company from time to time. Each department is also required to keep the Board informed of material developments of the department's business and implementation of the policies and strategies set by the Board on a regular basis.



The management is mainly responsible for the design, implementation and supervision of the internal control systems, while the Board and the Audit Committee is responsible for supervising the measures adopted by the management and the effectiveness of the implementation of monitoring measures on a going concern. The Board concluded that the Group's risk management and internal control systems are in place and effective.

Management rules on the inside information is also in place to provide guidelines on reporting and disseminating inside information, maintaining confidentiality and complying with dealing restrictions.

The Group regards periodic review of internal control system as an important part of the Board's oversight function. The Group has not set up an internal audit function, however, the Group has engaged an external consultant, Elite Partners Risk Advisory Services Limited, to conduct review on the internal control system of the Group. The review shall be conducted once every year. During the year ended 31 March 2018, a review has been conducted and the Directors considered the internal control system of the Group to be effective and adequate.

SHAREHOLDERS' RIGHTS

As one of the measures to safeguard Shareholders' interests and rights, the Shareholders are encouraged to participate at the general meetings of the Company and to vote thereat. All resolutions put forward at Shareholders' meeting will be voted by poll pursuant to the GEM Listing Rules except where the chairman decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands, and the poll voting results will be posted on the websites of the Stock Exchange and the Company after the relevant Shareholders' meeting.

Extraordinary general meeting may be convened by the Board on requisition of Shareholders holding not less than one-tenth of the paid up capital of the Company or by such Shareholders who made the requisition (the "**Requisitionists**") (as the case may be) pursuant to the Articles. Such requisition must state the object of business to be transacted at the meeting and must be signed by the Requisitionists and deposited at the registered office of the Company or the Company's principal place of business in Hong Kong. Shareholders should follow the requirements and procedures as set out in such Article for convening an extraordinary general meeting. Shareholders may put forward proposals at general meeting of the Company by sending the same to the Company at the principal place of business of the Company in Hong Kong.

Procedures for a Shareholder of the Company to Propose a Person for Election as a Director

Subject to the Articles and the Companies Law of the Cayman Islands (as amended from time to time), the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board.

Article 113 of the Articles provides that no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his/her willingness to be elected shall have been lodged at the Head Office (as defined in the Articles) or at the Registration Office (as defined in the Articles). The period for lodgment of the notices required under this Article will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director, the following documents must be validly served at the Company's principal place of business in Hong Kong at Workshops B1 & B3, 11/F, Yip Fung Industrial Building, 28–36 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong or at the Company's Hong Kong share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, including (i) a notice signed by the Shareholder for which such notice is given of his/her intention to propose a candidate for election; and (ii) a notice signed by the proposed candidate of the candidate's willingness to be elected together with (a) that candidate's information as required to be disclosed under Rule 17.50(2) of the GEM Listing Rules, and (b) the candidate's written consent to the publication of his/her personal data.

Procedures for Raising Enquiries

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to Workshops B1 & B3, 11/F, Yip Fung Industrial Building, 28–36 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong (email address: investor.enquiry@eftsolutions.com).

INVESTORS RELATIONS

The Company has established a range of communication channels between itself and its Shareholders, investors and other stakeholders to update the latest business development and financial performance including the publication of quarterly, interim and annual reports, notices, announcements and circulars on the GEM website and the Company's website in a timely manner in order to maintain a high level of transparency and good investor relations.

Change in Constitutional Documents

There were no significant changes in the constitutional documents of the Company for the year ended 31 March 2018.



DIRECTORS' REPORT

The Directors are pleased to present their annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the Company's principal subsidiaries are set out in Note 31 to the consolidated financial statements.

BUSINESS REVIEW

Detailed business review is set out in the section headed "Management Discussion and Analysis" of this annual report on page 8. Future development of the Company's business is set out in the section headed "Chairman's Statement" of this annual report on page 7.

KEY PERFORMANCE INDICATORS ("KPIs") WITH THE STRATEGY OF THE GROUP

An analysis of the Group's performance during the year using financial KPIs is provided in the section "Financial Review" on pages 11 to 13 of this annual report and in Note 7 to the consolidated financial statements of the Company.

PRINCIPAL RISK AND UNCERTAINTIES

Details of principal risks and uncertainties is set out in the section headed "Management Discussion and Analysis" of this annual report on page 11.

RESULTS AND APPROPRIATIONS

The Group's results for the year ended 31 March 2018 and the state of affairs of the Company and the Group at that date are set out in the consolidated financial statements from pages 54 to 101 of this annual report.

The Directors do not recommend the payment of any dividend for the year ended 31 March 2018 (2017: nil).

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 3 August 2018 to Wednesday, 8 August 2018, both dates inclusive, during which period no transfer of Shares could be registered for determination of entitlement of the Shareholders to the attendance at the forthcoming annual general meeting of the Company to be held on Wednesday, 8 August 2018 (the "AGM").

In order to qualify for attending and voting in the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with our Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong no later than 4:30 p.m. on Thursday, 2 August 2018.

DEED OF NON-COMPETITION

The Deed of Non-Competition dated 23 November 2016 (as defined in the Prospectus) became effective from the date of Listing. The Controlling Shareholders (as defined in the Prospectus) have confirmed that, save as disclosed in this annual report, at any time during the year ended 31 March 2018, they have not whether as principal or agent and whether undertaken directly or indirectly (including through any close associate, subsidiary, partnership, joint venture or other contractual arrangement of theirs) and whether for profit or otherwise, carry on, participate or be interested, engage or otherwise be involved in or acquire or hold shares or interests in any business which is in competition, directly or indirectly, or is likely to be in competition, directly or indirectly, with the business referred to in the Prospectus that is carried on by the Group in Hong Kong, Macau and such other territories that the Group may conduct or carry on business from time to time, including but not limited to the sourcing of EFT-POS terminals and peripheral devices, provision of EFT-POS system support services, and development of project-based software solution services in Hong Kong and Macau. The Controlling Shareholders have also confirmed that they have fully complied with the undertakings contemplated under the deed of non-competition during the year ended 31 March 2018.

The Company has received confirmations from the Controlling Shareholders confirming their compliance with the Deed of Non-Competition for the year ended 31 March 2018. The independent non-executive Directors have reviewed the Controlling Shareholders compliance with the Deed of Non-Competition for the year ended 31 March 2018.

FOUR YEAR FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last four financial years, as extracted from the audited consolidated financial statements and the Prospectus of the Company, is set out on page 102 of this annual report. This summary does not form part of the audited consolidated financial statements of the Company.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in Note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in Note 23 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in pages 56 and 101 respectively of this annual report.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 March 2018, the Company's reserves available for distribution to the Shareholders amounted to approximately HK\$32,096,000 (2017: approximately HK\$9,990,000).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

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

During the year ended 31 March 2018 and up to the date of this report, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's largest customer contributed approximately 18.9% (2017:28.2%) of the total revenue for the year while the Group's five largest customers accounted for approximately 50.4% (2017: 66.7%) of the total revenue for the year.

The Group's largest supplier contributed approximately 30.7% (2017: 21.3%) of the total cost of goods and services for the year while the Group's five largest suppliers accounted for approximately 74.2% (2017: 71.1%) of the total cost of goods and services for the year.

None of the Directors, their respective close associates (as defined in the GEM Listing Rules) or any Shareholders (which to the best knowledge of the Directors, own more than 5% of the Company's issued shares) had any beneficial interest in any of the Group's five largest customers or suppliers referred to above.

SHARE OPTION SCHEME

A share option scheme was adopted and approved by the Shareholders on 23 November 2016 (the "**Share Option Scheme**"). On 18 September 2017 and 9 January 2018, the Company granted 43,200,000 and 48,000,000 share options (the "**Options**") to certain eligible participants of the Company (the "**Grantee(s)**").

As at the date of this annual report, there is no outstanding number of share options available, for granting under the Share Option Scheme to subscribe for shares. During the year ended 31 March 2018, a total number of 52,800,000 share options lapsed upon resignation of employee or in accordance with the terms of the Share Option Scheme.

The following is a summary of the principal terms of the Share Option Scheme. The terms of the Share Option Scheme are in compliance with the provisions of Chapter 23 of the GEM Listing Rules.

The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the eligible participants have had or may have made to the Group. The Share Option Scheme is valid and effective for a period of ten years commencing from the date of adoption of the scheme.

Eligible participants of the Share Option Scheme include:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any Directors (including non-executive Directors and independent non-executive Directors) of the Company or any of its subsidiaries;
- (iii) any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries; and

- (iv) such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group, the assessment criteria of which are:
 - (a) contribution to the development and performance of the Group;
 - (b) quality of work performed for the Group;
 - (c) initiative and commitment in performing his/her duties; and
 - (d) length of service or contribution to the Group.

The maximum number of shares which may be issued upon exercise of all outstanding option granted and yet to be exercised under the Share Option Scheme and any other schemes for the time being of the Company shall not exceed 30% of the shares in issue from time to time. Options of the Company which are lapsed or cancelled for the time being shall not be counted for the purpose of calculating the said 30% limit and the maximum number of shares which may be issued upon exercise of all Options granted and to be granted under the Share Option Scheme is an amount equivalent to 10% of the shares of the Company in issue as at the date of approval of the Share Option Scheme unless approval for refreshing the 10% limit from the Company's shareholders has been obtained. The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the Share Option Scheme and any other share option schemes of the Company (including exercised, outstanding Options and Shares which were the subject of Options which have been granted and accepted under the Share Option Scheme or any other scheme of the Company but subsequently cancelled (the "**Cancelled Shares**") to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of Options in excess of this 1% limit shall be subject to the issue of a circular and the approval of the Shareholders in general meeting.

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the Option is deemed to be granted and accepted and prior to the expiry of ten years from that date.

Upon acceptance of an Option to subscribe for Shares granted pursuant to the scheme, the eligible participant shall pay HK\$1.00 to the Company as consideration for the grant. The subscription price for the Shares subject to Options will be a price determined by the Board and notified to each participant and shall be the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of grant of the Options; and
- (iii) the nominal value of a Share.

Directors' Report

Details of the Options granted and outstanding under the Share Option Scheme during the reporting period were as follows:

Category	Date of grant	Exercise period	Exercise price	Number of share options				Balance as at 31 March 2018
				Balance as at 1 April 2017	Granted	Exercised	Cancelled/ lapsed (Note 7)	
Executive Directors								
Mr. Lo	9 January 2018	Note 1	0.530 (Note 6)	–	4,800,000	–	–	4,800,000
Mr. Chan	18 September 2017	Note 2	0.320 (Note 5)	–	24,000,000	–	–	24,000,000
Mr. Lo Chun Wa	9 January 2018	Note 1	0.530 (Note 6)	–	4,800,000	–	–	4,800,000
Non-executive Director								
Ms. Lam	9 January 2018	Note 1	0.530 (Note 6)	–	4,800,000	–	–	4,800,000
Employees								
	18 September 2017	Note 3	0.320 (Note 5)	–	4,800,000	–	(4,800,000)	–
	9 January 2018	Note 3	0.530 (Note 6)	–	14,400,000	–	(14,400,000)	–
Consultants								
	18 September 2017	Note 4	0.320 (Note 5)	–	14,400,000	–	(14,400,000)	–
	9 January 2018	Note 4	0.530 (Note 6)	–	19,200,000	–	(19,200,000)	–
				–	91,200,000	–	(52,800,000)	38,400,000

Notes:

- 50% of the Options granted to Mr. Lo, Mr. Lo Chun Wa and Ms. Lam shall become exercisable after three months from the date of grant. The remaining Options granted to Mr. Lo, Mr. Lo Chun Wa and Ms. Lam shall become exercisable on or after the first anniversary of the date of grant.
- 40% of the Options granted to Mr. Chan shall become exercisable immediately upon approval by the Shareholders of the Company; 30% of the Options granted to Mr. Chan shall become exercisable on or after completion of one year of service on 1 September 2018 and the remaining Options granted to Mr. Chan shall become exercisable on or after completion of two years of service on 1 September 2019. Options granted to Mr. Chan have been approved by the Shareholders in its extraordinary general meeting held on 10 November 2017.
- 50% of the Options granted to the Grantees of this category shall become exercisable after three months from the date of grant. The remaining Options granted to the Grantees shall become exercisable on or after the first anniversary of the date of grant.
- 50% of the Options granted to the Grantees of this category shall become exercisable after six months from the date of grant. The remaining Options granted to the Grantees shall become exercisable on or after the first anniversary of the date of grant.
- The closing price of shares on the date of grant was HK\$0.320. The average closing price was HK\$0.2744 per share for the five business days immediately preceding the date of grant.
- The closing price of shares on the date of grant was HK\$0.530. The average closing price was HK\$0.520 per share for the five business days immediately preceding the date of grant.
- The Options lapsed during the year upon resignation of employee or in accordance with the terms of the Share Option Scheme.

DIRECTORS

The Directors during the year ended 31 March 2018 and up to the date of this report were:

Executive Directors

Mr. Lo Chun Kit Andrew (*Chairman and CEO*)

Mr. Chan Lung Ming (*Vice Chairman and CSO*) (*appointed on 1 September 2017*)

Mr. Lo Chun Wa

Non-executive Directors

Ms. Lam Ching Man

Mr. Lui Hin Weng Samuel

(*re-designated from independent non-executive Director to non-executive Director on 9 August 2017*)

Independent non-executive Directors

Mr. Lam Keung

Ms. Yang Eugenia (*appointed on 9 August 2017*)

Mr. Ng Ming Fai (*appointed on 13 October 2017*)

Mr. Pang Victor Ho Man (*resigned on 9 October 2017*)

Pursuant to the Articles, one-third of all Directors (whether executive or non-executive) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation and re-election at each annual general meeting provided that every Director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election and continue to act as a Director throughout the meeting at which he/she retires. Further, according to the Articles, any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographies of the Directors and senior management are set out in the section "Biographical Details of Directors and Senior Management" of this annual report.

DIRECTORS' SERVICE CONTRACTS

Two executive Directors have entered into service agreements with the Company for an initial term of three years commencing from the date of Listing subject to early removal from office, retirement and re-election provisions in accordance with the Articles. One executive Director (including those proposed for re-election at the forthcoming annual general meeting) has not entered into a service contract which is determinable by the Group within one year without payment of compensation (other than statutory compensation). One non-executive Director has entered into a service agreement with the Company for an initial term of three years commencing from the date of Listing. One non-executive Director has entered into a service agreement with the Company for an initial term of three years commencing from 9 August 2017. One independent non-executive Director has entered into a letter of appointment with the Company for an initial term of three years commencing from the date of Listing subject to early removal from office, retirement and re-election provisions in accordance with the Articles. Two independent non-executive Directors have entered into the letters of appointment with the Company for an initial term of three years commencing from 9 August 2017 and 13 October 2017 respectively subject to early removal from office, retirement and re-election provisions in accordance with the Articles.



MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 March 2018.

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of their independence. The Nomination Committee has assessed the independence of the independent non-executive Directors and affirmed that all independent non-executive Directors remained independent.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2018, the interests and short positions of the Directors and chief executive of the Company in the Shares and underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange, were as follows:

Interests in the Shares of the Company

Name	Capacity	Note	Long position		Percentage of total number of issued Shares	
			Total interests in ordinary Shares	Total interests in underlying Shares		
Mr. Lo	Interest in a controlled corporation, Interest of spouse and beneficial owner	1	345,600,000	9,600,000	355,200,000	74%
Ms. Lam	Interest of spouse and beneficial owner	2	350,400,000	4,800,000	355,200,000	74%
Mr. Chan	Beneficial owner	3	–	24,000,000	24,000,000	5%
Mr. Lo Chun Wa	Beneficial owner	4	–	4,800,000	4,800,000	1%

Notes:

- Mr. Lo is interested in the entire issued share capital of LCK and is the spouse of Ms. Lam and he is therefore deemed to be interested in the 345,600,000 Shares held by LCK and 4,800,000 underlying Shares of Ms. Lam by virtue of the SFO. The interest of Mr. Lo in 4,800,000 underlying Shares represents the interest in the share options granted by the Company to him on 9 January 2018 under Share Option Scheme. The consideration paid by Mr. Lo on acceptance of the share options granted was HK\$1.00. The exercise price is HK\$0.530 per share and the exercisable period is between 9 April 2018 and 8 January 2028.
- Ms. Lam is the spouse of Mr. Lo and she is therefore deemed to be interested in the Shares held by Mr. Lo by virtue of the SFO. The interest of Ms. Lam in 4,800,000 underlying Shares represents the interest in the share options granted by the Company to her on 9 January 2018 under the Share Option Scheme. The consideration paid by Ms. Lam on acceptance of the share options granted was HK\$1.00. The exercise price is HK\$0.530 per share and the exercisable period is between 9 April 2018 and 8 January 2028.
- The interest of Mr. Chan in 24,000,000 underlying Shares represents the interest in the share options granted by the Company to him on 18 September 2017 under the Share Option Scheme. The consideration paid by Mr. Chan Lung Ming on acceptance of the share options granted was HK\$1.00. The exercise price is HK\$0.320 per share and the exercise period is between 18 September 2017 and 17 September 2027.

4. The interest of Mr. Lo Chun Wa in 4,800,000 underlying Shares represents the interest in the share options granted by the Company to him on 9 January 2018 under the Share Option Scheme. The consideration paid by Mr. Lo Chun Wa on acceptance of the share options granted was HK\$1.00. The exercise price is HK\$0.530 per share and the exercisable period is between 9 April 2018 and 8 January 2028.

Save as disclosed above, as at 31 March 2018, none of the Directors or chief executive of the Company has any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he will be taken or deemed to have under the SFO), or was required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which was required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2018, to the knowledge of the Directors, Shareholders (other than the Directors or chief executive of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Capacity	Note	Long position	
			Number of ordinary Shares	Percentage of total number of issued Shares
LCK	Beneficial owner	1	345,600,000	72%

Note:

1. The entire issued share capital of LCK Group Limited ("**LCK**") is legally and beneficially owned by Mr. Lo who is deemed to be interested in the Shares held by LCK by virtue of the SFO.

Save as disclosed above and in the section "Share Option Scheme" of this annual report, as at 31 March 2018, to the knowledge of the Directors, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year ended 31 March 2018 and up to the date of this report, have the Directors and the chief executive of the Company and their respective close associates (as defined under the GEM Listing Rules) had any interest in, or had been granted, or exercised any rights to subscribe for shares or underlying shares of the Company and/or its associated corporations (within the meaning of the SFO).

Save as disclosed above and in the section "Share Option Scheme" of this annual report, at no time during the year ended 31 March 2018 and up to the date of this report was the Company, any of its subsidiaries, its associated companies or its holding companies a party to any arrangements to enable the Directors or the chief executive of the Company to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company and/or its associated corporations (within the meaning of the SFO).

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

During the year ended 31 March 2018 and up to the date of this report, none of the Directors, nor the substantial Shareholders of the Company nor their respective close associates (as defined under the GEM Listing Rules) had any interests (other than their interest in the Company or (prior to completion of the Reorganisation) its subsidiaries) in any business which competed or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 29 to the consolidated financial statements and the sub-heading "Plans for Material Investments and Acquisitions" in this annual report, there were no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year.

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

Save as disclosed in Note 29 to the consolidated financial statements and the sub-heading "Plans for Material Investments and Acquisitions" in this annual report, during the year ended 31 March 2018, there had been no contract of significance between the Company or any of their close associates and a Controlling Shareholder (as defined in the GEM Listing Rules) or any of its subsidiaries, nor any contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of their close associates.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the year ended 31 March 2018 are set out in Note 29 to the consolidated financial statements of this annual report. Save as mentioned in the section "Continuing Connection Transactions" as below, other related party transactions constituted exempted from connected transactions and continuing connected transactions under Chapter 20 of the GEM Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 March 2018, certain transactions entered into by the Group with the connected persons (as defined below) constituted non-exempt continuing connected transactions of the Group under Chapter 20 of the GEM Listing Rules are as follows:

Non-exempt continuing connected transactions	Connected Persons	Annual cap	Actual amount for the year ended 31 March 2018	Note
Lease of warehouse, repair centre and office	Mr. Lo	HK\$1,476,000	HK\$792,000	(i)
Lease of office and carpark	Ms. Lam	for (i), (ii) & (iii)	HK\$324,000	(ii)
Lease of warehouse	Mr. Lo and Mr. Lo Chun Wa		HK\$360,000	(iii)
Sales of EFT-POS terminals and peripheral devices and provision of EFT-POS system support services	EFT Payments (Asia) Limited ("EFT Payments")	HK\$9,900,000	HK\$9,517,000	(iv)

Mr. Lo is the controlling shareholder and a Director. Ms. Lam is a Director and the spouse of Mr. Lo. Mr. Lo Chun Wa is a Director and brother of Mr. Lo. Mr. Lo, Ms. Lam and Mr. Lo Chun Wa (collectively, the "Connected Persons") are regarded as the connected persons of the Company under the GEM Listing Rules.

For reasons as disclosed in the section headed “Connected Transactions” in the Prospectus, a series of agreements (the “**Agreements**”) were entered into between the Group and the Connected Persons with details set out below.

- (i) On 17 June 2016, EFT, a wholly-owned subsidiary of the Company, (as tenant) and Mr. Lo (as landlord) entered into tenancy agreements, pursuant to which EFT agreed to rent the certain properties for a term commencing on 1 July 2016 and expiring on 31 March 2019 (both days inclusive) for a deposit of HK\$132,000 at an aggregate monthly rent of HK\$66,000 (comprising HK\$36,000 monthly rent for Workshop A3, 1/F, Yip Fung Industrial Building, Nos. 28–36 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong and HK\$30,000 monthly rent for Workshop B1, 11/F, Yip Fung Industrial Building, Nos. 28–36 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong) (exclusive of utility charges), which was agreed after arm’s length negotiations between the parties with regard to the prevailing market rates. The monthly rent is payable in advance on the first day of each and every successive calendar month.
- (ii) On 17 June 2016, EFT (as tenant) and Ms. Lam (as landlord) entered into tenancy agreements, pursuant to which EFT agreed to rent certain properties for a term commencing on 1 July 2016 and expiring on 31 March 2019 (both days inclusive) for a deposit of HK\$54,000 at an aggregate monthly rent of HK\$27,000 (comprising HK\$22,500 monthly rent for Workshop B3, 11/F, Yip Fung Industrial Building, Nos. 28–36 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong and HK\$4,500 monthly rent for carpark V2, G/F, Yip Fung Industrial Building, Nos. 28–36 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong) (exclusive of utility charges), which was agreed after arm’s length negotiations between the parties with regard to the prevailing market rates. The monthly rent is payable in advance on the first day of each and every successive calendar month.
- (iii) On 17 June 2016, EFT (as tenant) and Mr. Lo and Mr. Lo Chun Wa (jointly as landlord) entered into a tenancy agreement, pursuant to which EFT agreed to rent a property for a term commencing on 1 July 2016 and expiring on 31 March 2019 (both days inclusive) for a deposit of HK\$60,000 at an aggregate monthly rent of HK\$30,000 for Workshop A1, 4/F, Yip Fung Industrial Building, Nos. 28–36 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong (exclusive of utility charges), which was agreed after arm’s length negotiations between the parties with regard to the prevailing market rates. The monthly rent is payable in advance on the first day of each and every successive calendar month.
- (iv) On 17 June 2016, the Company entered into a master supply and services agreement (the “**Master Supply and Services Agreement**”) (as supplemented and amended on 14 November 2016 and 26 January 2018) with EFT Payments, a company wholly-owned by Mr. Lo, pursuant to which the Group agreed to (i) sell and EFT Payments agreed to purchase EFT-POS terminals and peripheral devices in accordance with the specifications and at the purchase price set out in each individual purchase order (the “**Purchase Order**”) as may from time to time be offered by EFT Payments and accepted by the Group; and (ii) provide EFT-POS system support services to EFT Payments with effect from the date of the Listing. EFT-POS system support services comprise of installation, maintenance, collection and repair of EFT-POS terminals and peripheral devices deployed at merchants by EFT Payments. The Group also provides hotline services and merchant training. The terms of the Master Supply and Services Agreement has been commenced since the date of the Listing and will expire on 31 March 2019. Either party may terminate the Master Supply and Services Agreement by serving a notice of not less than three months to the other. The purchase price in each Purchase Order placed by EFT Payments to the Group shall be determined after arm’s length negotiations between EFT Payments and the Group from time to time with reference to the then prevailing market price of similar products in the market and that in any event shall be no less favourable to the Group than that offered to independent third parties by the Group. The monthly system support fee payable by EFT Payments to the Group is based on the number of terminals deployed by EFT Payments multiplied by a system support fee which was agreed after arm’s length negotiations between the parties with regard to the prevailing market rates and that in any event shall be no less favourable to the Group than that offered to Independent Third Parties by the Group. The monthly system support fee is payable in arrears within 30 days of the invoice issued by the Group on the first day of each and every successive calendar month.

Review of Continuing Connected Transactions by Independent Non-Executive Directors

In compliance with Rule 20.53 of the GEM Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that these transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms and on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
- (3) according to the Agreements governing them on the terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Assurance Engagement on Continuing Connected Transactions

In compliance with Rule 20.54 of the GEM Listing Rules, the Company has engaged its auditor, Elite Partners CPA Limited, to report on the Group's continuing connected transactions in accordance with "Hong Kong Standard on Assurance Engagements 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to "Practice Note 740 – Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has issued their assurance report to the Board in respect of the Group's continuing connected transactions and confirmed that nothing has come to their attention that causes them to believe that the continuing connected transactions:

- (1) have not been approved by the Board;
- (2) were not, in all material respects, in accordance with the pricing policies of the Group;
- (3) were not entered into, in all material respects, in accordance with the Agreements governing the transactions; and
- (4) have exceeded the cap.

A copy of the aforesaid assurance report has been provided by the Company to the Stock Exchange.

CORPORATE GOVERNANCE

The Company has complied with all principles and the code provisions of the CG Code contained in Appendix 15 to the GEM Listing Rules (except for the deviation from CG code provision A.2.1).

Details of the Company's corporate governance practices are set out in the section "Corporate Governance Report" of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is committed to support environmental protection to ensure business development and sustainability. The Group has implemented green office practices to reduce the consumption of energy and natural resources. These practices include the use of energy-saving lightings and recycled paper, reduce energy consumption by switching off idle lightings, computers and electrical appliances and the use of environmentally friendly products whenever possible.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS AND RELATIONSHIPS WITH KEY SHAREHOLDERS

The Company has complied with all applicable laws and regulations in all material respects and maintained good relationship with its customers, suppliers, employees and investors. During the year ended 31 March 2018, there were no material and significant dispute between the Group and its employees, customers and/or suppliers.

COMPLIANCE ADVISER'S INTERESTS

As notified by Lego Corporate Finance Limited ("**Lego**"), compliance adviser of the Company, neither Lego nor any of its close associates and none of the directors or employees of Lego had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at the date of this report.

PERMITTED INDEMNITY PROVISIONS

At no time during the year ended 31 March 2018 and up to the date of this report was there any permitted indemnity provision being in force for the benefit of any of the Directors (whether made by the Company or otherwise), or an associated company (if made by the Company).

An associated company is defined in Section 2(1) of the Hong Kong Companies Ordinance.

EMOLUMENT POLICY

The remuneration policy of the Group is to reward its employees and executives based on, among other things, the Group's operating results, individual performance and comparable market statistics. Remuneration package typically comprises of salaries, contribution to pension schemes, discretionary bonuses and share options.

The Remuneration Committee will review annually the remuneration of all the Directors to ensure that it is attractive enough to attract and retain a competent team of executive members. The Director's fee for each of the Directors is subject to the Board's review from time to time in its discretion after taking into account the recommendation of the Remuneration Committee. The remuneration package of each of the Directors is determined by reference to market terms, seniority, experiences, duties and responsibilities of that Director within the Group.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the Directors' remuneration and the five highest paid individuals for the year ended 31 March 2018 are set out in Note 13 to the consolidated financial statements of this annual report.

CHARITABLE DONATIONS

During the year ended 31 March 2018, the Group made donation of approximately HK\$18,000 (2017: nil) to charitable and non-profit-making organisation.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float as at the latest practicable date prior to the issue of this annual report as required under the GEM Listing Rules.

EVENT AFTER THE REPORTING PERIOD

On 31 May 2018, the acquisition of 70% of the issued share capital of Earn World Development Limited at the consideration of HK\$210.0 million has been approved by the Shareholders in its extraordinary general meeting held on 31 May 2018. All the terms and conditions for completion of the acquisition have been fulfilled and the acquisition was completed on 31 May 2018. Please refer to the Company's announcement dated 31 May 2018 for further details.

AUDITOR

During the year ended 31 March 2018, Elite Partners CPA Limited had been appointed as auditors of the Company to fill the casual vacancy with effect from 13 October 2017 following the resignation of Deloitte Touche Tohmatsu with effect from 12 October 2017.

Elite Partners CPA Limited will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

Save as disclosed above, there has been no change of auditor of the Company during the year ended 31 March 2018 and up to the date of report.

By order of the Board

Lo Chun Kit Andrew

Chairman and Chief Executive Officer

Hong Kong, 22 June 2018

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

We are pleased to publish our second Environment, Social and Governance (“**ESG**”) report of the Group for the year ended 31 March 2018. This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Guide**”) published by The Stock Exchange of Hong Kong Limited as set out in Appendix 20 of the GEM Listing Rules.

This ESG report enables the Group to communicate with its internal and external stakeholders regarding the ESG related matters. The Group is committed to the sustainable development of the environment and our society. The Board of Directors oversees overall ESG issues of the Group and believes this report can provide an overview of the Group’s performance related to sustainable development in the areas of the environment, employment and labour practices and operation convention.

The Company has been successfully listed on GEM of the Stock Exchange in December 2016. The Group takes into accounts stakeholders’ interest and concerns about the strategic development. We fully believed that fulfilling shareholders’ expectations leads to the success of the Company.

A Environmental Protection

Climate change has become a major concern in the world. The Group adopts policies to minimize its environmental footprint in the operation. In order to promote environmental awareness to employees, the Group introduces green office practices. The Group continues to monitor the environmental practices and engage with professional parties for advice to improve the environmental performance.

A1 Emissions

The Group is principally engaged in the provision of EFT-POS system support services and software solution services in Hong Kong. The operations do not have significant impact to the environment. The majority of greenhouse gas emissions are indirectly generated from electricity consumed at the Group’s workplace.

	Units	2018
Total Greenhouse gas emission (Scope 1 & 2)	CO ₂ e tonnes	87.45
Scope 1 (Direct emissions)	CO ₂ e tonnes	20.01
Scope 2 (Energy indirect emissions)	CO ₂ e tonnes	67.44
Nitrogen Oxide (NOx)*	kg	12.83
Sulphur Oxide (SOx)*	kg	0.11
Particulate Matter (PM)*	kg	0.94

* Distance travel based on calculation of fuel consumption and vehicle specification

During the year ended 31 March 2018, the Group was not aware of any non-compliance with relevant standards, rules and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.



Environmental, Social and Governance Report

The Group continues to monitor the consumption of utilities. Control measures are formulated and certain environmental protection measures are adopted for green office operation. Details are as follows:

- Maintaining the office room temperature at 24 to 26°C;
- Cleaning and maintaining the lighting and air-conditioners to ensure efficient operation;
- Sending out internal notices to remind employees to switch off electronic equipment before leaving office; and
- Turning off all lighting and air conditioners when not in use.

General waste and hazard waste

Both general and hazard wastes are managed by the property management office of the rented properties. The Company is currently working with the property management office to track record of the waste produced.

A2 Use of Resources

The resources used by the Group are principally electricity, water and paper in offices.

Use of electricity and fuel

Electricity is consumed during daily business operations in offices for lighting, air-conditioning and office equipment, etc.

As mentioned in the Aspect A1 section, the Group has planned to formulate policies and procedures relating to the environmental management, including energy management. Electricity and petrol consumption account for a substantial part of the carbon emission for the Group.

	Units	2018
Electricity consumption	kWh	124,891
Fuel use for company vehicles	litres	7,388

Use of Water

In view of principal business activities of the Group, we do not consume significant amounts of water. Although water consumption is considered as minimal, we encourage saving water by driving behavioural changes in the workplace. The Company has installed water dispenser machines and replaced with bottled water instead of bottled water. During the year, the Company has consumed 116 m³ water.

Use of packaging material

In case of the new EFT-POS terminal, the Company uses manufacturer original paper box for delivering hardware to the merchant in usual practice. In order to further reducing the use of packaging material and waste, the Company will reuse the plastic bag to wrap the EFT-POS terminals and peripheral devices. During the year, the Company has used 254 kg of plastic bag as packaging material.

Environmental, Social and Governance Report

Use of Paper

The Group continuously promotes paperless office and encourages staff to reduce paper usage in their daily work to create a green office. Staff are encouraged to print double side and use of e-channels to disseminate corporate information. To further reduce paper consumption, the Group has introduced internal online system to handle the human resources and administrative work such as leave applications.

A3 Environment and Natural Resources

The Group business activities do not cause significant impact to the environment and natural resources. The Group continues to achieve the best practices in the environment protection.

B Social Commitment

B1 Employment

Employees are the most valuable assets of the Group. Providing employees with competitive and suitable working environment is the Group's commitment. The Group has maintained a diverse workforce with different background and expertise. Any form of discrimination is prohibited in the workplace. Fair and equal opportunities policy is adopted throughout the human resource procedures. During the year ended 31 March 2018, the Group was not aware of any non-compliance cases in relation to employment laws and regulations of Hong Kong.

Team structure	Number
Total number of staff	68
Sub-contractors	17
By Gender	
Male	48
Female	20
By age	
15 – 24 years old	9
25 – 34 years old	33
35 – 44 years old	18
45 – 54 years old	7
55 – 64 years old	1
65 years old or above	0
By employee category	
Senior Management	13
Middle Management	9
Supervisor	11
General Staff	35
For the year ended 31 March 2018	
Monthly turnover rate (%)	3.55
By Gender	
Male	3.65
Female	3.33

The employee handbook is formulated in accordance with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) to stipulate general practices and policies related to employment, compensation and benefits. The human resources department prepares the contents of the handbook which is self-explanatory. The employment contract has specified the terms including compensation and dismissal, working hours, rest periods and other benefits and welfare. Regular reviews and adjustment to the remuneration and benefits align the remunerative package with the market standards. Remuneration and benefits are reviewed on half-year basis in relation to individual performance and contribution. Besides the remuneration package, the Group adopt special scheme to recognize and reward employees who have made contribution to the development.

The Group also recognises the importance of internal communication and opt to create a harmonious working environment through close communication in different levels. It is believed the close communication creates a better and cohesive workplace.

B2 Health and Safety

The Group is dedicated to maintain a safe, hygienic and productive workplace by minimising the potential risk of accidents, injuries and exposure in relation to health risks. The Company provide suitcases for the staffs and sub-contractors to carry equipment and petty cash for refreshments during summer time when working at client and/or merchant sites. Moreover, the Company has established various safety guidelines and preventive measures for the employees to understand the appropriate use of office equipment and working at warehouses to enhance workplace safety.

The Group ensures the office is equipped with suitable fire-fighting facilities such as fire extinguishers. Staffs also participate into fire drills organized by the property management company.

During the year ended 31 March 2018, the Group did not violate any health and safety laws and regulations of Hong Kong and we are pleased that there are no fatality and incidence caused of work.

B3 Training and Development

The Group always treasures employees as the most valuable assets. We look forward from our employees for innovation and development. The Group supports employees to participate in personal and professional training. On-job trainings, site visits and seminars are arranged to upgrade skills and development as needed. Staff are encouraged to enhance personal skills to cope with the fast-growing information technology and payment solutions industries in order to maintain their competitiveness and provide better service to our clients. The Group recognizes that equipping employees with the appropriate knowledge can benefit the Company's long-term development.

B4 Labour Standard

The Group has continuously committed to protect the labour rights and all employees are aware of the Group's employment policies and guidelines, which complies the relevant laws and regulations. The Group prohibits employing any individuals under legal working age and the Group upholds the principle of no forced labour.

During the year ended 31 March 2018, the Group has complied with all relevant labour standards. No violation regarding to the age of employment and labour dispute has incurred between the Group and employees.

B5 Supply Chain Management

The Group does not engage in production and consumption of raw materials and our principal activities are sourcing of EFT-POS terminals and peripheral devices. Suppliers with such technology is limited. We procure the EFT-POS terminals and peripheral devices from the world's top manufacturers with high reputation and credibility. Those suppliers have already established sustainability policies in related to the environmental and social aspects.

In the coming years, we will continue to incorporate sustainability considerations into our sourcing practices including procurement of office equipment and communication with suppliers on their environmental and social responsibilities to identify opportunities to improve their current environmental and social practices.

B6 Product Responsibility

The Group has established relevant quality and safety inspection policies including various testing and certification with international standards for different software solution projects. Prior to the projects' launch, we will closely communicate with customers to understand their project expectation and direction. We actively coordinates with customers in the process of provision of services. The Group continues to strive to provide reliable products and services, by acting responsibly and protecting the interests of various stakeholder groups.

Sourcing of EFT-POS terminal and peripheral devices

We provide sourcing of EFT-POS terminals and peripheral devices to acquirers and merchants. We also provide value-added EFT-POS system support services including installation, specification testing and electronic payment standards acceptance certification solutions, maintenance, collection, repair and other related services of EFT-POS terminals. Our experience in the electronic payment industry and our well-established business relationships with EFT-POS terminal and peripheral device manufacturers allow us to source suitable EFT-POS terminals and peripheral devices that meets the requirements of the merchants or acquirers.

EFT-POS system support services

To improve customer satisfaction and achieve customer loyalty in the future, we work closely with the manufacturers and acquirers to provide specialised one-stop value-added support services to merchants who use the EFT-POS terminals.

Software solutions services

By leveraging our established business relationships with acquirers and merchants through our on-going EFT-POS system support services and strong software development capability, we understand customers' needs with specific functions to improve the overall operational efficiency, cost reduction and ease of management. Customer satisfaction is our central focus. We aim to provide tailor-made value-added software solution services to customers.



Quality assurance

The Group is committed to providing customers with high-quality services and solutions. To this end, we have established internal operating guidelines to manage the quality control required for our business streams. To ensure that our EFT-POS system support services meet customers' requirements, we strictly adhere to the service standards set out in the agreement. In our sourcing of EFT-POS terminals and peripheral devices, although we rely on the quality control of our suppliers who are typically leading global EFT-POS terminal manufacturers possessing stringent quality control standards, we also conduct inspection of the received goods to ensure the quality with satisfactory result. We perform full check when we load the software to the EFT-POS terminals before deployment to customers.

We generally offer to customers a hardware warranty of 12 months which covers the defects of the EFT-POS terminal.

Our information technology team is responsible for the quality of the software solution services by conducting a series of pilot testing prior to deployment to our customers.

Customer services

We provide 24/7 hotline services for the merchants. Our operation department comprises of customer service and technical support expertise are responsible for our EFT-POS system support services. We establish comprehensive procedures in handling enquires depending on different situations. We ensure that the customers' concerns are properly addressed to foster long-term relationship.

Complaint handling

Feedback and suggestions from customers provide opportunities for the Group to improve operation procedures. We are committed to responding and resolving customers' enquiries and dissatisfaction promptly with care. Complaints are transferred and handled directly by a designated customer service manager for investigation. Incident report with action plan are prepared to prevent future occurrence. To ensure that our customer complaint policy is up-to-date with the relevant laws and regulations, the operation department will consult legal adviser when necessary. During the reporting period, we have not received any complaints on our services from our customers that cause major impact to the Group.

Customer data and privacy protection

Our business is the linkage between EFT-POS terminal manufacturers and acquirers, as well as between merchants and acquirers. We are committed to ensure the merchants to use our EFT-POS terminals and the electronic payment system smoothly. Our EFT-POS terminals and electronic payment system do not retain any user's (individual card holder) personal information. The Group has also developed an IT policy included in the employee handbook that regulates our staff in proper use of and handling of customer data. During the reporting period, the Group had not been involved in any events of divulging customer data and private information.

Environmental, Social and Governance Report

B7 Anti-corruption

The Group has complied with relevant laws and regulations including Hong Kong's Prevention of Bribery Ordinance and has included the Prevention of Bribery Policy in the employee handbook. The Group has established an "Anti-Money Laundering Policy" and "Anti-Corruption Policy" with reference to the applicable laws and regulations which require its business department officers to fully understand the background of potential customers through documentation and communication in accordance with relevant internal guidelines before signing of contractual agreement.

The Group is committed to creating a corporate culture of integrity and justice by accepting internal complaints and whistleblowing. The Group encourages the reporting of suspected business irregularities. In terms of the reporting of abnormal and corruption behaviour, the Group has also established a whistle blowing policy. Reporting mailbox is set up to provide a channel for employees to report on violations, corruption, bribery and suspicious incidents.

The Group also encourages continuous training and stringent monitoring. Employees at all levels of the company possess a sense of risk, legal and compliance awareness with the knowledge of anti-money laundering and anti-corruption. The Group believes the above can make contribution to the equal and incorruptible society.

During the year ended 31 March 2018, the Group was not aware of any non-compliance with relevant laws and regulations related to anticorruption.

B8 Community

The Group actively undertakes social responsibilities in the area of promoting employment for undergraduate students during the reporting period. The Group continuously shows involvement in community activities and maintains close communication and interaction with the community to contribute to build and develop as a better and smart city.

In the future, the Group will actively encourage employees to contribute time and skills to the communities in order to benefit local communities in respect of environmental protection, committing corporate social responsibilities and enhance the corporate value of the Group.



INDEPENDENT AUDITOR'S REPORT



TO THE MEMBERS OF EFT SOLUTIONS HOLDINGS LIMITED

(incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of EFT Solutions Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 54 to 101, which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the applicable disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements for the year ended 31 March 2018. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key Audit Matter

How the matter was addressed in our audit

Impairment of trade receivables

We identified the impairment of trade receivables as a key audit matter due to the significant management judgment involved in assessing the recoverability of the trade receivables.

In determining the impairment loss on trade receivables, the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables.

As disclosed in Note 19 to the consolidated financial statements, the carrying amount of trade receivables of the Group as at 31 March 2018 was approximately HK\$42,716,000, net of allowance for doubtful debts of approximately HK\$168,000.

Our procedures in relation to the impairment of trade receivables included:

- Obtaining an understanding of how management determine the impairment loss on trade receivables;
- Assessing the reasonableness of impairment loss on trade receivables with reference to the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of each individual debtor;
- Testing the aging analysis of the trade receivables, on a sample basis, to the source documents, including the terms stated in the sales agreements; and
- Checking settlement during the year and subsequent settlement of trade receivables, on a sample basis, to the source documents.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yip Kai Yin with Practising Certificate number P05131.

Elite Partners CPA Limited

Certified Public Accountants

10/F, 8 Observatory Road
Tsim Sha Tsui, Kowloon,
Hong Kong

22 June 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	2018 HK\$'000	2017 HK\$'000
Revenue	6	94,148	53,282
Cost of goods sold and services		(45,315)	(31,234)
Gross profit		48,833	22,048
Other income	8	564	193
Other losses	9	(257)	(183)
Administrative expenses		(21,522)	(7,678)
Operating profit		27,618	14,380
Listing expenses		-	(13,078)
Finance costs	10	(13)	(168)
Share of results of an associate		(214)	-
Profit before tax		27,391	1,134
Income tax expense	11	(5,693)	(2,429)
Profit (loss) and total comprehensive income (expense) for the year	12	21,698	(1,295)
Earnings (loss) per share			
- Basic (HK cents)	15	4.52	(0.31)
- Diluted (HK cents)	15	4.46	(0.31)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Notes	2018 HK\$'000	2017 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	16	1,785	1,080
Investment in an associate	17	4,937	–
Deposits	19	8,306	246
		15,028	1,326
CURRENT ASSETS			
Inventories	18	6,326	960
Trade and other receivables	19	66,855	14,667
Tax recoverable		–	445
Bank balances and cash	20	22,626	46,420
		95,807	62,492
CURRENT LIABILITIES			
Trade and other payables	21	16,022	5,397
Bank borrowings	22	5,000	314
Tax payable		3,749	–
		24,771	5,711
NET CURRENT ASSETS		71,036	56,781
NET ASSETS		86,064	58,107
CAPITAL AND RESERVES			
Share capital	23	4,800	4,800
Share premium and reserves		81,264	53,307
TOTAL EQUITY		86,064	58,107

The consolidated financial statements on pages 54 to 101 were approved and authorised for issue by the board of directors of the Company on 22 June 2018 and are signed on its behalf by:

Lo Chun Kit Andrew
DIRECTOR

Lo Chun Wa
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000 (Note)	Share options reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
As at 1 April 2016	-	-	-	-	11,285	11,285
Loss and total comprehensive expense for the year	-	-	-	-	(1,295)	(1,295)
Effect of group reorganisation (Note)	-	10,228	(10,228)	-	-	-
Issue of shares	960	52,800	-	-	-	53,760
Transaction costs attributable to issue of shares	-	(5,643)	-	-	-	(5,643)
Capitalisation issue	3,840	(3,840)	-	-	-	-
As at 31 March 2017	4,800	53,545	(10,228)	-	9,990	58,107
Profit and total comprehensive income for the year	-	-	-	-	21,698	21,698
Equity-settled share-based payment transactions	-	-	-	9,585	-	9,585
Forfeiture of share options	-	-	-	(3,734)	408	(3,326)
As at 31 March 2018	4,800	53,545	(10,228)	5,851	32,096	86,064

Note: Special reserve represents the difference between the entire issued shares of EFT Solutions Limited ("EFT") acquired by the Group amounting to HK\$100 and the consideration for acquiring EFT by EFT Solutions International Limited ("EFT Solutions International"), a wholly-owned subsidiary of the Group, amounting to approximately HK\$10,228,000 pursuant to the Reorganisation (as defined in Note 2).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

	2018 HK\$'000	2017 HK\$'000
OPERATING ACTIVITIES		
Profit before tax	27,391	1,134
Adjustments for:		
Depreciation of property, plant and equipment	864	857
Bank interest income	(4)	(17)
Interest income from a director	–	(19)
Forfeiture of share options	(3,326)	–
Share-based payment expenses	9,585	–
Finance costs	13	168
Allowance for doubtful debts	7	161
Loss on written off of property, plant and equipment	16	–
Share of results of an associate	214	–
Operating cash flows before movements in working capital	34,760	2,284
Increase in inventories	(5,366)	(960)
Increase in trade and other receivables	(60,195)	(3,262)
Increase in trade and other payables	10,622	4,291
Cash (used in) generated from operations	(20,179)	2,353
Income taxes paid	(1,499)	(7,416)
NET CASH USED IN OPERATING ACTIVITIES	(21,678)	(5,063)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,642)	(723)
Increase in rental deposit	(60)	–
Investment in an associate	(5,151)	–
Bank interest income	4	17
NET CASH USED IN INVESTING ACTIVITIES	(6,849)	(706)
FINANCING ACTIVITIES		
Proceeds from issue of shares	–	53,760
Transaction costs directly attributable to issue of shares	–	(5,643)
Proceeds from bank borrowings	5,000	3,766
Repayment of bank borrowings	(314)	(6,093)
Interest paid	(10)	(168)
Advance to a director	(1,182)	(1,275)
Repayment from a director	1,182	1,440
Repayment from a related company	57	2,239
NET CASH GENERATED FROM FINANCING ACTIVITIES	4,733	48,026
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(23,794)	42,257
CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR	46,420	4,163
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances and cash	22,626	46,420

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. GENERAL

EFT Solutions Holdings Limited (the “**Company**”) was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 26 May 2016. Its registered office is located at Estera Trust (Cayman) Limited, Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is located at Workshops B1 & B3, 11/F, Yip Fung Industrial Building, 28–36 Kwai Fung Crescent, Kwai Chung, New Territories, Hong Kong.

The Company’s shares (the “**Shares**”) were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 15 December 2016 (the “**Listing**”).

The Company is an investment holding company and its subsidiaries are principally engaged in sourcing of electronic fund transfer at point-of-sale (“**EFT-POS**”) terminals and peripheral devices, and provision of EFT-POS system support services and software solution services. Its parent and ultimate holding company is LCK Group Limited (“**LCK**”), a private company incorporated in the British Virgin Islands (the “**BVI**”). Its ultimate controlling party is Mr. Lo Chun Kit, Andrew (“**Mr. Lo**” or the “**Controlling Shareholder**”).

The presentation currency of the consolidated financial statements is Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Group.

2. GROUP REORGANISATION AND BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the reorganisation in preparation for the Listing of the Shares, the Company became the holding company of the subsidiaries now comprising the Group on 20 June 2016 (the “**Reorganisation**”), the details of which are set out in the prospectus of the Company dated 5 December 2016. Accordingly, the comparative figures of the consolidated financial statements have been prepared on a combined basis as if the current group structure had been in existence since 1 April 2016, or since the respective dates of incorporation of the relevant entity.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ²
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle ¹
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRS 2015–2017 Cycle ²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1 January 2021

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which is relevant to the Group is in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under Hong Kong Accounting Standard (“HKAS”) 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group’s financial instruments and risk management policies as at 31 March 2018, the directors of the Company (the “**Directors**”) anticipated that the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost.

However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the Group performs a detailed review.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) *(continued)*

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Directors anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the Directors do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) *(continued)*

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the operating lease payments are currently presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 March 2018, the Group has non-cancellable operating lease commitments of HK\$1,716,000 as disclosed in Note 27. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the Directors complete a detailed review.

Except as described above, the Directors do not expect the application of the other new and amendments to HKFRSs in issue but not yet effective in the current year will have material impact on the Group's financial performance and positions and/or on the disclosures set out in the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the listing of securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except leasing transactions that are within the scope of HKAS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of consolidation *(continued)*

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investments in an associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results, assets and liabilities of associate are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associate used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, investments in associate are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

The requirements of HKAS 39 Financial Instrument: Recognition and Measurement are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Where a group entity transacts with its associate profits or losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of the interests in the associate that are not related to the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and returns. The Group's turnover includes revenues from sourcing of EFT-POS terminals and peripheral devices, and provision of EFT-POS system support services and software solution services.

Sourcing of EFT-POS terminals and peripheral devices

Revenue from the sourcing of EFT-POS terminals and peripheral devices is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Provision of services

(i) EFT-POS system support services

Revenue from EFT-POS system support services is recognised using straight-line method over the terms of system support contracts. For adhoc services, revenue is recognised when services are rendered.

(ii) Software solution services

Service revenue for software solution services is recognised when services are provided.

Borrowing costs

Borrowing costs which are not eligible for capitalisation for qualifying assets are recognised in profit or loss in the period in which they are incurred.

Leasing

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period which they are incurred.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies

In preparing the financial statements, transactions in currencies other than the functional currency of the Company (“**foreign currency**”) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (“**MPF Scheme**”) are recognised as an expense when employees have rendered service entitling them to the contributions.

Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options (“**Option(s)**”) granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in share options reserve.

At the end of the reporting period, the Group revises its estimates of the number of Options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the Options are exercised, the amount previously recognised in share options reserve will be transferred to share capital. When the Options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before tax” as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to settle or recover the carrying amount of its liabilities and assets. Current and deferred tax is recognised in profit or loss.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment losses on tangible assets *(continued)*

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, amount due from a director, amount due from a related company and bank balances and cash) are carried at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Loans and receivables are assessed for indicators of impairment at the end of the reporting period. Loans and receivables are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to receive cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in Note 4, the Directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of trade receivables

Trade receivables are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is recorded. Objective evidence of impairment includes the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables. If there is a change in the objective evidence of impairment in relation to the trade debtors, the actual impairment loss would be higher or lower than the allowance for doubtful debts recognised in the consolidated financial statements. The carrying amount of trade receivables as at 31 March 2018 was approximately HK\$42,716,000 (2017: HK\$13,092,000), net of allowance for doubtful debts of approximately HK\$168,000 (2017: HK\$161,000).

6. REVENUE

An analysis of the Group's revenue is as follows:

	2018	2017
	HK\$'000	HK\$'000
Sourcing of EFT-POS terminals and peripheral devices	31,386	23,781
EFT-POS system support services	36,223	27,246
Software solution services	26,539	2,255
	94,148	53,282

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

7. SEGMENT INFORMATION

Information reported to Mr. Lo, being the chief operating decision maker (“CODM”), for the purpose of resource allocation and assessment of segment performance, focuses on types of goods delivered or services provided.

Specifically, the Group’s reportable and operating segments are as follows:

Sale of hardware devices	–	Sourcing of EFT-POS terminals and peripheral devices
System support and software solution services	–	Provision of EFT-POS system support and software solution services

No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The accounting policies of the reportable and operating segments are the same as the Group’s accounting policies described in Note 4.

Segment information about these reportable and operating segments is presented below:

Year ended 31 March 2018

	Sale of hardware devices HK\$'000	System support and software solution services HK\$'000	Consolidated HK\$'000
Segment revenue – external customers	31,386	62,762	94,148
Segment results	12,062	37,065	49,127
Other income			45
Finance costs			(13)
Share of results of an associate			(214)
Unallocated expenses			(21,554)
Profit before tax			27,391

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

7. SEGMENT INFORMATION *(continued)*

Year ended 31 March 2017

	Sale of hardware devices HK\$'000	System support and software solution services HK\$'000	Consolidated HK\$'000
Segment revenue – external customers	23,781	29,501	53,282
Segment results	10,911	10,904	21,815
Other income			143
Finance costs			(168)
Listing expenses			(13,078)
Unallocated expenses			(7,578)
Profit before tax			1,134

Segment results represent the profit earned by each segment without allocation of certain other income, finance costs, central administrative costs, listing expenses, share of results of an associate and other unallocated expenses including depreciation expenses and directors' remuneration that are not directly attributable to segments as disclosed in the above table. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

7. SEGMENT INFORMATION *(continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	2018 HK\$'000	2017 HK\$'000
Segment assets		
Sale of hardware devices	14,566	7,194
System support and software solution services	35,615	7,012
Total segment assets	50,181	14,206
Unallocated assets:		
Property, plant and equipment	1,785	1,080
Investment in an associate	4,937	–
Prepayment and deposits	31,306	1,667
Tax recoverable	–	445
Bank balances and cash	22,626	46,420
Consolidated assets	110,835	63,818
Segment liabilities		
Sale of hardware devices	9,252	1,509
System support and software solution services	6,591	1,196
Total segment liabilities	15,843	2,705
Unallocated liabilities:		
Other payables and accrued expenses	5,179	2,692
Bank borrowings	–	314
Tax payable	3,749	–
Consolidated liabilities	24,771	5,711

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than property, plant and equipment, investment in an associate, certain prepayment and deposits, tax recoverable and bank balances and cash that are not attributable to respective segment.
- all liabilities are allocated to operating segments other than certain other payables and accrued expenses, bank borrowings and tax payable that are not attributable to respective segment.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

7. SEGMENT INFORMATION *(continued)*

Other segment information

Year ended 31 March 2018

	Sale of hardware devices HK\$'000	System support and software solution services HK\$'000	Consolidated HK\$'000
Allowance for doubtful debts	8	160	168

Year ended 31 March 2017

	Sale of hardware devices HK\$'000	System support and software solution services HK\$'000	Consolidated HK\$'000
Allowance for doubtful debts	1	160	161

Geographical information

Non-current assets by geographical location

An analysis of the Group's non-current assets by geographical location is as follows:

	2018 HK\$'000	2017 HK\$'000
Hong Kong	10,091	1,326
Australia	4,937	–
	15,028	1,326

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For the year ended 31 March 2018

7. SEGMENT INFORMATION *(continued)*

Geographical information *(continued)*

Revenue by geographical location

An analysis of the Group's revenue from external customers by geographical location, determined based on the shipment destination for the sale of hardware devices and the location of services rendered for system support and software solution services are detailed below:

	2018 HK\$'000	2017 HK\$'000
Hong Kong	86,208	48,578
Macau	5,957	2,242
Australia	1,935	2,462
Others	48	–
	94,148	53,282

Information about major customers

Revenue from customers that individually contributing over 10% of the total revenue of the Group during the year are as follows:

	2018 HK\$'000	2017 HK\$'000
Customer A from system support and software solution services segment	17,827	15,031
Customer B from sale of hardware devices and system support and software solution services segments	9,517	N/A <i>(Note)</i>
Customer C from sale of hardware devices and system support and software solution services segments	N/A <i>(Note)</i>	7,462

Note: The corresponding revenue did not contribute over 10% of the total sales of the Group for the current year or previous year.

8. OTHER INCOME

	2018 HK\$'000	2017 HK\$'000
Interest income from a director	–	19
Management income from a related company	20	60
Rental income from a related company	21	47
Bank interest income	4	17
Income from delivery cost recharged to customers	519	50
	564	193

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

9. OTHER LOSSES

	2018	2017
	HK\$'000	HK\$'000
Net exchange losses	234	22
Allowance for doubtful debt	7	161
Loss on written off of property, plant and equipment	16	–
	257	183

10. FINANCE COSTS

	2018	2017
	HK\$'000	HK\$'000
Interest on bank borrowings	13	168

11. INCOME TAX EXPENSE

	2018	2017
	HK\$'000	HK\$'000
Hong Kong Profits Tax:		
– Current year	5,693	2,454
– Overprovision in prior year	–	(25)
	5,693	2,429

The Group is subject to Hong Kong Profits Tax at a rate of 16.5% for both years.

Taxation arising from other jurisdictions are calculated at the rates prevailing in the respective jurisdictions. No provision for overseas profits tax has been made as the Group did not generate any assessable profits arising for both years.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

11. INCOME TAX EXPENSE *(continued)*

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2018	2017
	HK\$'000	HK\$'000
Profit before tax	27,391	1,134
Tax at the Hong Kong Profits Tax rate of 16.5%	4,519	187
Tax effect of income not taxable for tax purpose	(549)	(3)
Tax effect of expenses not deductible for tax purpose	1,828	2,253
Tax effect of deductible temporary differences not recognised	(102)	37
Overprovision in respect of prior year	–	(25)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(3)	–
Others	–	(20)
Tax expense for the year	5,693	2,429

12. PROFIT (LOSS) FOR THE YEAR

	2018	2017
	HK\$'000	HK\$'000
Profit (loss) for the year has been arrived at after charging:		
Directors' remuneration (<i>Note 13</i>)	11,462	1,828
Other staff costs		
– salaries and allowances	14,993	11,340
– discretionary bonus	1,449	1,856
– retirement benefits scheme contribution	676	545
– share-based payment expenses	408	–
Total employee benefits expenses (including directors' emoluments)	28,988	15,569
Auditor's remuneration	600	800
Cost of inventories recognised as expense	19,208	12,785
Depreciation of property, plant and equipment	864	857

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION

Directors' and chief executive's emoluments

The emoluments paid or payable to each of the Directors of the Company during the year, calculated with reference to their employment as Directors of the Company or for provision of other services to the Company and the Group, are set out below:

	Directors' fees HK\$'000	Salaries and other benefits HK\$'000	Discretionary bonus HK\$'000 <i>(Note c)</i>	Share-based payment expenses HK\$'000 <i>(Note d)</i>	Retirement benefits scheme contributions HK\$'000	Total HK\$'000
For the year ended 31 March 2018						
Executive Directors <i>(Note a)</i>						
Lo Chun Kit Andrew	240	1,960	2,000	905	18	5,123
Chan Lung Ming	-	-	-	3,136	-	3,136
Lo Chun Wa	144	480	80	905	18	1,627
Non-executive Directors <i>(Note b)</i>						
Lam Ching Man	144	-	-	905	-	1,049
Lui Hin Weng Samuel <i>(Note e)</i>	144	-	-	-	-	144
Independent non-executive Directors <i>(Note b)</i>						
Lam Keung	144	-	-	-	-	144
Yang Eugenia <i>(Note f)</i>	96	-	-	-	-	96
Ng Ming Fai <i>(Note g)</i>	64	-	-	-	-	64
Pang Ho Man Victor <i>(Note h)</i>	79	-	-	-	-	79
	1,055	2,440	2,080	5,851	36	11,462

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION (continued)

Directors' and chief executive's emoluments (continued)

	Directors' fees HK\$'000	Salaries and other benefits HK\$'000	Discretionary bonus HK\$'000 (Note c)	Share-based payment expense HK\$'000 (Note d)	Retirement benefits scheme contributions HK\$'000	Total HK\$'000
For the year ended						
31 March 2017						
Executive Directors (Note a)						
Lo Chun Kit Andrew	80	960	–	–	18	1,058
Lo Chun Wa	48	370	143	–	17	578
Non-executive Director (Note b)						
Lam Ching Man	48	–	–	–	–	48
Independent non-executive Directors (Note b)						
Lui Hin Weng Samuel	48	–	–	–	–	48
Lam Keung	48	–	–	–	–	48
Pang Ho Man Victor	48	–	–	–	–	48
	320	1,330	143	–	35	1,828

Notes:

- (a) The executive Directors' emoluments shown above were for the services in connection with the management of the affairs of the Group.
- (b) The non-executive and independent non-executive Directors' emoluments shown above were for the services as Directors of the Company or its subsidiaries.
- (c) The bonus is determined having regard to the Group's and the respective member's performance for each year.
- (d) Share-based payment expenses are the fair values of Options granted to executive Directors and non-executive Director, which are determined at the date of grant and expensed over the vesting period (except where Options are forfeited before vesting), regardless of whether the executive Directors and non-executive Director exercise the Options or not during the year. Details of the Share Option Scheme are set out in Note 24 of Notes to the Consolidated Financial Statements section.
- (e) Mr. Lui Hin Weng Samuel has been re-designated from an independent non-executive Director to a non-executive Director of the Company in August 2017.
- (f) Ms. Yang Eugenia was appointed as an independent non-executive Director of the Company in August 2017.
- (g) Mr. Ng Ming Fai was appointed as an independent non-executive Director of the Company in October 2017.
- (h) Mr. Pang Ho Man Victor resigned as an independent non-executive Director of the Company in October 2017.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION *(continued)*

Employees' remuneration

The five highest paid individuals with the highest emoluments in the Group include 4 (2017: 2) directors, details of their emoluments are set out in the disclosure above. The remuneration for the remaining 1 (2017: 3) individual is as follows:

	2018 HK\$'000	2017 HK\$'000
Salaries and allowances	720	1,755
Discretionary bonus	180	650
Retirement benefits scheme contribution	18	54
	918	2,459

The emoluments of the highest paid individual fell within the following band:

	Year ended 31 March	
	2018 No. of employees	2017 No. of employees
Nil to HK\$1,000,000	1	2
HK\$1,000,001 to HK\$1,500,000	-	1

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

14. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year (2017: nil), nor has any dividend been proposed since the end of the reporting period.

15. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share for both years is based on the following data:

	2018	2017
	HK\$'000	HK\$'000
Earnings (loss)		
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share	21,698	(1,295)
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	480,000	412,142
Effect of dilutive potential ordinary shares on share options	6,439	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	486,439	412,142

The weighted average number of ordinary shares for the purpose of calculating basic earnings (loss) per share has been determined based on the assumption that the Reorganisation and capitalisation issue had been effective on 1 April 2016.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furnitures and fixtures HK\$'000	Office equipment HK\$'000	Motor vehicle HK\$'000	Total HK\$'000
COST					
As at 1 April 2016	1,408	175	754	–	2,337
Additions	182	45	496	–	723
Disposal	–	–	(78)	–	(78)
As at 31 March 2017	1,590	220	1,172	–	2,982
Additions	10	68	880	684	1,642
Disposal	–	–	(59)	–	(59)
Written off	–	–	(19)	–	(19)
As at 31 March 2018	1,600	288	1,974	684	4,546
ACCUMULATED DEPRECIATION					
As at 1 April 2016	796	39	252	–	1,087
Provided for the year	564	43	250	–	857
Eliminated on disposal	–	–	(42)	–	(42)
As at 31 March 2017	1,360	82	460	–	1,902
Provided for the year	165	51	477	171	864
Eliminated on disposal	–	–	(2)	–	(2)
Eliminated on written off	–	–	(3)	–	(3)
As at 31 March 2018	1,525	133	932	171	2,761
CARRYING VALUES					
As at 31 March 2018	75	155	1,042	513	1,785
As at 31 March 2017	230	138	712	–	1,080

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	33%, or over the lease terms, whichever is shorter
Furnitures and fixtures	20%
Office equipment	30%
Motor vehicle	30%

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

17. INVESTMENT IN AN ASSOCIATE

	2018	2017
	HK\$'000	HK\$'000
Unlisted shares, at cost	5,151	–
Share of results of an associate	(214)	–
	4,937	–

As at 31 March 2018, the Group had interest in the following associate:

Name	Place of incorporation and operation	Percentage of interest in ownership held by the Group		Principle activities
		2018	2017	
Open Sparkz Pty Ltd	Australia	21.97%		– Specialising in highly automated offers and rewards solutions using front of wallet credit, debit and prepaid cards

The share of loss of an associate for the year ended 31 March 2018 was approximately HK\$214,000 (2017: nil).

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For the year ended 31 March 2018

18. INVENTORIES

	2018 HK\$'000	2017 HK\$'000
Finished goods	6,326	960

19. TRADE AND OTHER RECEIVABLES

	2018 HK\$'000	2017 HK\$'000
Current assets		
Trade receivables (<i>Note</i>)	42,716	13,092
Prepayment and other deposits	24,139	1,575
Total	66,855	14,667

Note: Included in the trade receivables above, approximately HK\$1,000 (2017: nil) represented the trade receivables from Guangzhou EFTPay Limited, of which Mr. Lo ultimately holds 100% of its shareholdings.

	2018 HK\$'000	2017 HK\$'000
Non-current asset		
Rental deposits paid to the Lo's Family and Mr. Lo Chun Wa (<i>Note a</i>)	246	246
Rental deposits paid to an independent landlord	60	–
Investment deposit (<i>Note b</i>)	8,000	–
Total	8,306	246

Notes:

- The properties owned by Mr. Lo and his spouse, Ms. Lam Ching Man ("**Ms. Lam**", collectively referred to as the "**Lo's Family**") and Mr. Lo Chun Wa are used as the office premises of the Group in Hong Kong.
- Investment deposit represented the deposit paid to Hung Wai Holdings Limited ("**Hung Wai**") as an earnest money for the proposed investment, of which Mr. Lo holds 25% of its shareholdings.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

19. TRADE AND OTHER RECEIVABLES *(continued)*

The Group allows credit periods of 30 days to its trade customers from sourcing of EFT-POS terminals and peripheral devices, and provision of EFT-POS system support services and software solution services.

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	2018 HK\$'000	2017 HK\$'000
Within 30 days	7,796	8,412
31 – 60 days	5,133	4,098
61 – 90 days	10,710	74
91 – 180 days	9,688	342
181 – 365 days	9,263	166
Over 365 days	126	–
	42,716	13,092

Included in the Group's trade receivables balance are debtors as at 31 March 2018 with an aggregate carrying amount of approximately HK\$34,919,000 (2017: HK\$4,680,000) which are past due at the end of reporting period which the Group has not provided for impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience. The Group does not hold any collateral over these balances. All of the trade receivables that are neither past due nor impaired have good credit quality assessed by the Group.

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19. TRADE AND OTHER RECEIVABLES (continued)

Aging of the receivables which are past due but not impaired:

	2018 HK\$'000	2017 HK\$'000
Overdue:		
1 – 30 days	5,133	4,098
31 – 60 days	10,710	74
61 – 90 days	196	5
91 – 180 days	14,632	337
181 – 365 days	4,122	166
Over 365 days	126	–
	34,919	4,680

Movement in the allowance for trade receivables

	Year ended 31 March	
	2018 HK\$'000	2017 HK\$'000
Balance at beginning of the year	161	–
Impairment losses recognised on receivables	7	161
Balance at end of the year	168	161

Included in trade receivables as at 31 March 2018 are amounts net of individually impaired receivables amounting to approximately HK\$168,000 (2017: HK\$161,000). The management has reviewed the repayment history of these long overdue customers, considering their deteriorating credit quality and no amount had been settled subsequent to the end of the reporting period, accordingly, full impairment was recognised.

Notes to the Consolidated Financial Statements

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20. BANK BALANCES AND CASH

Bank balances carry interest at prevailing market rates at 0.01% (2017: 0.01%) per annum.

21. TRADE AND OTHER PAYABLES

	2018 HK\$'000	2017 HK\$'000
Trade payables	7,138	1,560
Deferred revenue	1,983	312
Other payables and accrued expenses (<i>Note</i>)	6,901	3,525
	16,022	5,397

Note: Included in other payables and accrued expenses above, approximately HK\$2.7 million (2017: nil) represented the deposits received from EFT Payments (Asia) Limited, of which Mr. Lo holds 100% of its shareholdings.

The average credit period on trade payables is 30 days. The aging analysis of the Group's trade payables below is presented based on the invoice date at the end of the reporting period.

	2018 HK\$'000	2017 HK\$'000
Within 30 days	2,102	776
31 – 60 days	168	504
61 – 90 days	4,837	280
Over 90 days	31	–
	7,138	1,560

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22. BANK BORROWINGS

	2018			2017		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
Current						
Bank loans – unsecured	3.50%	Within 1 year or on demand	5,000	3.16%	Within 1 year or on demand	314
				2018 HK\$'000		2017 HK\$'000
Analysed into:						
Bank loans repayable:						
Within 1 year or on demand				5,000		314

In April 2016, the Group has drawn a loan for tax purpose (the “**Tax Loan**”) with principal amount of approximately HK\$3.8 million. The carrying amount of the Tax Loan as at 31 March 2017 is approximately HK\$314,000. The Tax Loan is variable-rate borrowings with effective interest rate (which were also equalled to contractual interest rates) at 3.16% per annum at 31 March 2017. As at 31 March 2017, the Tax Loan was guaranteed by the corporate guarantee by the Company. The Tax Loan has been fully settled in April 2017.

In March 2018, the Group has drawn loans for import trade (the “**Import Trade Loan**”) with principal amount of approximately HK\$5.0 million. The carrying amount of the Import Trade Loan as at 31 March 2018 is approximately HK\$5.0 million. The Import Trade Loan is fixed-rate borrowings with the fixed interest rate at 3.50% per annum at the end of the reporting period.

Notes to the Consolidated Financial Statements

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23. SHARE CAPITAL

The movement in share capital of the Company are as follows:

	Notes	Number of shares	Amount HK\$
Ordinary shares of HK\$0.01 each			
Authorised:			
On 26 May 2016 (date of incorporation)		38,000,000	380,000
Increased on 23 November 2016	(a)	742,000,000	7,420,000
As at 31 March 2017 and 31 March 2018		780,000,000	7,800,000
Issued and fully paid:			
On 26 May 2016 (date of incorporation)		1	–
Issue of shares on 26 May 2016 pursuant to the Group Reorganisation		99	1
Issue of shares on 20 June 2016 pursuant to the Group Reorganisation		900	9
Capitalisation issue	(b)	383,999,000	3,839,990
Issue of shares	(c)	96,000,000	960,000
As at 31 March 2017 and 31 March 2018		480,000,000	4,800,000

Notes:

- (a) Pursuant to the written resolutions of the shareholders of the Company ("**Shareholders**") passed on 23 November 2016, the authorised share capital of the Company increased from HK\$380,000 to HK\$7,800,000 by the creation of an additional of 742,000,000 shares of HK\$0.01 each.
- (b) On 15 December 2016, the Company allotted and issued a total of 383,999,000 ordinary shares of HK\$0.01 each, credited as fully paid at par, by way of capitalisation of the sum of HK\$3,839,990 standing to the credit of the share premium account of the Company by applying such sum towards the paying up in full at par a total of 383,999,000 ordinary shares for allotment and issue to the persons whose names appear on the register of members of the Company at the close of business on 14 December 2016, immediately in proportion (as nearly as possible without involving fractions) to their then existing shareholdings in the Company.
- (c) On 15 December 2016, the Company placed and offered to the public of 96,000,000 new shares at HK\$0.56 per share for a total gross proceed of approximately HK\$53,760,000, with related listing expenses amounting of HK\$5,643,000.

The new shares rank pari passu with the existing shares in all respects.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

24. SHARE-BASED PAYMENT TRANSACTION

a. Equity-settled share option scheme

A share option scheme was adopted and approved by the Shareholders on 23 November 2016 (the “**Share Option Scheme**”).

The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the eligible participants have had or may have made to the Group. The Share Option Scheme is valid and effective for a period of ten years commencing from the date of adoption of the scheme.

Eligible participants of Share Option Scheme include:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any Directors (including non-executive Directors and independent non-executive Directors) of the Company or any of its subsidiaries;
- (iii) any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries; and
- (iv) such other persons who, in the sole opinion of the board of directors (the “**Board**”), will contribute or have contributed to the Group, the assessment criteria of which are:
 - (a) contribution to the development and performance of the Group;
 - (b) quality of work performed for the Group;
 - (c) initiative and commitment in performing his/her duties; and
 - (d) length of service or contribution to the Group.

The maximum number of shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other schemes for the time being of the Company shall not exceed 30% of the shares in issue from time to time. Share options of the Company which are lapsed or cancelled for the time being shall not be counted for the purpose of calculating the said 30% limit and the maximum number of shares which may be issued upon exercise of all Options granted and to be granted under the Share Option Scheme is an amount equivalent to 10% of the shares of the Company in issue as at the date of approval of the Share Option Scheme unless approval for refreshing the 10% limit from the Company’s shareholders has been obtained. The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the Share Option Scheme and any other share option schemes of the Company (including exercised, outstanding Options and Shares which were the subject of Options which have been granted and accepted under the Share Option Scheme or any other scheme of the Company but subsequently cancelled (the “**Cancelled Shares**”) to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of Options in excess of this 1% limit shall be subject to the issue of a circular and the approval of the Shareholders in general meeting.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

24. SHARE-BASED PAYMENT TRANSACTION *(continued)*

a. Equity-settled share option scheme *(continued)*

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the Option is deemed to be granted and accepted and prior to the expiry of ten years from that date. Upon acceptance of an Option to subscribe for Shares granted pursuant to the scheme, the eligible participant shall pay HK\$1.00 to the Company as consideration for the grant. The subscription price for the Shares subject to the Options will be a price determined by the Board and notified to each participant and shall be the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of grant of the Options; and
- (iii) the nominal value of a Share.

During the year, the Company granted 43,200,000 and 48,000,000 Options to certain eligible participants of the Company on 18 September 2017 and 9 January 2018 respectively. As at 31 March 2018, 52,800,000 options has been lapsed.

b. Movement of share options

Details of the Options granted and outstanding under the Share Option Scheme during the year were as follows:

Name or category of participant	Date of grant	Exercise period	Exercise price	Balance as at 1 April 2017	Changes during the year			Balance as at 31 March 2018
					Granted	Exercised	Cancelled/ lapsed <i>(Note d)</i>	
Executive Directors								
Lo Chun Kit Andrew	9 January 2018	9 April 2018 – 8 January 2028	0.530 <i>(Note c)</i>	-	2,400,000	-	-	2,400,000
	9 January 2018	9 January 2019 – 8 January 2028	0.530 <i>(Note c)</i>	-	2,400,000	-	-	2,400,000
Chan Lung Ming	18 September 2017	10 November 2017 – 17 September 2027 <i>(Note a)</i>	0.320 <i>(Note b)</i>	-	9,600,000	-	-	9,600,000
	18 September 2017	1 September 2018 – 17 September 2027 <i>(Note a)</i>	0.320 <i>(Note b)</i>	-	7,200,000	-	-	7,200,000
	18 September 2017	1 September 2019 – 17 September 2027 <i>(Note a)</i>	0.320 <i>(Note b)</i>	-	7,200,000	-	-	7,200,000

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

24. SHARE-BASED PAYMENT TRANSACTION *(continued)*

b. Movement of share options *(continued)*

Name or category of participant	Date of grant	Exercise period	Exercise price	Balance as at 1 April 2017	Changes during the year			Balance as at 31 March 2018
					Granted	Exercised	Cancelled/ lapsed <i>(Note d)</i>	
Lo Chun Wa	9 January 2018	9 April 2018 – 8 January 2028	0.530 <i>(Note c)</i>	-	2,400,000	-	-	2,400,000
	9 January 2018	9 January 2019 – 8 January 2028	0.530 <i>(Note c)</i>	-	2,400,000	-	-	2,400,000
Non-executive Director								
Lam Ching Man	9 January 2018	9 April 2018 – 8 January 2028	0.530 <i>(Note c)</i>	-	2,400,000	-	-	2,400,000
	9 January 2018	9 January 2019 – 8 January 2028	0.530 <i>(Note c)</i>	-	2,400,000	-	-	2,400,000
Employees								
Employees	18 September 2017	18 December 2017 – 17 September 2027	0.320 <i>(Note b)</i>	-	2,400,000	-	(2,400,000)	-
	18 September 2017	18 September 2018 – 17 September 2027	0.320 <i>(Note b)</i>	-	2,400,000	-	(2,400,000)	-
	9 January 2018	9 April 2018 – 8 January 2028	0.530 <i>(Note c)</i>	-	7,200,000	-	(7,200,000)	-
	9 January 2018	9 January 2019 – 8 January 2028	0.530 <i>(Note c)</i>	-	7,200,000	-	(7,200,000)	-
Consultants								
Consultants	18 September 2017	18 March 2018 – 17 September 2027	0.320 <i>(Note b)</i>	-	7,200,000	-	(7,200,000)	-
	18 September 2017	18 September 2018 – 17 September 2027	0.320 <i>(Note b)</i>	-	7,200,000	-	(7,200,000)	-
	9 January 2018	9 July 2018 – 8 January 2028	0.530 <i>(Note c)</i>	-	9,600,000	-	(9,600,000)	-
	9 January 2018	9 January 2019 – 8 January 2028	0.530 <i>(Note c)</i>	-	9,600,000	-	(9,600,000)	-
				-	91,200,000	-	(52,800,000)	38,400,000

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

24. SHARE-BASED PAYMENT TRANSACTION *(continued)*

b. Movement of share options *(continued)*

Notes:

- (a) Options granted to Mr. Chan Lung Ming have been approved by the Shareholders in its extraordinary general meeting held on 10 November 2017.
- (b) The closing price of shares on the date of grant was HK\$0.320. The average closing price was HK\$0.2744 per share for the five business days immediately preceding the date of grant.
- (c) The closing price of shares on the date of grant was HK\$0.530. The average closing price was HK\$0.520 per share for the five business days immediately preceding the date of grant.
- (d) The Options lapsed during the year upon resignation of employee or in accordance with the terms of the Share Option Scheme.

c. Fair values of share options

The Group has applied HKFRS 2 to account for its Options granted. In accordance with HKFRS 2, fair value of Options granted to employees determined at the date of grant is expensed over the vesting period, with a corresponding adjustment to the Group's share options reserve. In the current year, the Group recognised the share-based payment expenses of approximately HK\$9.6 million (2017: nil) in relation to Options granted by the Company, of which approximately HK\$5.9 million (2017: nil) related to the Directors (Note 13), with a corresponding adjustment recognised in the Group's share options reserve. The fair values of Options granted by the Company were determined by using Binomial option pricing model (the "**Model**"). The Model is one of the commonly used models to estimate the fair value of an Option. The variables and assumptions used in computing the fair value of the Options are based on the management's best estimate. The value of an Option varies with different variables of a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an Option.

The inputs into the Model were as follows:

	9 January 2018	18 September 2017
Date of grant		
Closing share price at the date of grant	HK\$0.530	HK\$0.320
Exercise price	HK\$0.530	HK\$0.320
Risk free rate <i>(Note a)</i>	1.942%	1.448%
Expected life of Option <i>(Note b)</i>	10 years	10 years
Expected volatility <i>(Note c)</i>	79%	71%
Annualised dividend yield	Nil	Nil

Notes:

- (a) Risk free rate: being the approximate yields of 10-year government bond traded on the date of grant, matching the expected life of each Option.
- (b) Expected life of Option: being the period of 10 years commencing on the date of grant, based on management's best estimates for the effects of non-transferability, exercise restriction and behavioural consideration.
- (c) Expected volatility: being the appropriate historical volatility of closing prices of the shares of the Company over the periods after the date of Listing immediately before the date of grant.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

25. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and the equity balance. The Group's overall strategy remains unchanged throughout the year.

The capital structure of the Group of net debt, which includes bank borrowings, as disclosed in Note 22, net of cash and cash equivalents and equity.

The Directors reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares, new debts or the redemption of existing debts.

26. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2018 HK\$'000	2017 HK\$'000
Financial assets		
Loans and receivables (including cash and cash equivalent)	65,796	59,512
Financial liabilities		
At amortised cost	15,654	1,874

b. Financial risk management objectives and policies

Group's major financial instruments include trade and receivables, bank balances and cash, trade and payables, accrued expenses and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risk associated with these financial instruments include market risk (interest rate risk and foreign currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risks

The Group's activities expose it primarily to the financial risks of changes in interest rates and foreign currency exchange rates. Details of each type of market risks are described as follows:

(i) *Interest rate risk management*

The Group is exposed to cash flow interest rate risk in relation to bank balances. The Group currently does not enter into any hedging instrument for cash flow interest rate risk. The Directors considered that the overall interest rate risk is not significant as the fluctuation of the interest rates on bank balances is considered minimal. Accordingly, no sensitivity analysis is prepared and presented.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

26. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

Market risks *(continued)*

(ii) Foreign currency risk

The Group undertakes certain operating transactions in foreign currency, which exposes the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the Directors monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should such need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as at the end of the reporting period are as follows:

	2018		2017	
	Assets HK\$'000	Liabilities HK\$'000	Assets HK\$'000	Liabilities HK\$'000
United States Dollar ("US\$")	4,657	3,936	148	1,473
Australian Dollar ("AUD")	176	256	44	–
Chinese Yuan Renminbi ("CNY")	248	83	255	78

Sensitivity analysis

The Group is mainly exposed to the risk of fluctuation against US\$. As HK\$ is pegged with US\$ under Linked Exchange Rate System, the Group's exposure to US\$ exchange risk is minimal and no sensitivity analysis is presented accordingly.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Group can be required to pay.

	Weighted average effective interest rate %	Repayable on demand or less than 1 year HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
As at 31 March 2018				
Non-derivative financial liabilities				
Trade and other payables	–	10,654	10,654	10,654
Bank borrowings	3.50	5,000	5,000	5,000
		15,654	15,654	15,654

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

26. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

Liquidity risk *(continued)*

	Weighted average effective interest rate %	Repayable on demand or less than 1 year HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
As at 31 March 2017				
Non-derivative financial liabilities				
Trade and other payables	–	1,560	1,560	1,560
Bank borrowings	3.16	314	314	314
		1,874	1,874	1,874

Bank borrowings with a repayment on demand clause are included in the “repayable on demand or less than 1 year” time band in the above maturity analysis. As at 31 March 2018, the aggregate carrying amounts of these bank borrowings amounted to approximately HK\$5,000,000 (2017: HK\$314,000). Taking into account the Group’s financial position, the Directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The Directors believe that these bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

The following table details the Group’s aggregate principal and interest cash outflows for bank borrowings with a repayment on demand clause. To the extent that interest flows are variable rate, the undiscounted amount is derived from weighted average interest rate at the end of the reporting period.

	Weighted average effective interest rate %	Repayable on demand or less than 1 year HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
Bank borrowings with repayment on demand clause				
As at 31 March 2018	3.50	5,000	5,000	5,000
As at 31 March 2017	3.16	314	314	314

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

26. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(continued)*

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets are the carrying amount of those assets as stated in the consolidated statement of financial position.

The Group's credit risk is primarily attributable to its trade and other receivables, rental deposits and bank balances. In order to minimise the credit risk, the Directors have delegated a team responsible for determination of credit limits and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate allowance are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as approximately 10.9% of the Group's trade receivables as at 31 March 2018 (2017: 29.8%) due from the Group's largest debtor which is mainly engaged in the manufacturing and sales of EFT-POS terminals. In respect of this customer, given its good repayment history, the management considers that the credit risk associated with the balances of this customer is low.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

c. Fair value measurements of financial instruments

The fair values of the financial assets and financial liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

27. COMMITMENTS

Operating lease commitment

The Group as lessor

At the end of each reporting period, the Group had contracted with the related parties for the following future minimum lease payments:

	2018 HK\$'000	2017 HK\$'000
Within one year	–	62
In two to three years	–	62
	–	124

The Group as lessee

	2018 HK\$'000	2017 HK\$'000
Minimum lease payments under operating leases during the year in respect of premises	1,596	1,476

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases with the Lo's Family, Mr. Lo Chun Wa and an independent landlord in respect of premises which fall due as follows:

	2018 HK\$'000	2017 HK\$'000
Within one year	1,716	1,476
In the second year inclusive	–	1,476
	1,716	2,952

Operating lease payments represent rentals payable by the Group for certain of its premises owned by the Lo's Family, Mr. Lo Chun Wa and an independent landlord. Leases are negotiated and rentals are ranging from one to three years.

Capital commitment

At the end of each reporting period, the Group had contracted for the following capital commitments:

	2018 HK\$'000	2017 HK\$'000
Contracted, but not provided for:		
– acquisition of a subsidiary (Note 30)	210,000	–
– capital injection in an associate	905	–
	210,905	–

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

28. EMPLOYEE BENEFITS

The Group participates in MPF Scheme for all of its qualifying employees. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee. For members of the MPF Scheme, the Group contributes 5% each of relevant payroll costs to the MPF Scheme, subject to a maximum contribution of HK\$1,500, which contribution is matched by the employee. During the year ended 31 March 2018, the retirement benefits scheme contribution arising from the MPF Scheme charged to profit or loss were approximately HK\$730,000 (2017: HK\$580,000).

29. RELATED PARTY TRANSACTIONS

Apart from details of the balances with related parties disclosed in the consolidated statement of financial position and other details disclosed elsewhere in the consolidated financial statements, the Group also entered into the following significant transactions with related parties during the year:

Name of related party	Nature of transactions	2018 HK\$'000	2017 HK\$'000
EFT Payments (Asia) Limited	Sourcing of EFT-POS terminals and peripheral devices	7,579	3,661
	Provision of EFT-POS system support services	1,938	795
	Management fee income received	20	60
	Rental income received	21	47
	Disposal of fixed asset	57	–
Mr. Lo	Interest income received	–	19
	Rental expense paid	972	972
Ms. Lam	Rental expense paid	324	324
Mr. Lo Chun Wa (Note a)	Rental expense paid	180	180
Guangzhou EFTPay Limited (Note b)	Provision of EFT-POS system support services	1	–
Hung Wai (Note c)	Purchasing cost of peripheral devices	329	–
Hung Wai Innovation Limited (Note c)	Purchasing cost of peripheral devices	744	–

Notes:

- (a) Mr. Lo Chun Wa is an executive Director of the Company and the brother of Mr. Lo.
- (b) Mr. Lo is the ultimate shareholder of Guangzhou EFTPay Limited.
- (c) Hung Wai of which Mr. Lo holds 25%, became related company of the Group since April 2017. Hung Wai Innovation Limited is the wholly-owned subsidiary of Hung Wai Electronics (Huizhou) Limited, which is owned by Hung Wai as to 92.12% of its shareholdings. Accordingly, it is also a related company of the Group.

Compensation of key management of personnel

Key management personnel include the Directors, and their compensation during the year is set out in Note 13.

30. EVENT AFTER THE REPORTING PERIOD

On 31 May 2018, the acquisition of 70% of the issued share capital of Earn World Development Limited at the consideration of HK\$210.0 million has been approved by the Shareholders in its extraordinary general meeting held on 31 May 2018. All the term and conditions for completion of the acquisition have been fulfilled and the acquisition was completed on 31 May 2018.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

31. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries as at 31 March 2018 and 2017 are as follows:

Name of subsidiaries	Place of incorporation	Place of operations	Particulars of issued share capital/registered capital		Proportion of ownership/interest and voting power held by the Company			Principal activities	
					Directly		Indirectly		
					2018	2017	2018		2017
Direct Assistance Limited	BVI	Hong Kong	100 ordinary share of US\$100	N/A	100%	N/A*	-	-	Investment holding
EFT Solutions International Limited	BVI	Hong Kong	1 ordinary share of US\$1	1 ordinary share of US\$1	100%	100%	-	-	Investment holding
Huge Wonder Limited	BVI	Hong Kong	50,000 ordinary share of US\$50,000	N/A	100%	N/A*	-	-	Inactive
Mass Zone Limited	BVI	Hong Kong	50,000 ordinary share of US\$50,000	N/A	100%	N/A*	-	-	Inactive
Rich Giant Group Limited	BVI	Hong Kong	50,000 ordinary share of US\$50,000	N/A	100%	N/A*	-	-	Inactive
Success Creation Limited	BVI	Hong Kong	100 ordinary share of US\$100	N/A	100%	N/A*	-	-	Investment holding
EFT Solutions Limited	Hong Kong	Hong Kong	100 ordinary shares of HK\$100	100 ordinary shares of HK\$100	-	-	100%	100%	Sourcing of EFT-POS terminals and peripheral devices, and provision of EFT-POS system support services and software solution services
俊盟信息科技(廣州)有限公司	The People's Republic of China	The People's Republic of China	HK\$500,000 registered capital	N/A	-	-	100%	N/A*	Sourcing of EFT-POS terminals and peripheral devices, and provision of EFT-POS system support services and software solution services

* The subsidiary was incorporated during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2018

32. INFORMATION ABOUT FINANCIAL POSITION OF THE COMPANY

Information about the consolidated statement of financial position of the Company at the end of the reporting period includes:

	2018 HK\$'000	2017 HK\$'000
Non-current assets		
Investment in subsidiaries	17,255	10,228
Investment deposit	8,000	–
	25,255	10,228
Current assets		
Other receivables	274	269
Amount due from a subsidiary	26,135	–
Bank balances and cash	3,482	41,881
	29,891	42,150
Current liabilities		
Accruals	65	1,770
Amount due to subsidiaries	1,175	1,497
	1,240	3,267
Net current assets	28,651	38,883
Net assets	53,906	49,111
Capital and reserves		
Share capital	4,800	4,800
Reserves (<i>Note</i>)	49,106	44,311
Total equity	53,906	49,111

Note: Movement in reserves

	Share premium HK\$'000	Share options reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 26 May 2016 (date of incorporation)	–	–	–	–
Loss and total comprehensive expense for the period	–	–	(9,234)	(9,234)
Issue of shares	63,028	–	–	63,028
Transaction costs attributable to issue of shares	(5,643)	–	–	(5,643)
Capitalisation issue	(3,840)	–	–	(3,840)
As at 31 March 2017	53,545	–	(9,234)	44,311
Loss and total comprehensive expense for the year	–	–	(1,056)	(1,056)
Equity-settled share-based payment transactions	–	9,585	–	9,585
Forfeiture of share options	–	(3,734)	–	(3,734)
As at 31 March 2018	53,545	5,851	(10,290)	49,106

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last four financial years, as extracted from the Company's audited consolidated financial statements and the prospectus dated 5 December 2016, is set out below:

RESULTS

	2018 HK\$'000	Year ended 31 March		
		2017 HK\$'000	2016 HK\$'000	2015 HK\$'000
Revenue	94,148	53,282	45,986	35,208
Profit before tax	27,391	1,134	16,126	11,557
Income tax expense	(5,693)	(2,429)	(2,828)	(1,883)
Profit (loss) for the year attributable to the Shareholders	21,698	(1,295)	13,298	9,674

ASSETS AND LIABILITIES

	2018 HK\$'000	As at 31 March		
		2017 HK\$'000	2016 HK\$'000	2015 HK\$'000
Total assets	110,835	63,818	25,905	25,531
Total liabilities	(24,771)	(5,711)	(14,620)	(12,444)
Net assets	86,064	58,107	11,285	13,087